



## *Minutes Certification*

### **ANNUAL ELECTORS MEETING**

MINUTES of the Annual Electors Meeting of the Shire of Coolgardie held on 12 January 2021, Commencing at 6.30pm were presented to Council and confirmed.

James Trail  
Chief Executive Officer

Malcolm Cullen  
Shire President

Shire President Signed

Date Signed

25/1/2022



**CONFIRMED**

**MINUTES**

**Annual Electors Meeting**

**12 January 2021**

**2020/2021**

**6:30pm**

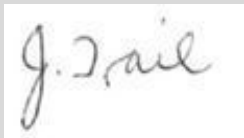
**Coolgardie**

**SHIRE OF COOLGARDIE**

**NOTICE OF ANNUAL ELECTORS MEETING**

Dear Elected Member

The next Annual Electors Meeting of the Shire of Coolgardie will be held on Tuesday 12 January 2021 Electronically commencing at 6:30pm.

A rectangular box containing a handwritten signature in black ink that reads "J. Trail".

**JAMES TRAIL**  
**CHIEF EXECUTIVE OFFICER**

**Order Of Business**

1 Declaration of Opening / Announcement of Visitors .....4

2 Record of Attendance / Apologies / Approved Leave of Absence.....4

3 Confirmation of Minutes of Previous Minutes .....5

    3.1 Minutes of the Annual Electors Meeting held on 28 January 2020 .....5

4 Reports of Officers .....6

    4.1 Executive Services .....6

        4.1.1 RECEIVING OF ANNUAL REPORT 2019 - 2020 .....6

5 Public Question Time ..... 112

6 Closure of Meeting..... 118

**MINUTES OF SHIRE OF COOLGARDIE  
ANNUAL ELECTORS MEETING  
HELD AT THE COUNCIL CHAMBERS, BAYLEY STREET, COOLGARDIE  
ON TUESDAY, 12 JANUARY 2021 AT 6:30PM**

**1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Shire President M Cullen declared the meeting open at 6:30pm and welcomed fellow Councillors, visitors and staff and thanked them for their attendance.

**2 RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE**

**PRESENT:**

Cr Malcolm Cullen (President), Cr Tracey Rathbone (Deputy President), Cr Sherryl Botting, Cr Tammee Keast, Cr Kathie Lindup

**IN ATTENDANCE:**

James Trail (Chief Executive Officer), Leanne Shilton (Coolgardie Place Manager)

**MEMBERS OF THE PUBLIC:**

Jan McLeod, Harry Buckingham, Rose Mitchell

**APOLOGIES**

Cr Eugen Winter

**LEAVE OF ABSENCE**

Nil

**3 CONFIRMATION OF MINUTES OF PREVIOUS MINUTES****3.1 MINUTES OF THE ANNUAL ELECTORS MEETING HELD ON 28 JANUARY 2020****OFFICER RECOMMENDATION**

That the minutes of the Annual Meeting of Electors of Council 28 January 2020 be confirmed as a true and accurate record.

**COUNCIL RESOLUTION #2/2021**

**Moved:** Cr Tammee Keast

**Seconded:** Cr Sherryl Botting

That the minutes of the Annual Meeting of Electors of Council 28 January 2020 be confirmed as a true and accurate record.

**In Favour:** Crs Malcolm Cullen, Tracey Rathbone, Sherryl Botting, Tammee Keast and Kathie Lindup

**Against:** Jan McLeod (Member of the public)

**CARRIED 5/1**

## 4 REPORTS OF OFFICERS

### 4.1 Executive Services

#### 4.1.1 RECEIVING OF ANNUAL REPORT 2019 - 2020

<b>Location:</b>	Nil
<b>Applicant:</b>	Nil
<b>Disclosure of Interest:</b>	Nil
<b>Date:</b>	6 January 2021
<b>Author:</b>	James Trail, Chief Executive Officer

### SUMMARY

That the Annual Report for the Shire of Coolgardie for the period ending 30 June 2020 be endorsed

### BACKGROUND

Annual Reports provide an overview of the operations, activities and major projects undertaken by the Shire for the period.

The report includes major initiatives that are proposed to commence or to continue in the next financial year. The performance of the Council is assessed against the Vision, Objectives and Strategies.

### COMMENT

The Annual Report provides an overview of the Shire's operations and compliance with policy and legislation as required by the Local Government Act 1995 and associated regulations.

The Annual Financial Report is included in the Annual Report and it is noted the following matter to be reported in accordance with Reg 10(3) of the Local Government (Audit) Regulations 1996:

There is a significant adverse trend in the financial position of the Shire as the Operating Surplus Ratio has been below the industry benchmark for the past 3 years.

The primary tool set by the Department of Local Government and Communities for the measurement of the performance of each local government are the financial ratios. These have been presented for many years and demonstrate that there is a need for either an increase in revenue or reduction of operating expenditure.

Financial ratios are numerical representations of the organisation's performance. The ratios referred to are set for all local governments in Western Australia and are calculated as follows;

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

The results for these ratios are shown in the following table.

Ratio	Standard	2020	2019	2018	2017
Current Ratio	>= 1.00	1.01	2.48	3.21	2.06
Asset Consumption	>= 0.75	0.95	0.97	0.75	0.97
Asset Renewal	>= 1.05	1.10	1.11	N/A	N/A
Asset Sustainability	>= 1.10	1.51	0.80	0.27	0.39
Debt Service Cover	>= 2.00	0.66	11.76	3.84	5.21
Operating Surplus	>= 0.15	(0.40)	(0.32)	(0.42)	(0.35)
Own Source Revenue Coverage	>= 0.90	0.62	0.65	0.61	0.62

## COMMENT ON RATIOS

### Current Ratio

The current ratio is a liquidity ratio that measures whether the Shire has enough resources to meet its short-term obligations. If current liabilities exceed current assets the current ratio will be less than 1 and is an early indicator that the Shire may have problems meeting its short-term obligations.

There has been a significant reduction in this ratio for 2019/20. The ratio remains just above the standard. The reduction in the ratio from 2018/19 is due to a significant reduction in cash and cash equivalents, increased operating expenditure due to COVID-19 and provision for remediation on the Kambalda Tip Site

The net decrease in net cash for the 2019/20 Financial year was significant at \$5.5 million. This was a direct result of:

- Loan funding of \$2.697 million being used in 2019/20 for the Kambalda Aquatic Facility



- Reduction in net cash provided for operating activities of \$1.1 million. This was due to an increase in operating expenditure in material and contracts. This increase in expenditure was on road, parks, verges and drainage maintenance and operational costs associated with COVID-19. This was estimated at \$337,730.
- A reduction in reserve funds of \$1.46 million. \$497,000 of reserve funds was allocated to the Kambalda Swimming Pool

The increase in current liabilities is a direct result of;

- Provision for the remediation of the Kambalda Tip Site of \$450,000

### **Asset Sustainability Ratio**

The Asset Sustainability ratio expresses capital expenditure on renewal and replacement of existing assets as a percentage of depreciation costs. This ratio is used to identify any potential decline or improvement in asset conditions. A percentage of less than 100% on an ongoing basis indicates assets may be deteriorating at a greater rate than spending on renewal or replacement.

The significant increase in this ratio is a direct result of the renewal expenditure on the Kambalda Aquatic Facility. Sustaining the ratio at this level or improvement to this ratio will assist the Shire maintain its asset base at the right level into the future.

### **Asset Renewal Funding Ratio**

This ratio indicates whether Shire's planned capital renewal expenditure over the next 10 years as per its Long Term Financial Plan (LTFP) is sufficient to meet the required capital renewal expenditure over the next 10 years as per its Asset Management Plans (AMPs).

The ratio for 2019/20 is 1.10. This is consistent with the 2018/19 financial year.

### **Operating Surplus Ratio**

The Operating Surplus Ratio represents the percentage by which the operating surplus (or deficit) differs from the Shire's own source revenue which includes rates.

This ratio has increased from (0.32) in 2018/19 to (0.40) in 2019/20. The negative impact in the ratio is directly due to both;

- Increased operating expenditure in materials and contracts and employee costs due to COVID-19 and;
- Reduction in operating revenue fees and charges and rate revenue due to COVID-19. The significance of a zero increase in the rate in the \$ impacts directly on the Shire's own source revenue.

In the Independent Auditor's Report from the Office Auditor General the following comment was made;

In accordance with the Local Government (Audit) Regulations 1996 I report that:

(i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:

- a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the past 3 years. The financial ratios are reported at Note 33 to the financial report.

Operating Revenue minus operating expenditure divided by own source revenue is the measure for the Operating Surplus Ratio. For 2019/20 the difference between operating revenue and operating expenditure was (\$3,705,156) an increase of \$867,317. Consequently, there was a reduction in the ratio from (0.32) to (0.40). In order to meet the standard and improve the ratio Council needs to continue to have the following strategic conversation with the community;

1. Increase revenue generated from non - rating sources such as Kambalda airstrip, Shire Landfill facilities and commercial activities
2. Increase rates revenue through rating of mining infrastructure
3. Reduce levels of service on all operating activities

Council and management will continue to explore areas to help improve the operating position of the Shire. However this will not significantly improve the operating surplus ratio without the Council having a strategic conversation as suggested above.

The year ended 30 June 2019 saw the Shire's operating result in a net operating surplus of \$5,382,766.

**CONSULTATION**

Council

Staff

Moore Stephens Chartered Accountants

**STATUTORY ENVIRONMENT**

Local Government Act 1995

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Nil

**STRATEGIC IMPLICATIONS****Accountable and effective leaders**

Advocating for services that support our community needs

Demonstrating sound financial management and plans for the Shire's long term financial sustainability

Demonstrating that decisions are developed through inclusive community engagement

Developing strategic partnerships with regional, State and Federal governments

Developing strong partnerships with stakeholders for the benefit of our community

Ensuring a well-informed Council makes good decisions for the community

Ensuring the Shire of Coolgardie is well positioned to meet future needs

High quality corporate governance, accountability and compliance

Maintain integrated strategic and operational plans

**ATTACHMENTS**

1. Annual Report 2019 -2020

**VOTING REQUIREMENT**

Absolute Majority

**ANNUAL ELECTORS RESOLUTION AND OFFICER RECOMMENDATION**

That the Annual Report for the Shire of Coolgardie for the period ending 30 June 2020 be endorsed.

**COUNCIL RESOLUTION #3/2021**

Moved: Cr Kathie Lindup

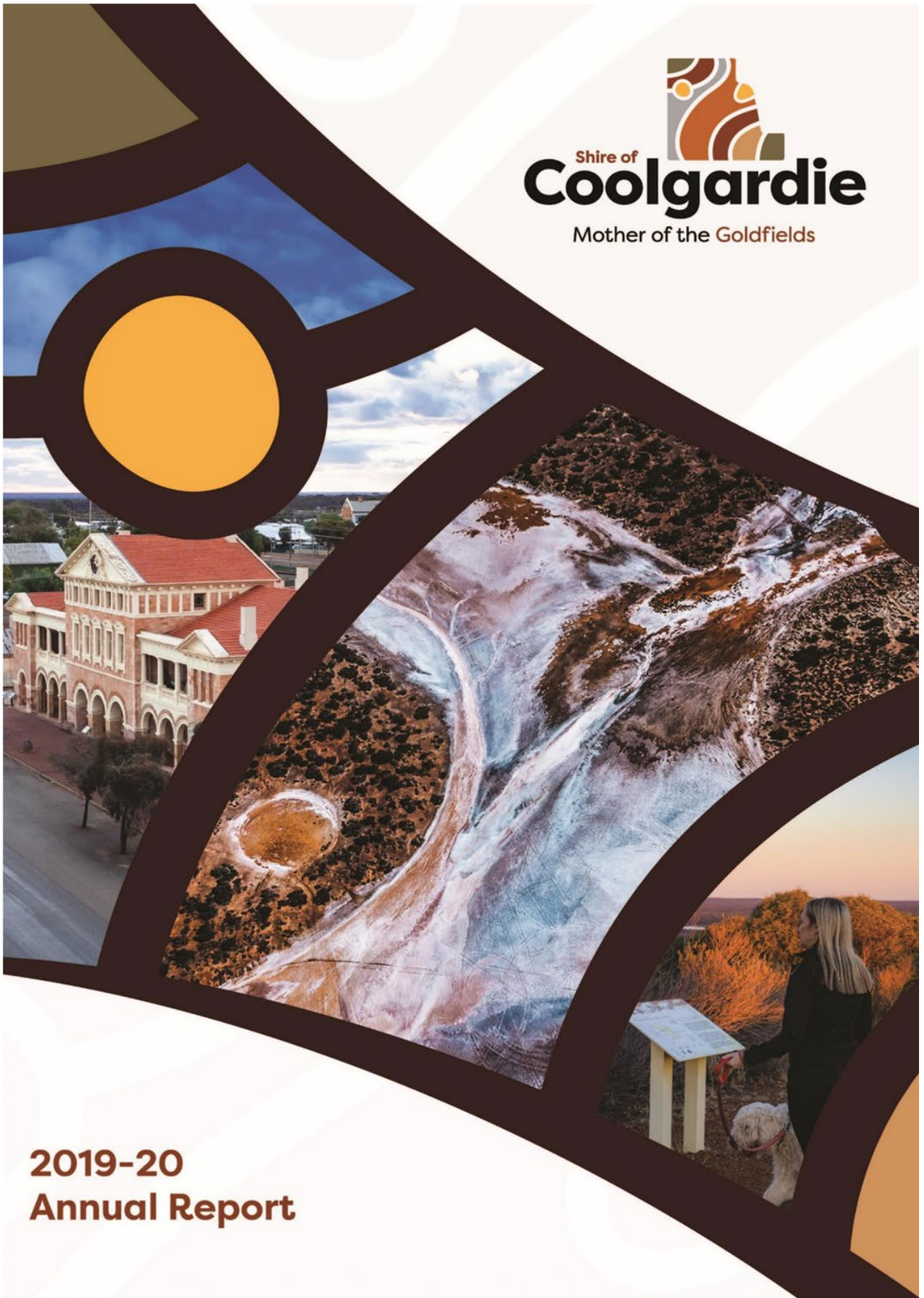
Seconded: Cr Tammee Keast

That the Annual Report for the Shire of Coolgardie for the period ending 30 June 2020 be endorsed.

In Favour: Crs Malcolm Cullen, Tracey Rathbone, Sherryl Botting, Tammee Keast and Kathie Lindup

Against: Nil

CARRIED BY ABSOLUTE MAJORITY 5/0



**2019-20**  
**Annual Report**

### SHIRE OF COOLGARDIE - PROFILE

The Shire of Coolgardie, known as the 'Mother of the Goldfields', encompasses an area of 30,400 km<sup>2</sup> and includes the towns of Coolgardie, Kambalda, Widgiemooltha and the Aboriginal community of Kurrawang.

Celebrated for the gold and nickel discoveries in Coolgardie and Kambalda, the Shire continues to thrive with a multitude of mining and processing companies operating in the area. These companies are at the forefront of mining innovation and offer fantastic career opportunities.

The Shire is the largest producer of minerals in the region with gold and nickel mining operations supporting globally significant regional exports.

Over 3,600 people live in the Shire and enjoy a relaxed lifestyle, quality recreational facilities and a stunning natural environment.

## CONTENTS

Shire President's Report.....	5
CEO's Report .....	8
President and Councillors.....	10
Management Team.....	11
Introduction.....	17
Setting Our Direction .....	17
Accountable and Effective Leaders .....	19
An Inclusive, Safe and Vibrant Community.....	21
COMMUNITY RESOURCE CENTRE'S .....	21
LIBRARIES.....	22
COMMUNITY EVENTS .....	22
RECREATION FACILITIES .....	23
CASHLESS DEBIT CARD.....	24
AQUATIC FACILITIES.....	25
A Thriving Local Economy .....	26
ECONOMIC DEVELOPMENT – LOOKING TO THE FUTURE .....	26
GRANT/SPONSORSHIP FUNDING SECURED – 2019/20 - \$358,600 .....	28
MEDIA AND COMMUNICATIONS .....	28
PARTNERSHIPS ESTABLISHED .....	29
COMMUNITY DEVELOPMENT PROGRAMS.....	30
Effective management of infrastructure, heritage and environment.....	32
REGULATORY SERVICES.....	32
WASTE SERVICES.....	32
PLANNING .....	34
ROAD WORKS.....	34
CAPITAL WORKS EXPENDITURE.....	35
The Financial Year in Summary.....	35
OPERATING SURPLUS.....	35
REVENUE .....	35
EXPENDITURE .....	36
CAPITAL WORKS PROJECTS .....	38
RESERVE FUNDS .....	38

LOAN LIABILITY ..... 39  
FINANCIAL RATIOS..... 39  
CURRENT RATIO ..... 39  
ASSET SUSTAINABILITY RATIO ..... 39  
DEBT SERVICE COVER RATIO..... 40  
OPERATING SURPLUS RATIO..... 40  
ASSET RENEWAL FUNDING RATIO ..... 41  
ANNUAL AUDIT ..... 41

## **SHIRE PRESIDENT'S REPORT**

I am pleased to present the Shire of Coolgardie Annual Report for 2019/20.

The unprecedented COVID-19 pandemic threw Shire business-as-usual into turmoil in the last four months of the financial year. This pandemic crisis came on the back of an extreme bush fire season which consumed significant staff time and resources.

The Shire of Coolgardie, like many Councils, fatigued by disaster and recovery, and with limited funds, found themselves in the middle of another storm as they were forced to withdraw services, close facilities and stand down staff as a direct response to escalating COVID-19 protocols. Once the social distancing protocols were announced by the WA State Government, Councils had no choice but to act on their occupational health and safety obligations to ensure staff and community safety.

The Shire of Coolgardie (SOC) Pandemic Action Plan was developed and implemented on 17 March 2020.

The Shire immediately had to focus on "Survival" doing all things necessary to protect lives in the community by implementing social distancing and lockdown measures which included:

- Cancellation/postponement of events and gatherings – including sporting activity at all levels;
- Withdrawal of non-essential services – including library services; and
- Closure of facilities – including recreation/community centres.

The Shire then had to quickly focus on "Support" – assisting the community, particularly the vulnerable (frail, aged and aboriginal communities) with self-isolation and quarantine, providing all the things they needed to get through the self-isolation/quarantine and lockdown phase including:

- access to meals;
- telephone wellness checks; and
- development of COVID-19 portal to provide access to virtual services, events and information.

An important factor and priority was the adoption of supportive policies to assist with staff retention and redeployment during the pandemic. The CEO quickly identified that stand downs, or redundancies among staff would lead to them (and their family) leaving the district and would make "gearing" back up post COVID - 19 difficult with the need to source skillsets lost to the Shire as a result. In the meantime the Shire continued to maintain essential services such as rubbish services, street cleaning, road maintenance and administration.

Accordingly, the CEO attached great priority to engaging with staff and providing a supportive framework, including flexibility with leave entitlements to reassure them, wherever possible.

The cost to the Shire of dealing with Covid-19 as at 30<sup>th</sup> June 2020 was estimated at \$712,400 – in excess of 9% of the Shire's rates revenue.

Even with the unprecedented impact of the COVID-19 pandemic, the Shire's managed to end the financial year with an operating surplus of \$761,644. As at June 30, 2020 the Shire's outstanding principle on loan liability is at \$2.9 million down from \$3.5 million as at 30<sup>th</sup> June 2019.



Our reserve fund account sits with a balance of \$1.8 million invested in restricted bank accounts. The Shire invested \$1.46 million reserve funds into infrastructure assets during 2019/20. The capital expenditure was \$8.46 million in 2019/20 an increase of \$3.91 million from the previous year.

The impact of COVID-19 was significant on the Shire's resources. The Shire spent \$712,400 keeping staff engaged and meeting the daily operational

The annual audit was successfully completed for the 2019/20 financial year and council will continue to implement and recommended changes raised by the auditors that will improve the Shire's level of Governance, compliance and improve the financial position of the organisation.

### **The Year's Highlights**

- Work on the renewal of Durkin Road and Coolgardie North Road totalling \$757,140
- The footpath upgrade program for this financial year was completed in both Coolgardie and Kambalda
- The provision of medical services to the value of \$242,000 after the signing of an MOU with St Johns in 2018/19
- The completion of the renewal of the Kambalda Aquatic Facility for in excess of \$4.2 million was a true highlight for the year. The state of the art facility with a new heated learn to swim pool and the retention of the 50 metre pool is something for the whole community to be proud of.
- After seven years of planning the opening of the Coolgardie Road Train Assembly Park was also a major highlight. The usage of the \$1.47 million transit park continues to grow often with 10 or 11 trucks and trailers parked overnight. The Shire is looking forward to providing shower and toilet facilities during the 2020/21 financial year.
- The year was a significant one for the renewal of plant and equipment. Four utility's and 2 passenger vehicles were changed over.
- After a wait of over 2 years miscellaneous building works were completed in Coolgardie on buildings significantly impacted by the storms. After the insurance company finally agreed to the building works of \$508,000.
- The construction of the transfer station at the Kambalda Landfill was also completed. This will allow the Shire to now concentrate on the rehabilitation of the Kambalda Landfill and focus on the redevelopment of the Coolgardie Landfill in 2020/21.
- Volunteer Ambulance and Fire fighters continued to keep our community safe throughout the year with significant volunteer hours and effort dedicated during the bushfire season.
- the Federal Government's trial of the cashless debit card was extended, after significant lobbying by the Shire, to Dec 2020.

The Shire will focus on facilitating local/regional "Recovery" by adopting a 20/21 Budget with the single purpose of stimulating local economic development through:

- adopting shovel ready projects for State/Federal Government funding;
- progressing Council's capital works and major projects; and
- assisting/supporting the community with job creation initiatives.

The Shire's agenda priorities, post COVID-19, will consist of the following elements:

- Ensure staff remain safe, healthy and employed;
- Manage the Shire's Cashflow;
- Develop an Economic Stimulus Strategy;
- Develop shovel ready projects for funding opportunities such as;

- Coolgardie Landfill Upgrade
- R & D Facility
- Bayley Street Enhancement
- Cave Hill Road
- Coolgardie North Road
- Coolgardie Micro Grid
- Rating of Mining Infrastructure.

The Shire will adopt a range of projects/activity to stimulate the local economy. In addition, it will develop shovel ready projects for when suitable funding becomes available.

I would thank my fellow Councillors, CEO, the staff, and dedicated service providers for their efforts and commitment to the Shire throughout a year unprecedented in the history of the Shire.



**Malcolm Cullen**  
Shire President

## CEO'S REPORT

The last four months of the 2019/20 financial year has been something never experienced in Local Government. It was unprecedented due to the COVID-19 Pandemic. The financial impact on the Local Government industry was extreme. The most important and significant factor for me as the Chief Executive Officer became the retention, health and wellbeing of the staff, contractors and the broader community whilst the Shire continued to service the needs of the community during rapidly evolving pandemic events.

The Shire of Coolgardie (SOC) Pandemic Action Plan was developed and implemented on the 17<sup>th</sup> March 2020. This included the implementation of a community information campaign detailing:

- reopening of facilities and return of services and programs/activities;
- steps the Shire will take to ensure all community members using services and participating in various programs/activities will be safe;
- preventative measures in place to prevent the spread of infection; and
- continued use of online services.

The cost to the Shire of dealing with Covid-19 as at 30th June 2020 was estimated at \$712,400 – in excess of 9% of the Shire's rates revenue.

The 2019/20 financial year has seen the final year of the service level review implemented. This certainly assisted to enable the Shire to end the year with an operating surplus of \$761,644. This represented a significant reduction from the previous years' surplus of \$5,382,766. This reduction was attributable to the utilisation of previously unspent loans for the Kambalda Swimming Pool (\$2,697,101) and a reduction in unrestricted cash of \$1,306,085 used to fund operations and capital projects. Total revenue for the period was \$14,332,147 with total operating expenditure of \$15,199,228.

The Shire finished the financial year with cash and cash equivalents of \$2,554,442. Unrestricted cash amounted to \$636,396. Restricted cash and cash equivalents totalled \$1,918,046 consisting of \$1,804,223 cash backed reserves.

The Shire continued to increase expenditure on its rural road network, streets and verges with maintenance expenditure of \$1,185,928 in 2019/2020 compared to \$947,562 in 2018/2019. Over the last three years this is an increase of 106%.

The financial year 2019/20 also saw the Shire utilise loan funding of \$2,697,101 for the refurbishment of the Kambalda Aquatic Facility.

Rate collection for the 2019/20 financial year saw a continued improvement in the % of rates collected for the year. Rates collection for 2017/18 was 77% , 2018/19 increasing to 96% with 2019/20 being 98.8%. It is a credit to the internal and external rates officer for this significant improvement. This has had an extremely positive impact on Shire cash flow.

The year ended 30 June 2020 saw the Shire's operating result in a net operating surplus of \$761,644 – see Note 25 (b) of the Annual Financial Report. Net Cash from operating activities at year ended 30<sup>th</sup> June 2020 was \$790,062 – see Note 19 of the Annual Financial Report. This was a decrease of \$1,070,948 from the year ended 30<sup>th</sup> June 2019. This was a direct result of costs associated with COVID-19 and the extreme bushfire season.

The Operating Surplus Ratio represents the percentage by which the operating surplus (or deficit) differs from the Shire's own source revenue which includes rates.

This ratio has increased from (0.32) in 2018/19 to (0.40) in 2019/20. The negative impact in the ratio is directly due to both;

- Increased operating expenditure in materials and contracts and employee costs due to COVID-19 and;
- Reduction in operating revenue fees and charges and rate revenue due to COVID-19. The significance of a zero increase in the rate in the \$ impacts directly on the Shire's own source revenue.

Operating Revenue minus operating expenditure divided by own source revenue is the measure for the Operating Surplus Ratio. For 2019/20 the difference between operating revenue and operating expenditure was (\$3,705,156) an increase of \$867,317. Consequently, there was a reduction in the ratio from (0.32) to (0.40). In order to meet the standard and improve the ratio Council needs to continue to have the following strategic conversation with the community;

1. Increase revenue generated from non - rating sources such as Kambalda airstrip, Shire Landfill facilities and commercial activities
2. Increase rates revenue through rating of mining infrastructure
3. Reduce levels of service on all operating activities

I would like to acknowledge the commitment from all Shire staff and thank them for their continued support during a period of great change and uncertainty over the past four months. They embraced the need for the Shire to review the way we do business and consequently a number of changes had to be made and implemented.

More than ever it became a time for Systems Thinking – a holistic approach to how everything is connected together. Nothing will be more important coming out of this situation than for us to ensure financial sustainability and flexibility and the ability to develop good strategy and decide actions rapidly where it matters most.

A special thank you also to the Council who continue to govern the Shire with the community's interest always at the forefront of their decision making.



**James Trail**  
Chief Executive Officer

**PRESIDENT AND COUNCILLORS**

Each Shire of Coolgardie elected member represents the whole of the municipality.

**Back Row (left to right)**

Cr Norm Karafilis	Term ends 2021	Mobile 0429 795 139
Cr Sherryl Botting	Term ends 2021	Mobile: 0438 133 217
Cr Tammee Keast	Term ends 2023	Mobile: 0467 980 847
Cr Eugen Winter JP	Term ends 2021	Mobile: 0439 815 539

**Front Row (left to right)**

Deputy President Cr Tracey Rathbone	Term ends 2023	Mobile: 0459 999 296
Shire President Cr Malcolm Cullen	Term ends 2021	Mobile: 0417 266 191
Cr Kathie Lindup	Term ends 2023	Mobile: 0402 819 468

## MANAGEMENT TEAM



### **James Trail**

Chief Executive Officer

Responsible for:

- Financial Oversight
- Governance and Compliance
- Regulatory services



### **Mia Hicks**

Director of Economic and Community Development

Responsible for:

- Economic Development
- Community Development
- Community Assistance Funding
- Large Scale Community Events and Activities
- Stakeholder and Partnership Development



### **Robert Hicks**

Director of Operations

Responsible for:

- Technical Services
- Financial Services
- Ranger Services
- Recreation, Museum and Visitor Centre's
- Community Resource Centre's and libraries
- Cashless Debit Card
- Community Events and Activities
- Disability Access and Inclusion



**Rebecca Horan**

Manager - Executive Services

Responsible for:

- Human Resources
- Occupational Health and Safety
- Risk Management
- Payroll



**Rod Franklin**

Commercial Manager

Responsible for:

- Waste and Sewerage Facilities
- Building Infrastructure Maintenance

# Community Events





# Community Events



# Key Facts

The Shire of Coolgardie, known as the 'Mother of the Goldfields', includes the towns of Coolgardie, Kambalda, Widgiemooltha and the Aboriginal community of Kurrawang.

Area  
**30,400 km<sup>2</sup>**

Population  
**3,610**

Median Age  
**33 years**  
*(Source ABS 2016 Census Report)*

Length of Roads  
**1,279 km of roads**

Area of Parks and Ovals  
**14ha**

Towns  
**Coolgardie**  
**Kambalda**  
**Widgiemooltha**  
**Kurrawang**

Number of Dwellings  
**1,745**

Number of Electors  
**1,723**

Number of Council  
Employees  
**51 (FTE)**

Number of Elected Members  
**Shire President and  
six (6) Councillors**

Distance from Perth City  
**550km**

Distance to  
Esperance-Port  
**336km**

• PERTH

# Strategic Community Plan 2018-2028



THE SHIRE OF COOLGARDIE'S COMMUNITY VISION

## A connected, progressive and welcoming community

The Community Strategic Plan was endorsed by Council in 2018 and reflects the aspirations and goals of the community and guides the services, activities, and infrastructure investment delivered by the Shire of Coolgardie.

*Aspiration*  
**ACCOUNTABLE AND EFFECTIVE LEADERS**

- Goals -
- Engagement and consultation
  - Transparent, accountable and effective governance
  - Advocate for the community

*Aspiration*  
**AN INCLUSIVE, SAFE AND VIBRANT COMMUNITY**

- Goals -
- Build a sense of place and belonging
  - A safe and healthy Community
  - Celebrate our culturally diverse community

*Aspiration*  
**A THRIVING LOCAL ECONOMY**

- Goals -
- Build economic capacity
  - Facilitate local business development and retention
  - Provide support for traineeship development

*Aspiration*  
**EFFECTIVE MANAGEMENT OF INFRASTRUCTURE, HERITAGE AND ENVIRONMENT**

- Goals -
- Value local culture and heritage
  - Sustainable management of resources
  - Enhance our build environment

## **INTRODUCTION**

The Annual Report 2019/20 provides the community with an overview of the highlights from the year and details the progress being made against the Shire of Coolgardie's Strategic Community Plan 2018 – 2028.

This year, the Shire of Coolgardie achieved a responsible budget by -

- Implementing second year of service level review
- Keeping fees and charges low
- Streamlining administration by reducing salaries
- Engaging experienced finance, planning, plant/ fleet and road consultants on an as needed basis

### **WHERE TO FIND THIS REPORT**

Hard copies of the report can be obtained at the Kambalda Community Recreation Facility and Coolgardie Community Recreation Centre or on-line at [www.coolgardie.wa.gov.au](http://www.coolgardie.wa.gov.au) or by emailing [mail@coolgardie.wa.gov.au](mailto:mail@coolgardie.wa.gov.au).

## **SETTING OUR DIRECTION**

### **INTEGRATED PLANNING**

The Shire of Coolgardie's Strategic Directions Plan underpins all future planning and development and current undertakings for the next 10 years and is designed to ensure that all Shire operations are directed toward achieving the identified outcomes.

### **THE COMMUNITY STRATEGIC PLAN**

Community Strategic Plans outline the community's long-term vision, goals and strategies to 2028. In 2010, the Department of Local Government and Communities introduced the Integrated Planning and Reporting Framework and Guidelines for all Western Australian local governments. The framework integrates community priorities, as articulated in the Community Strategic Plan, with other local government plans, information, and resourcing capabilities.

The Local Government's Integrated Planning and Reporting Standard directs that all local governments undertake a Desktop Review of their Community Strategic Plans biannually and a complete review including community engagement activities every four years. As the Shire of Coolgardie's community trends and priorities evolve, stakeholders will be invited to revise and update the Plan.

The Shire of Coolgardie's Measures of Success for 2018 to 2028 are;

### **ACCOUNTABLE AND EFFECTIVE LEADERS**

- Biennial Community Satisfaction Survey
- Delivery of an efficiency dividend
- Adherence to compliance calendar and statutory requirements
- Current ratio meets required standard
- Operating surplus ratio meets required standard
- Number of partnerships established

**AN INCLUSIVE, SAFE AND VIBRANT COMMUNITY**

- Biennial Community Satisfaction Survey
- Community Chest Fund

**A THRIVING LOCAL ECONOMY**

- Value of Gross Domestic Product
- Value of Mining and Industry Rates
- Biennial Community Satisfaction Survey
- Number of businesses in Shire
- Number of education and industry partnerships supporting trainees and youth

**EFFECTIVE MANAGEMENT OF INFRASTRUCTURE, HERITAGE AND ENVIRONMENT**

- Biennial Community Satisfaction Survey
- Cultural and historical activities delivered
- Visitors to the Shire
- Number of re-use water initiatives
- Compliance with license conditions
- Asset renewal funding ratio meets required standard
- Asset sustainability ratio meets required standard
- Asset consumption ratio meets required standard
- Number of planning approvals
- Adherence to local planning scheme and strategy

## **ACCOUNTABLE AND EFFECTIVE LEADERS**

### **THE CORPORATE BUSINESS PLAN**

The purpose of the Plan is to demonstrate the operational capacity of the Shire to achieve its aspiration outcomes and objectives over the medium-term. The Plan is reviewed annually and reported against quarterly.

The Shire undertook a comprehensive review in 2019/2020 of the Corporate Plan which was adopted by Council during the year.

### **COMMUNITY ASSISTANCE FUND**

The Community Assistance Fund (CAF) is offered to assist community groups and clubs who provide valuable community, cultural, environmental, sporting and recreational services and activities. The funding allows Council to support not for profit local community organisations to hold events, improve or repair infrastructure, and undertake activities that assist with community capacity building, and community liveability.

The provision of approximately \$15,000 of grants to community groups and service providers, assisted with the delivery of programs that benefited the community and helped them achieve their goals. This year, CAF funding was provided to several local community groups including Kambalda Primary School's P&F, Coolgardie and Kambalda Men's Sheds.

Significant in-kind contributions were also provided through the provision of the community bus to enable local groups to travel to participate in several events throughout Western Australia to represent the community.

Funding was also provided to community events such as the Seniors Christmas Lunch, Coolgardie Day, the Kambalda Christmas Tree, Australia Day, and other community events.

### **POLICIES, PROCESSES AND PROCEDURES**

All staff undertake regular professional development appropriate to their roles. The Shire has adopted a zero tolerance to drugs and alcohol with regular random drug and alcohol testing.

Over the past three years, the Shire has also introduced a centralised records management system which ensures that all incoming correspondence is registered and responded to.

### **CODE OF CONDUCT**

Councillors, Committee and Working Group Members and Employees Section 5.103 of the Local Government Act 1995 requires every Local Government to prepare and adopt a Code of Conduct (the Code) to be observed by all Council members, committee members and employees.

The Code provides Council Members, Committee and Working Group Members and Employees with consistent guidelines for an acceptable standard of professional conduct. The Code addresses in a concise manner the broader issue of ethical responsibility and encourages greater transparency and accountability.

### **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, as at 30 June 2020, the Shire did not receive any FOI applications.

**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 2020, there were no complaints registered.

**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. A further review of the Record Keeping Plan commenced in 2018/2019 and was completed in this financial year.

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

- Proper and Adequate Records
- Policies and Procedures
- Language Control
- Preservation
- Retention and Disposal
- Compliance

**DISABILITY ACCESS AND INCLUSION PLAN**

The Disability Service Act ensures that people with disabilities have the same opportunities as other members of the community. The Plan is currently being reviewed to ensure appropriate access and inclusion throughout the Shire for people with disabilities.

**PAYMENT TO EMPLOYEES**

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. The following information is at 30 June 2020.

**Report on Employees Remuneration**

<b>Salary Range</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
\$10,000 - \$110,000	47	45	41	45	53
\$110,000 - \$140,000	3	3	3	1	1
\$140,000 and above	1	1	1	3	4

**Report on Employee Numbers**

<b>Salary Range</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
The number of full-time equivalent employees at balance date	51	49	45	49	58

## **AN INCLUSIVE, SAFE AND VIBRANT COMMUNITY**

### **COMMUNITY RESOURCE CENTRE'S**

The Coolgardie and Kambalda Community Resource Centre's (CRC's) are funded through the Shire of Coolgardie and the Department of Primary Industries and Regional Development. The CRCs provide a wide array of information and community-based services, workshops and activities to residents, businesses, and visitors.

Government information is provided through self-service computer access to all residents and visitors. Assistance is also available to community members, including not-for-profit groups through the Association Support program for scanning, copying, meeting rooms, access to computers and free Wi-Fi.

### **2019/20 HIGHLIGHTS**

#### ***Kambalda***

- Our local businesses were invited to free business workshop with the Kalgoorlie Boulder Chamber of Commerce and Australian Taxation Office to provide specific business taxation information and to answer important one on one business taxation questions.
- We hosted a successful business over coffee event that provided over 12 local businesses the opportunity to discuss what their business offers, what they would like to see in the community and how the Kambalda Community Resource Centre can provide support. There has been ongoing communication from the event.
- This year the Kambalda community resources center joined with the Kambalda Playgroup to host a cleanup Australia day in Kambalda west. The activity was supported by 30 people who tidied up the bush area which is well used by many children that walk to school.
- Sci-tech visited in October for Children's week where they created a celebrate-play-discover event for nearly 100 locals. Children learnt problem solving skills, how to create sustainability in their own backyards, virtual reality an many exciting interactive learning activities.
- The bi-monthly PINGO continues to be ever popular with a theme for the event always attracting a crowd.

#### ***Coolgardie***

There was wide range of activities delivered to our Coolgardie community that focused on connection, collaboration, and creativity for all ages. Despite the challenges and closures that we experienced due to the Covid-19 Pandemic and the insurance building repairs completed (from the 2018 storms) Our centre was closed for three months from March 2020 and re-opened at the end of June 2020.

- Barefoot Bands delivered a range of School and Community music and song writing workshops, studio recordings for local artists of all skill levels as well as community engagement activities at the Coolgardie Railway Station, Coolgardie CRC, Coolgardie Park and the Coolgardie Skate Park.
- The Coolgardie Police delivered five fun themed discos where we welcomed many superheroes, jungle animals, spooky Halloween characters, Christmas fun and bouncy easter excitement.
- Our bi-monthly PINGO was very popular with our attendees dressing up for the occasion. The Halloween and Christmas Pingo were filled with lots of fun, humour and creative outfits on the night.



- The Coolgardie local businesses received one on one support with onsite visits with KBCCI to assist with Website design, business and financial plans and general support.
- Coolgardie hosted 60 stranded Road Train Drivers with the Coolgardie to Esperance road being closed due to December 2019 bush Fires. The Coolgardie community came together to welcome and accommodate the travelers.

**CRC Activities Attendees:** 1,680

#### LIBRARIES

The Shire libraries in Coolgardie and Kambalda offer a range of resources for all ages and abilities in the community. This includes inter-library loans, where we work with other libraries across the state to provide requested books to residents.

Story Time is offered to the youngest members of the community on a weekly basis with themed events throughout the year. The "Better Beginnings" program is offered to parents of newborns to primary school children in both communities.

Our annual book week event was hosted at Halloween and included playgroup, One Tree Day care and the west Kambalda primary school students dress up as their favourite character to enjoy an entertaining Storytime, crafts and spooky morning tea.

"Reading is my Superpower" was the theme for Book Week in August 2019. School Children attended a very special story time session dressed as their favourite hero's and enjoyed a healthy morning tea before going back to school in their energized magical learning outfits. Seniors are offered computer assistance from staff to help them become digitally connected which includes basic computer skills to web browsing. They also have access to the computerschool.net and other web-based programs which teach a variety of computer lessons.

Seniors are offered computer assistance from staff to help them become digitally connected which includes basic computer skills to web browsing. They also have access to the computerschool.net and other website based programs which teach a variety of computer lessons.

Job seekers are provided support through Work Link for the preparation of resumes and job application. Libraries provide a professional area for jobseekers to attend interviews. Access computers and video conferencing for inductions and interviews.

#### **Achievements**

- Early Literacy Activities – 36
- Early Literacy Participants – 425
- Better Beginning Books Provided – 70

#### COMMUNITY EVENTS

The annual senior Christmas function was held at the Kambalda Community Recreation Facility in late November, hosting 100 residents from the Shire of Coolgardie and the Dundas Shire.

Local community groups and businesses support this event with many donations contributed. This successful event provides great food, local entertainment including and a special social event to our senior community.

The Kambalda Community Christmas Tree event was held in December and continues to attract a large a large crowd from local and neighboring Shires. The Kambalda Community Christmas Tree Committee were provided financial and in-kind support from the Shire of Coolgardie.

Australia Day Breakfast and celebrations were held in both towns of the Coolgardie Shire. Our local emergency services assisted with the Breakfast cook up and the Australia Day Citizenship Awards were presented to well deserving recipients.

#### **Achievements**

- Number of Shire managed events: 7

**Participants to Shire managed events:** 650 (No basketball game this financial year)

#### **RECREATION FACILITIES**

The Coolgardie Community Recreation Centre continues to hold a variety of sport and recreation activities for all community members. These local, social inclusive activities provide physical activity for all abilities and ensures that everyone has an interest in the local community hub.

#### **2019/20 HIGHLIGHTS**

##### ***Kambalda***

- Seniors have a go day continued to grow again this year. We hosted an inclusive event for all ages and abilities from tissue toss to table tennis. Men and women from around the region got involved in a variety of activities to have fun, meet new people, and enjoy a memorable day.
- Our partnership with MEEDAC allowed us to continue with the annual job's expo held in March in both Kambalda and Coolgardie. This event seen over 20 local stall holders all providing job opportunities, employee information and training opportunities.
- The Kambalda Recreation Facility continues to hold a variety of sport and recreation activities for all community members. These local, social inclusive activities provide physical activity for all abilities and ensures that everyone has an interest in the local community hub.

##### ***Coolgardie***

- Our partnership with MEEDAC allowed us to continue with the annual job's expo held in March. In both Coolgardie and Kambalda. This event seen over 20 local stall holders all providing job opportunities, employee information, assistance and training or upskilling opportunities.
- The Coolgardie Community Recreation Centre continues to hold a variety of sport and recreation activities for all community members. These local, social inclusive activities provide physical activity for all abilities and ensures that everyone has an interest in the local community hub.
- The Coolgardie Recreation Centre in conjunction with the Aquatic Manager and the Coolgardie Pool Staff took 15 local students for a day trip to Laverton for a "Swim for Fruit" excursion. It was a fantastic day out and the children visited the Leonora Pool, Laverton Pool, Gwalia and Menzies. The Shire of Coolgardie provided the range of fresh fruit and healthy food for the day and is looking forward to hosting Laverton this year for their visit.

#### **Sport Development and Youth**

This year with the employment of a Sport Development Officer provided more specific programs for developing popular sports locally. The Shire of Coolgardie provided a financial contribution to assist with over 30 children from both towns to attend a fun Auskick game during a half time break of an AFL game in Perth. The Shire of Coolgardie also provided financial assistant for the Miniroos soccer program. This allowed over 40 local children to attend the soccer sport development program, which has become a year-round ongoing program now offered in both towns.

Kambalda introduced a fortnightly youth night program which consistently proved to be well attended. Over 40 youth aged between 13 and 17 were able to use the Community Activity room for movies, sport nights and the stadium was well utilized with social sports.

#### **Achievements**

- Recreation Activities Participants – 570
- Group Fitness Participants – 3,900
- School Holiday Program Participants – 1,020

#### **CASHLESS DEBIT CARD**

The Cashless Debit Card (CDC) trial continued this year with Local Partner Shop Fronts located at the Coolgardie Recreation Centre and Kambalda Community Recreation Centre. Shire staff assisted clients with enquiries from participants throughout the year. The Shire of Coolgardie encouraged the extension of the CDC trial until June 2020, and its rollout into other regions.

#### **2019/2020 Highlights:**

- Work Link Services and Centrecare Financial Counselling from Kalgoorlie have continued to be provided and offered to participants to assist the Local Partner Shopfronts and participants in both towns.
- As part of the announcement to extend the CDC trial in June 2020, in addition the Government passed an amendment allowing participants to lodge EXIT applications providing, they can demonstrate reasonable and responsible management of their affairs generally, including financial affairs. This has seen an increase in appointments and complexity of service provided at the Local Partner Shopfronts with support offered in the months following the announcement.
- During November and December 2019, the University of Adelaide attended Coolgardie and Kambalda to conduct interviews with stakeholders and CDC participants with both Meedac and Shire of Coolgardie staff assisting the University of Adelaide conducting those interviews for the 'Evaluation of the CDC trial'.
- A Minister Meeting with Jacqui Lambie was attended by the Shire of Coolgardie, held in Coolgardie on 20 January 2020 during her visit of WA trial sites.
- During the Covid-19 outbreak and therefore forced closure of facilities in the Shire of Coolgardie all face-to-face support for CDC participants at the Coolgardie and Kambalda Local Partner Shopfronts was unavailable as of 25 March 2020 - with face-to-face service by appointments recommencing from 21 May 2020 in Kambalda, and 29 June 2020 in Coolgardie. During the closures over the phone assistance was available during normal Local Partner Shopfront opening hours from Monday to Friday.

#### **Achievements**

- Coolgardie Local Partner Shopfront – 44 enquiries
- Kambalda Local Partner Shopfront - 96 enquiries

## AQUATIC FACILITIES

### Kambalda Aquatic Facility

Delays with project on Friday 20<sup>th</sup> March Practical Completion of the Kambalda Aquatic Facility was finalised with contractors ACORP and Project Managers Core Business.

Aquatic staff received training within a closed soft opening with the Kambalda Swim club on Saturday 21<sup>st</sup> March 2020 to prepare to open for remainder of season

All swimming pools received notice from the State Government on Wednesday 25<sup>th</sup> March to close due to the COVID-19 pandemic and this was a shock to the community who had waited for this moment to enjoy this facility.

With COVID-19 there was an uncertainty of what impact this would have on our facilities and the Grand Opening was placed on hold, this meant that the community would not be allowed to enjoy the fruits of the labours of many, over the past 18 months to finally have an efficient, modern facility that has inclusive access for all abilities and ages.

### Coolgardie Pool

Shire of Coolgardie Council made a decision to allow free entry into the Coolgardie Pool, this meant all Shire residents had access to a pool as the Kambalda Aquatic Facility was under construction. The locals and broader community welcomed this opportunity and the numbers of visits increase substantially in the period of the 19/20 season with a lot of visits by patrons who live outside the Shire boundaries.

Coolgardie Pool was a refreshing stop to all the stranded travellers during a road closure due to major bush fires, staff extended the opening and closing times to accommodate these people.

Royal Life Saving WA Swim 4 Fruit program for the first time was presented to the community to increase the water awareness message and provide basic skills to learn to swim. Staff visited local Primary schools in Coolgardie and Kambalda to spread the messages about Watch Around Water, to keep safe in all water bodies.

Other programs held was a mums and bubs picnic at the pool with a toddler lesson, Seniors Aqua session, School Holiday program with children from Kambalda travelling to the pool, and the highlight, Coolgardie children that participated in the swim 4 fruit program went to Laverton for a Goldfields mini Swim 4 Fruit carnival which proved very exciting for all children.

## **A THRIVING LOCAL ECONOMY**

### **ECONOMIC DEVELOPMENT – LOOKING TO THE FUTURE**

The Shire of Coolgardie is one of the largest producers of minerals in the region with gold and nickel mining operations continuing to support globally significant regional exports.

In 2019/20, the value of mineral production achieved in the Shire reached \$3.59 billion; a 5.10% increase from 2018/19.

This financial year has seen continued exploration of all minerals and re-emergence of the nickel industry once again in the Kambalda region. Together with the continued rise in the gold price, the mining industry is investing significantly in our region.

### **POWER, WATER AND WASTE INFRASTRUCTURE REVIEW**

The Goldfields region represents a Critical Minerals Hub, a priority for investment growth and employment in both a regional and Australian context. The Shire of Coolgardie contains a significant proportion of the minerals value in the region. Essential infrastructure in the Shire of Coolgardie is a key element in the ongoing operation and future growth of the region post the current humanitarian and financial crisis.

However, essential power, water and waste management infrastructure is significantly under-developed within the Shire placing at risk the growth of the existing industry and new investment attraction as well as economic and employment growth.

Unlocking key components across the essential infrastructure elements is a key requirement to removing current limitations and enabling the recovery economic and employment growth.

This financial year, the Shire has established a series of key objectives and associated activities to establish robust and resilient investment opportunities that will deliver economic and employment outcomes in the region. The program includes investigations into demand and supply requirements, sourcing external funding, attraction of investment, development of partnerships and finally, establishment of infrastructure.

### **COOLGARDIE – REGIONAL WASTE FACILITY**

The Coolgardie Landfill has been identified as a strategic waste management asset for the Goldfields-Esperance region.

Waste management, treatment and beneficiation (the conversion of waste into energy, fuel and other products) is a significant opportunity for the Goldfields region due to the lack of current infrastructure.

The development of a centralised waste collection and treatment facility in Coolgardie is proposed to provide waste treatment and beneficiation for all industrial, commercial and residential waste in the region. The Shire is currently at the design phase of the project for a Class III facility with approvals being progressed through the State government.

### **REGIONAL WASTE RECYCLING FACILITY**

The Shire intends to develop a regional waste recycling "Centre of Excellence" to address recyclable waste management in response to Federal government's ban on overseas export of rubber, glass and plastic products. A beneficiation plant would complement the Class 3 Regional Waste Facility by

incorporating a waste to energy process with carbon free fuel to support fit-for-purpose energy solutions. The construction phase is estimated to require 15-20 full-time equivalent employees with ongoing operations of the facility stimulating an additional 20 new full-time jobs in the Shire. The Shire is pursuing government funding to support the development of this project.

#### **BAYLEY STREET UPGRADE**

The Shire of Coolgardie is experiencing a significant growth in mining activity with the value of mineral production in the area increasing by 25% in the last financial year. This growth has brought increased pressure on the Shire's local road network with mining companies transporting larger quantities of raw minerals faster than ever before.

Bayley Street facilitates last mile logistics from the Eastern States to Perth and to the Port of Esperance. It forms a key part of the national highway system and is an essential component of freight logistics between the eastern and western seaboard of Australia.

Community consultation held last financial year assisted in the development of concept designs for the roadworks required to improve drainage issues and movement of traffic on Bayley Street. In May 2020, the Shire of Coolgardie completed costings and engineering reports to support its funding submission to the Federal Government's Heavy Vehicle Safety and Productivity Program (Round 7).

#### **COOLGARDIE INDUSTRIAL LAND RELEASE**

The town of Coolgardie has allocated 200 hectares of land towards the development of an industrial estate which will suit a range of industries including downstream processing. The lots will range between 2,500m<sup>2</sup> to 6+ hectare sites and be complemented by access to underground power, water, and telecommunications.

The sites will offer dual-road frontage lots for easy access suitable for triple road trains. Industry will have direct logistical access to the Great Eastern Highway (connection to East and Western States), Esperance Port and Northern Goldfields.

This financial year, the Shire completed the re-zoning for the land with a structure plan being progressed to develop the estate.

#### **RESIDENTIAL LAND DEVELOPMENT**

The Shire of Coolgardie is continuing the planning works associated with the subdivision of the Coolgardie Horse Blocks, a 110-hectare block of land that is located west of Coolgardie. The subdivision will see the creation of large residential land parcels for semi-rural operations.

The project will respond to the lack of residential land parcels for these purposes within and outside the district, whilst maintaining the amenities and facilities of the area.

This Financial Year, the Shire of Coolgardie received conditional approval for the development of subdivisions from the WA Planning Commission with planning activities continuing for 2020/21 FY.

#### **COOLGARDIE INNOVATION AND ECONOMIC DEVELOPMENT CENTRE (HISTORICAL POST OFFICE COMPLEX)**

The historical value of the Post Office Complex is well-known throughout Western Australia. Built in 1894, when Coolgardie was the third largest town in WA (after Perth and Fremantle), the building housed government services for 25,000 residents.

The Coolgardie Innovation and Economic Development Centre project will revitalise the internal areas of the Post Office Complex to create Aboriginal Training facilities, a Cultural and Community Hub, a micro-business shared office area and a variety of museum and visitor spaces.

The project received funding support of \$233,500 from Lotterywest and \$916,000 from the Federal Government's Building Better Regions Funding. In January 2020, the Shire of Coolgardie was successful in securing an additional \$100,000 for the project from the State Government's Regional Economic Development grant program.

This financial year, the project progressed from concept planning stage to the finalisation of several actions to prepare the project for construction.

This included the completion of specifications for tender, land tenure, final architectural designs, heritage council approval, development of a conservation management plan and interpretation strategy, building classification, fire separation and site survey investigations into drainage surrounding the building. The project will be ready to tender in November 2020.

### **BEN PRIOR PARK**

This financial year realised the commencement of the Ben Prior Park redevelopment which kicked off with the development of a concept plan in April 2020. Shire Officers held numerous meetings with MEEDAC, Men's Shed Coolgardie, Vic Dale and other community members to encourage local participation in the development of the Park. Focus Minerals offered for the Shire to relocate Jack Cairns shack from its mine site so that it could once again be enjoyed by visitors and the community.

Refurbishment works and construction of the nature playground, gazebos and other new facilities at the Park commenced in May 2020.

#### **GRANT/SPONSORSHIP FUNDING SECURED – 2019/20 - \$358,600**

Organisation	Funding	Project	Amount
Gold Fields St Ives Foundation	Sponsorship	Kambalda Aquatic Facility Upgrade	\$200,000
Swimming Australia	Community Swimming Grants Program	Lifeguard training and mobility equipment	\$8,600
WA State Government – Department of Primary Industries and Regional Development	Regional Economic Development grant program	Coolgardie Innovation and Economic Development Centre	\$100,000
Gold Fields St Ives	Sponsorship	Meals on Wheels for Seniors	\$25,000
Northern Star	Sponsorship	Meals on Wheels for Seniors	\$25,000 value

### **MEDIA AND COMMUNICATIONS**

This financial year, the Shire of Coolgardie undertook a comprehensive communication and branding audit which resulted in a complete refresh and improvement of the Shire's communication strategies and branding.

*Completed 2019/20*

- Development of a new Shire of Coolgardie brand and style guide
- Development of Marketing & Communications Strategy and Implementation Plan
- Development of a Social Media Strategy and implementation of a Social Media Plan
- Development of a refreshed website – produced to industry best practice standards, improved accessibility and compliant with legislative requirements as per the Local Government Legislation Amendment Act 2019
- Website includes community and business directory and events portal for public to list their services and events
- Signage audit of all signs in the Shire requiring rebranding
- Increased media releases highlighting “good news stories” in Shire (40 published in external media)
- Creation of a rolling content for all the key projects occurring in the Shire that impact stakeholders internally and externally
- Internal Communications Strategies and development of intranet
- Update and implementation of a Communications Policy
- The creation of a community engagement checklist/toolkit - a methodical approach to ensure the community is consulted and informed on major projects
- Digital newsletter approach – delivered monthly to subscribers (E-Newsletter)
- Increased digital consultation opportunities through survey monkey and website
- Held first virtual ANZAC Day due to COVID-19 social distancing restrictions which went viral throughout Australia with 13,162 views and internationally with 19,720 views
- Introduction of Shire President videos as updates to the community
- complete refresh of all visitor pamphlets and town maps

*Highlights*

<b>Facebook</b>	<b>18/19</b>	<b>19/20</b>
Followers	375	1,594
Posts	64	650
Shire President Videos	Nil	14
<b>Website</b>	<b>18/19</b>	<b>19/20</b>
Website Users	14,493	21,670

**PARTNERSHIPS ESTABLISHED****St John Medical's Integrated Health Care Model**

In 2018, the Shire of Coolgardie signed a Memorandum of Understanding (MOU) with St John WA to develop the St John Country Primary Health Care Model. The model not only addresses day-to-day health issues but coordinates care for Aboriginal Australians and people with chronic diseases.

Services also include weekly GP tele-health sessions, a Community Transport Service, and a resilient ambulance service.



To build on the St John Country Primary Health Care Model, the Shire has entered into MOUs with a range of allied-health service providers including physiotherapists, paediatric occupational therapists and disability services providers. The delivery of a coordinated, integrated health care system that helps people get the right care, at the right time, in the right place, is the Shire's goal.

#### **Goldfields Community Legal Centre**

The Goldfields Community Legal Centre Inc. is a not-for-profit organisation that provides advice and information to low income earners and other disadvantaged members of the community. In 2019, the GCLC commenced the delivery of the Goldfields Migration Employment Project (GMPEP) which aims to alleviate the labour and skills shortage in the Goldfields region by engaging with migrant communities based in metropolitan areas of WA and assisting employment seekers with access to Goldfields based job opportunities and ancillary settlement support services.

The Shire of Coolgardie continues to be a major producer of minerals in the region with gold and nickel mining operations supporting globally significant regional exports. With the rapid increase in mineral production, skills shortages throughout the region, and decline of the Shire's population (10.8% in 5 years), the Shire is committed to implementing attraction and retention strategies to its towns.

The partnership commenced in July 2020 which realised the attraction of three families to the town of Coolgardie in January 2020. The Shire of Coolgardie provided support to these families by welcoming them and assisting them integrate into the Coolgardie community.

#### **Business Local Partnership**

The Shire of Coolgardie has continued its relationship with Business Local, through the Kalgoorlie-Boulder Chamber of Commerce, to support local businesses in accessing several training sessions with a focus this year on social media. One-on-one assistance is also provided to individual businesses at their premises.

### **COMMUNITY DEVELOPMENT PROGRAMS**

#### **Meals on Wheels**

The Meals on Wheels service in Kambalda commenced on 28 April 2020 when COVID-19 restrictions were put in place for people over the ages of 70+ to not leave their homes. The CEO initiated this project in Kambalda with funding support from Goldfields St Ives and discounted meals from ESS and in Coolgardie with funding support from Northern Star Resources.

Shire staff deliver more than a nutritious meal as the program acts as a wellness check on these residents and the Shire continues to work closely with St John WA, the Kambalda Nursing Post and the Kalgoorlie Regional Hospital for the continued wellness of these residents. St John WA and MEEDAC volunteers assist the Shire in delivering the meals and the St John WA community transport vehicle is being used weekly for deliveries.

#### **Community Support – COVID-19**

Wellness checks for seniors was initiated through the Department of Economic and Community Development to ensure the well-being of the most vulnerable members of our community during COVID-19 restrictions.

This project commenced on 30 March 2020, after the Prime Minister, that due to COVID-19, "people aged 70 and over should stay at home and self-isolate for their own protection to the maximum extent practicable."

These were gratefully appreciated by community members and continued past the end of this financial year.

In May 2020, the Shire of Coolgardie developed a Community Connection portal on the website to provide factual health information, online services, video content, pre-recorded classes and online tools for adults and children. The Shire staff developed their own virtual content which was linked through the website and included events such as interactive virtual Sing & Rhyme Time.

*"The Shire doing such a wonderful job in arranging this kind gesture to look after the community through these difficult times."*

*"Please pass on my gratitude to the Shire for being so caring. Along with the Meals on Wheels which I am so grateful for and to receive a weekly phone call checking in - I truly believe I live in the best community ever."*

## **EFFECTIVE MANAGEMENT OF INFRASTRUCTURE, HERITAGE AND ENVIRONMENT**

### REGULATORY SERVICES

#### ***Building***

A total of 84 building permits were issued by the Shire of Coolgardie in 2019/2020, and the total value of these approvals issued was \$8,722,664. These numbers were less than the previous year, as the amount of applications for storm repairs for both Coolgardie and Kambalda have decreased considerably. One significant project was the construction of the Sandy Ridge Facility.

#### ***Environmental Health***

The Shire of Coolgardie engaged the services of a contract Environmental Health professional during 2019/2020. This ensured that the focus was solely on the needs of the Shire, and the level of service and expertise has been invaluable to the community.

### WASTE SERVICES

2019/2020 seen some changes from long term plans come to fruition resulting in better services and efficiencies to the Shire of Coolgardie. This included a major review of the Shire Landfill facilities. The Shire Wheelie Bin weekly service continues to operate efficiently and with minimal issues other than the occasional stolen or damaged wheelie bin.

The verge pick-up conducted by the Shire outside crew was completed and the crew collected approximately 55 tonnes of hard waste.

#### ***Coolgardie Wastewater Treatment Plant***

The Annual Environmental Report and Annual Compliance Return on the operations of the Coolgardie Wastewater Treatment plant were once again submitted to the Department of Environment Regulation satisfying the requirements of the Shire's license conditions for the premises under the Environmental Protection Act 1986 of WA.

Maintenance on the sewerage facility was conducted throughout the year. The Shire tendered for services to maintain the Coolgardie Sewerage system during 2019/20.

As per last financial year, ongoing regulatory conditions have been met –

- Installation of sewer inflow meter – for license reporting
- Installation of sewer out flow meter – for license reporting
- Installation of Liquid Chlorine Injection – to meet Health Department Standards
- Several major line breaks repaired

Several major blockages have occurred throughout the reporting period mainly due to items being placed in the sewer system by residents and commercial operators. This was significant during the period March 2020 to 30<sup>th</sup> June 2020 as a direct result of COVID-19. The cost of blockages due to rags, paper, sheets, shirts and other items being disposed of in the sewerage system was extremely high. The Shire budget for 2019/20 for the sewerage system in Coolgardie was \$380,000 with an actual cost for the financial year of \$520,138.

It is estimated that the reuse of water from the sewerage plant saves more than \$40,000 annually on water charges from Water Corp. The treated water from this service is used to reticulate many of the

green spaces in the Coolgardie town site. Given the reuse of water generates annual savings, the Council has resolved an annual transfer of \$40,000 to the sewerage reserve.

#### ***Kambalda Refuse Site Transfer Station***

Annual Environmental Report and Annual Compliance Return on the operations of the Kambalda Landfill Site were submitted to the Department of Environment Regulation satisfying the requirements of the Shire's license conditions for the premises under the Environmental Protection Act 1986 of WA.

The Transfer Station was completed and operational during the 2019/20 financial year. All residential waste and commercial waste has commenced being transferred to Coolgardie. The Transfer Station is open 7 days a week and operating efficiently.

The remediation plan for the Kambalda Landfill continues to be a work in progress between DWER and the Shire. It is expected a solution will be agreed between DWER and the Shire early in the new calendar year.

#### ***Coolgardie Landfill***

The site has been operating on extended hours since the end of October and open to the public and commercial contractors seven days a week from 10am-3pm.

One extra casual staff member has been employed to cover these hours. In addition to this, the one part time staff at the site has had his hours increased by 15 hours per fortnight in order to meet regulatory commitments due to the gradual increase in tonnages coming from Kambalda.

Design Plans and a Works Approval to upgrade the site to a Class 3 Facility is currently being prepared by GHD. It is anticipated the Class 3 approval will be in place for the 2021/22 financial year.

#### ***Feasibility Studies – Expansion of Coolgardie Landfill Site***

The Coolgardie Tip Site has been identified as a strategic waste management asset for the Goldfields-Esperance region.

Waste management, treatment and beneficiation (the conversion of waste into energy, fuel and other products) is a significant opportunity for the Goldfields region due to the lack of current infrastructure.

The development of a centralised waste collection and treatment facility in Coolgardie is proposed to provide waste treatment and beneficiation for all industrial, commercial and residential waste in the region. The Shire is currently at the design phase of the project for a Class III facility with approvals being progressed through the State government.

The Shire intends to develop a regional waste recycling "Centre of Excellence" to address recyclable waste management in response to Federal government's ban on overseas export of rubber, glass and plastic products. A beneficiation plant would complement the Class 3 Regional Waste Facility by incorporating a waste to energy process with carbon free fuel to support fit-for-purpose energy solutions. The construction phase is estimated to require 15-20 full-time equivalent employees with ongoing operations of the facility stimulating an additional 20 new full-time jobs in the Shire. The Shire is pursuing government funding to support the development of this project.

## PLANNING

The Shire of Coolgardie's statutory planning service provides a wide range of planning advice in the area of land zoning, residential standards and heritage requirements. This year, most of the development in the Shire has been residential expansion such as sheds and patios.

### 2019/20 HIGHLIGHTS

- Processed a significant number of mining tenement enquiries and clearing permit notifications
- Proposed road dedication and clearing permits on several significant roads
- Planning and Heritage Council approval for the redevelopment of the Coolgardie Post Office complex
- Pursued three (3) scheme amendments - Scheme Amendments 2 and 3 are in the final stages with the Department of Planning, Lands and Heritage, whilst Scheme Amendment 4 is in the early stages of proposal development.

## ROAD WORKS

The annual road construction program for 2019/2020 resulted in expenditure of \$1,429,205

### ***Blackspot Program***

The Federal Government's Department of Infrastructure, Transport, Cities and Regional Development's Black Spot funding targets road locations with high levels of risk of vehicle crashes. By funding measures such as traffic signals and roundabouts at dangerous locations, the program reduces the risk of crashes. In 2019/2020, there were no Blackspot projects undertaken within the Shire.

### ***Roads to Recovery Program***

The Federal Government's Roads to Recovery Program supports the maintenance of local road infrastructure assets, which improves safety, economic and social outcomes.

Reseal work was carried out on various streets and roads within the townsites of Coolgardie and Kambalda. The total spent on these projects in 2019/20 was approximately \$332,080.

### ***Regional Road Group Program***

The Shire of Coolgardie's President is a member of the Regional Road Group (RRG) which is responsible for making recommendations to a State Advisory Committee (SAC) regarding annual local government roads programs in the region.

The Group is comprised of elected representatives from each Local Government, who serve a vital and valuable role in ensuring that road funding decisions maximise community benefits and improve the road system across the region.

Major road construction works were carried out on Coolgardie North Road estimated at \$696,834

**CAPITAL WORKS EXPENDITURE**

<b>Items</b>	<b>Capital &amp; Maintenance</b>
Drainage	~\$109,000
Footpaths	~\$137,000
Parks and verges	~\$1,069,000
Playground (renewal)	~\$32,400
Kambalda Aquatic Facility	~\$4,140,206

**PLANT & EQUIPMENT**

The Shire has not expanded its fleet of plant and equipment this financial year.

**THE FINANCIAL YEAR IN SUMMARY****OPERATING SURPLUS**

As shown in Note 26 of the Annual Financial Report, the Shire's operating result for the financial year ended 30 June 2020 was an operating surplus of \$761,644. This represents a significant reduction from the previous years' surplus of \$5,382,766.

This reduction is attributable to the utilisation of previously unspent loans for the Kambalda Swimming Pool (\$2,697,101) and a reduction in unrestricted cash of \$1,306,085 used to fund operations and capital projects.

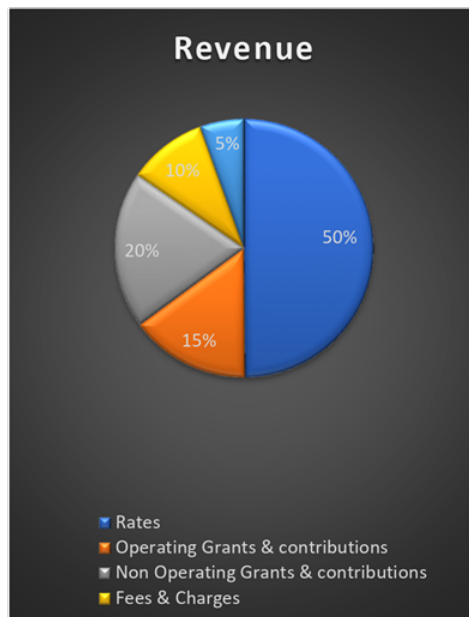
**REVENUE**

The Shire of Coolgardie had a Total Operating Revenue of \$14.33m (including operating and capital grants) for the 2019/20 financial year.

A total of 20% of the Shire's revenue for 2019/20 was Non-Operating Grants which helped to fund several key capital projects.

Operating Grants and Contributions account for 15% of revenue, while Rates (50%) and Fees & Charges (10%) are also significant contributing factors to the total revenue figure.

The remaining 5% of Other Revenue comes from several various sources including interest received, profit on sale of assets and miscellaneous contributions and reimbursements received during the financial year.



The revenue generated by the Shire is spent providing infrastructure and services for the community.

The Shire provides many services including maintaining and improving roads, parks and gardens, leisure services and other community projects.

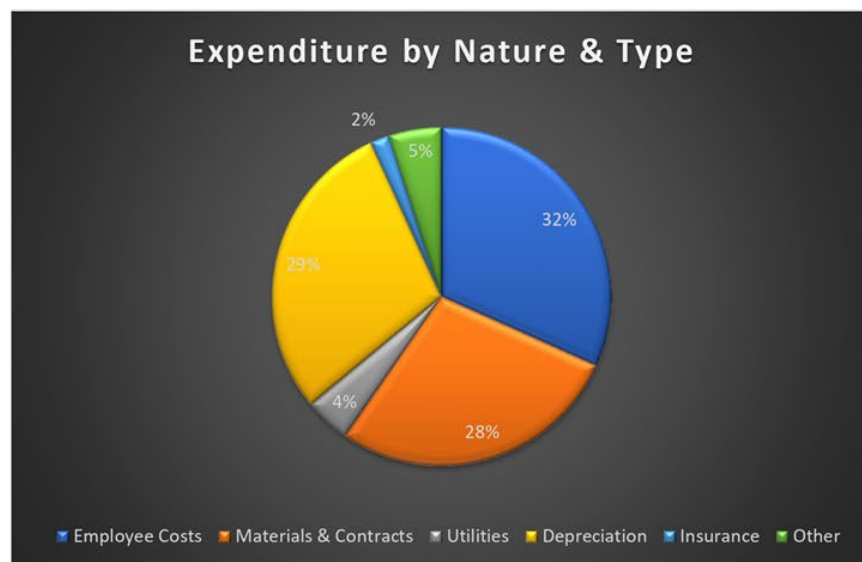
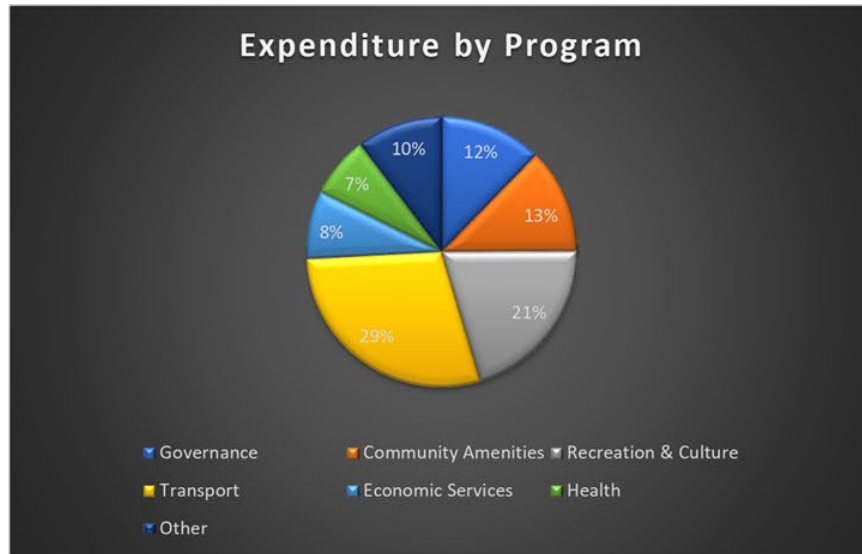
A significant amount of the Shire's resources (50%) is spent on maintaining road infrastructure and the provision of recreation services.

#### EXPENDITURE

When comparing the breakdown of these costs by nature and type, a significant 29% of all operating expenditure is attributed to depreciation charges.

Depreciation is a non-cash item and is the result of the Shire having in excess of \$191m worth of assets, of which 80% is attributed to the Shire's road network and other related infrastructure whilst a further 17% relates to Property, Plant & Equipment.

Other significant expenditure includes Employee Costs (32%), Materials & Contracts (28%), with Utilities (4%), Insurance (2%) and Other Expenditure (5%) making up the balance.





## CAPITAL WORKS PROJECTS

In addition to the normal operating activities, some significant capital works projects were undertaken during the 2019/20 financial year to the value of \$8.46m. Some of this year's capital works highlights include;

<b>Transport</b>	
Coolgardie Transit Park	\$1,469,843
Coolgardie North Road	\$585,045
Durkin Road	\$172,095
Jobson Street	\$97,747
Jaurdi Hills Road	\$88,694
Plant Replacement Program	\$226,825
Footpath Renewal	\$53,158
Drainage Renewal	\$39,333
<b>Land &amp; Buildings</b>	
Coolgardie Recreation Centre (Reimbursed through Insurance)	\$513,943
Coolgardie Cultural & Community Hub	\$91,939
Coolgardie Depot	\$60,502
<b>Recreation &amp; Culture</b>	
Kambalda Aquatic Facility	\$4,140,206
Playground Renewal	\$37,875
<b>Community Amenities</b>	
Kambalda Transfer Station	\$122,658
Coolgardie Refuse Site	\$74,384
Kambalda Refuse Site Rehabilitation	\$69,788

## RESERVE FUNDS

As at 30 June 2020 the balance in the Reserve Accounts was \$1,804,223 as listed below;

RESERVE	BALANCE
Plant Reserve	253,226
Land & Building Reserve	166,512
Landfill Reserve	201,709
Sewerage Reserve	174,719
Environmental Reserve	292,105
Community & Recreation Reserve	25,400
IT & Communications Reserve	10,727
Aerodrome Reserve	19,817
Road Reserve	219,134
Infrastructure Reserve	440,874
<b>TOTAL</b>	<b>\$1,804,223</b>

Council utilised its cash reserves to help fund some significant capital projects in the past 12 months and will look to build up these reserves in coming years to help with meeting future requirements as identified in the Shire's key strategic plans.

### LOAN LIABILITY

As at 30 June 2020 the outstanding principal on all loans was \$2,902,507. This represents a significant reduction in debt from the outstanding balance of \$3,479,715 at the end of the last financial year and is a direct result of the loans for the Kambalda Swimming Pool.

### FINANCIAL RATIOS

Ratios provide useful information when compared to internal and industry benchmarks and assist in identifying trends. Whilst not conclusive in themselves, understanding ratios, their trends and how they interact is beneficial for the allocation of the Shire's resources and planning for the future. Information relating to the statutory ratios disclosed in the financial report is summarised in the table below, with a commentary provided on some selected ratios.

Ratio	Standard	2020	2019	2018	2017
Current Ratio	>= 1.00	1.01	2.48	3.21	2.06
Asset Consumption	>= 1.10	0.95	0.97	0.75	0.97
Asset Renewal	>= 1.05	1.10	1.11	N/A	N/A
Asset Sustainability	>= 1.10	1.49	0.79	0.27	0.39
Debt Service Cover	>= 2.00	0.66	11.56	3.84	5.21
Operating Surplus	>= 0.15	(0.40)	(0.33)	(0.42)	(0.35)
Own Source Revenue Coverage	>= 0.90	0.62	0.65	0.61	0.62

### CURRENT RATIO

The current ratio is a liquidity ratio that measures whether the Shire has enough resources to meet its short-term obligations. If current liabilities exceed current assets the current ratio will be less than 1 and is an early indicator that the Shire may have problems meeting its short-term obligations.

This ratio improved over recent years before declining in the 2019/20 financial year. This is attributable to both a decrease in unrestricted cash and an increase in current liabilities as a result of drawing down on the loan for the Kambalda Swimming Pool.

### ASSET SUSTAINABILITY RATIO

The Asset Sustainability ratio expresses capital expenditure on renewal and replacement of existing assets as a percentage of depreciation costs. This ratio is used to identify any potential decline or improvement in asset conditions. A percentage of less than 100% on an ongoing basis indicates assets may be deteriorating at a greater rate than spending on renewal or replacement.

This ratio continues to remain at constant levels each year. Continued improvement to this ratio will assist the Shire maintain its asset base at the right level into the future. Interpretation of this ratio should also be considered together with the Asset Consumption Ratio and the Asset Renewal Funding Ratio.

#### DEBT SERVICE COVER RATIO

The Debt Service Cover Ratio measures the Shire's ability to service debt from its committed or general purpose funds available. This ratio has been trending above both the Regional and State 5 year averages for a period of time before dropping below the desired level of 2.00 in the 2019/20 financial year.

The reason for the sharp fall is a result of both a reduction on the Shire's Operating Surplus position and an increase in the loan principal repayments during the 2019/20 financial year. As both the operating surplus position improves and/or the principal repayments reduce over the period of the loans this ratio will again rise above the industry standards required.

The Shire will continue to identify practical ways of improving the Shire's operating position in future years. This includes considering the sustainability of the current rates structure, identifying potential revenue streams and finding the optimum level of the Shire's operating expenses.

#### OPERATING SURPLUS RATIO

The Operating Surplus Ratio represents the percentage by which the operating surplus (or deficit) differs from the Shire's own source revenue which includes rates.

This ratio in 2019/20 decreased from (0.33) to (0.40). The ratio remains below the target level and is heavily weighted around the Shire's ability to increase revenue through rates and fees and charges.

Essentially there are only a few ways to improve this ratio;

1. Increase rates
2. Increase existing fees & charges
3. Introduce new fees & charges
4. Reduce Operating costs
5. Reduce the level of services

Council are continually looking at opportunities of increasing revenue streams without burdening the community with significant rate increases to try and meet the industry standards for this ratio. One example of this is the Coolgardie Refuse Site project, which if progressed has the potential to significant increase revenue from fees and charges.

The impact of this additional revenue is such that it could raise the current ratio to above the minimum standard which would have a significant positive impact on the Shire's Financial Health Indicator.

In the Independent Auditor's Report from the Office Auditor General the following comment was made;

In accordance with the Local Government (Audit) Regulations 1996 I report that:

(i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:

a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the past 3 years. The financial ratios are reported at Note 33 to the financial report

**ASSET RENEWAL FUNDING RATIO**

This ratio indicates whether the Shire's planned capital renewal expenditure over the next 10 years as per its Long Term Financial Plan is sufficient to meet the required capital renewal expenditure over the next 10 years as per its Asset Management Plans.

The ratio currently indicates that the Shire is maintaining the desired level of capital renewal. Council will continue to review the above plans to allow the calculation of this ratio and help identify any potential gaps between planned and required capital expenditure.

**ANNUAL AUDIT**

The annual audit was successfully completed for the 2019/20 financial year and a copy of the report is included within this Annual Report.

Council will continue to implement any recommended changes raised by the auditors that will improve the Shire's level of governance and compliance and help to improve the financial position of the organisation.

SHIRE OF COOLGARDIE  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

TABLE OF CONTENTS

Statement by Chief Executive Officer	2
Statement of Comprehensive Income by Nature or Type	3
Statement of Comprehensive Income by Program	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Rate Setting Statement	8
Independent Auditor's Report	59

**COMMUNITY VISION**

**A connected, progressive & welcoming community**

Principal place of business:  
Irish Mulga Drive, Kambala WA 6442



SHIRE OF COOLGARDIE  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

*Local Government Act 1995  
Local Government (Financial Management) Regulations 1996*

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Coolgardie for the financial year ended 30 June 2020 is based on proper accounts and records to present fairly the financial position of the Shire of Coolgardie at 30 June 2020 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 7<sup>TH</sup> day of DECEMBER 2020

*J. Trail*

---

James Trail  
Chief Executive Officer



SHIRE OF COOLGARDIE  
STATEMENT OF COMPREHENSIVE INCOME  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	Restated * 2019 Actual \$
<b>Revenue</b>				
Rates	24(a)	7,147,278	7,150,490	6,682,397
Operating grants, subsidies and contributions	2(a)	2,153,047	1,377,027	1,950,012
Fees and charges	2(a)	1,417,917	1,583,649	1,507,378
Interest earnings	2(a)	181,800	208,750	224,933
Other revenue	2(a)	577,797	57,500	336,931
		<b>11,477,839</b>	<b>10,377,416</b>	<b>10,701,651</b>
<b>Expenses</b>				
Employee costs		(4,824,233)	(4,575,660)	(3,904,631)
Materials and contracts		(4,252,615)	(4,292,921)	(4,051,493)
Utility charges		(662,610)	(586,840)	(572,048)
Depreciation on non-current assets	10(b)	(4,419,623)	(4,182,961)	(4,153,840)
Interest expenses	2(b)	(118,943)	(100,519)	(45,171)
Insurance expenses		(270,704)	(274,653)	(293,333)
Other expenditure		(634,267)	(591,269)	(518,974)
		<b>(15,182,995)</b>	<b>(14,604,823)</b>	<b>(13,539,490)</b>
		<b>(3,705,156)</b>	<b>(4,227,407)</b>	<b>(2,837,839)</b>
Non-operating grants, subsidies and contributions	2(a)	2,826,984	6,288,074	1,961,832
Profit on asset disposals	10(a)	27,324	34,500	80,620
(Loss) on asset disposals	10(a)	(16,233)	(87,000)	(130,807)
Fair value adjustments to financial assets at fair value through profit or loss	5	1,440	0	0
		<b>2,839,515</b>	<b>6,235,574</b>	<b>1,911,645</b>
<b>Net result for the period</b>		<b>(865,641)</b>	<b>2,008,167</b>	<b>(926,194)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	46,167
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>46,167</b>
<b>Total comprehensive income for the period</b>		<b>(865,641)</b>	<b>2,008,167</b>	<b>(880,027)</b>

\* See note 28 for details regarding the impact for the treatment of remediation costs and joint operation for aged housing.

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



SHIRE OF COOLGARDIE  
STATEMENT OF COMPREHENSIVE INCOME  
BY PROGRAM  
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	Restated * 2019 Actual \$
<b>Revenue</b>				
	2(a)			
Governance		19,593	22,000	95,068
General purpose funding		8,147,787	7,760,517	7,521,031
Law, order, public safety		73,832	34,300	46,260
Health		24,718	3,000	209
Education and welfare		225,462	222,304	239,336
Housing		96,072	113,681	142,291
Community amenities		1,039,189	1,042,666	1,061,489
Recreation and culture		451,250	298,000	160,362
Transport		1,033,837	490,496	917,192
Economic services		330,484	331,742	384,222
Other property and services		35,615	58,710	134,191
		<b>11,477,839</b>	<b>10,377,416</b>	<b>10,701,651</b>
<b>Expenses</b>				
	2(b)			
Governance		(1,869,522)	(1,833,407)	(1,916,584)
General purpose funding		(500,463)	(384,767)	(261,156)
Law, order, public safety		(482,778)	(429,626)	(302,628)
Health		(1,120,820)	(480,198)	(245,184)
Education and welfare		(304,269)	(366,561)	(291,712)
Housing		(241,851)	(277,485)	(257,289)
Community amenities		(1,923,004)	(1,680,482)	(1,767,795)
Recreation and culture		(3,029,598)	(3,257,851)	(2,861,389)
Transport		(4,364,388)	(4,594,385)	(4,395,429)
Economic services		(1,223,524)	(1,154,542)	(1,071,725)
Other property and services		(3,835)	(45,000)	(123,428)
		<b>(15,064,052)</b>	<b>(14,504,304)</b>	<b>(13,494,319)</b>
<b>Finance Costs</b>				
	2(b)			
Community amenities		0	0	(203)
Recreation and culture		(79,301)	(62,630)	(17,082)
Transport		0	(13,624)	(4,262)
Economic services		(24,016)	(24,265)	(23,624)
Other property and services		(15,626)	0	0
		<b>(118,943)</b>	<b>(100,519)</b>	<b>(45,171)</b>
		<b>(3,705,156)</b>	<b>(4,227,407)</b>	<b>(2,837,839)</b>
Non-operating grants, subsidies and contributions	2(a)	2,826,984	6,288,074	1,961,832
Profit on disposal of assets	10(a)	27,324	34,500	80,620
(Loss) on disposal of assets	10(a)	(16,233)	(87,000)	(130,807)
Fair value adjustments to financial assets at fair value through profit or loss	5	1,440	0	0
		<b>2,839,515</b>	<b>6,235,574</b>	<b>1,911,645</b>
<b>Net result for the period</b>		<b>(865,641)</b>	<b>2,008,167</b>	<b>(926,194)</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	46,167
<b>Total other comprehensive income for the period</b>		<b>0</b>	<b>0</b>	<b>46,167</b>
<b>Total comprehensive income for the period</b>		<b>(865,641)</b>	<b>2,008,167</b>	<b>(880,027)</b>

See Note 28 for details regarding the impact for the treatment of remediation costs and joint operation for aged housing.

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





SHIRE OF COOLGARDIE  
STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2020

	NOTE	2020	2019	1 July 2018
		\$	Restated *	Restated *
		\$	\$	\$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	2,554,442	8,034,401	5,614,140
Trade and other receivables	6	1,763,583	2,007,511	1,616,187
Inventories	7	15,350	9,299	5,043
Other assets		0	0	54,872
<b>TOTAL CURRENT ASSETS</b>		<b>4,333,375</b>	<b>10,051,211</b>	<b>7,290,242</b>
<b>NON-CURRENT ASSETS</b>				
Trade and other receivables	6	100,415	100,415	68,237
Other financial assets	5	89,026	87,586	87,586
Property, plant and equipment	8	32,564,481	32,751,382	33,555,761
Infrastructure	9	152,344,201	148,017,368	147,181,521
Right of use assets	11(a)	536,764	0	0
<b>TOTAL NON-CURRENT ASSETS</b>		<b>185,634,887</b>	<b>180,956,751</b>	<b>180,893,105</b>
<b>TOTAL ASSETS</b>		<b>189,968,262</b>	<b>191,007,962</b>	<b>188,183,347</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	13	1,344,236	1,536,102	633,043
Contract liabilities	14	4,894	0	0
Lease liabilities	15(a)	132,083	0	0
Borrowings	16(a)	292,693	700,151	68,253
Employee related provisions	17	284,222	232,379	275,125
Other provisions	18	450,000	0	0
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,508,128</b>	<b>2,468,632</b>	<b>976,421</b>
<b>NON-CURRENT LIABILITIES</b>				
Lease liabilities	15(a)	433,348	0	0
Borrowings	16(a)	2,609,814	2,779,564	624,715
Employee related provisions	17	84,825	106,813	72,590
Other provisions	18	347,815	797,815	774,456
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>3,475,802</b>	<b>3,684,192</b>	<b>1,471,761</b>
<b>TOTAL LIABILITIES</b>		<b>5,983,930</b>	<b>6,152,824</b>	<b>2,448,182</b>
<b>NET ASSETS</b>		<b>183,984,332</b>	<b>184,855,138</b>	<b>185,735,165</b>
<b>EQUITY</b>				
Retained surplus		61,929,590	61,337,530	61,617,540
Reserves - cash backed	4	1,804,223	3,267,089	3,913,273
Revaluation surplus	12	120,250,519	120,250,519	120,204,352
<b>TOTAL EQUITY</b>		<b>183,984,332</b>	<b>184,855,138</b>	<b>185,735,165</b>

\* See note 28 for details regarding the impact for the treatment of remediation costs and joint operation for aged housing.

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



SHIRE OF COOLGARDIE  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 30 June 2018</b>		<b>61,902,746</b>	<b>3,913,273</b>	<b>120,987,102</b>	<b>186,803,121</b>
Prior year adjustments	28	(285,206)	0	(782,750)	(1,067,956)
<b>Balance at 1 July 2018</b>		<b>61,617,540</b>	<b>3,913,273</b>	<b>120,204,352</b>	<b>185,735,165</b>
Comprehensive income					
Net result for the period (restated)		(926,194)	0	0	(926,194)
Other comprehensive income	12	0	0	46,167	46,167
Total comprehensive income		(926,194)	0	46,167	(880,027)
Transfers from reserves	4	1,071,213	(1,071,213)	0	0
Transfers to reserves	4	(425,029)	425,029	0	0
<b>Balance as at 30 June 2019</b>		<b>61,337,530</b>	<b>3,267,089</b>	<b>120,250,519</b>	<b>184,855,138</b>
Change in accounting policies	29(b)	(5,165)	0	0	(5,165)
<b>Restated total equity at 1 July 2019</b>		<b>61,332,365</b>	<b>3,267,089</b>	<b>120,250,519</b>	<b>184,849,973</b>
Comprehensive income					
Net result for the period		(865,641)	0	0	(865,641)
Other comprehensive income	12	0	0	0	0
Total comprehensive income		(865,641)	0	0	(865,641)
Transfers from reserves	4	2,825,710	(2,825,710)	0	0
Transfers to reserves	4	(1,362,844)	1,362,844	0	0
<b>Balance as at 30 June 2020</b>		<b>61,929,590</b>	<b>1,804,223</b>	<b>120,250,519</b>	<b>183,984,332</b>

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



SHIRE OF COOLGARDIE  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		7,094,707	7,950,490	6,425,189
Operating grants, subsidies and contributions		2,397,503	1,567,027	1,974,089
Fees and charges		1,417,917	1,583,649	1,507,378
Interest received		181,800	208,750	224,933
Goods and services tax received		1,367,790	10,000	973,657
Other revenue		570,097	57,500	336,931
		13,029,814	11,377,416	11,442,177
<b>Payments</b>				
Employee costs		(4,897,651)	(4,575,660)	(3,913,482)
Materials and contracts		(4,357,827)	(3,792,921)	(3,253,249)
Utility charges		(662,610)	(586,840)	(572,048)
Interest expenses		(116,252)	(100,519)	(35,928)
Insurance paid		(270,704)	(274,653)	(293,333)
Goods and services tax paid		(1,300,441)	0	(1,017,512)
Other expenditure		(634,267)	(591,269)	(495,615)
		(12,239,752)	(9,921,862)	(9,581,167)
<b>Net cash provided by (used in) operating activities</b>	19	790,062	1,455,554	1,861,010
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment	8(a)	(981,481)	(4,609,345)	(676,985)
Payments for construction of infrastructure	9(a)	(7,478,985)	(9,100,768)	(3,875,099)
Non-operating grants, subsidies and contributions	2(a)	2,826,984	6,288,074	1,961,832
Proceeds from financial assets at amortised cost - self supporting loans		0	484,453	0
Proceeds from sale of property, plant & equipment	10(a)	78,268	291,364	362,756
<b>Net cash provided by (used in) investment activities</b>		(5,555,214)	(6,646,222)	(2,227,496)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	16(b)	(1,179,321)	(700,150)	(68,253)
Payments for principal portion of lease liabilities	15(b)	(137,599)	0	0
Proceeds from new borrowings	16(b)	602,113	0	2,855,000
<b>Net cash provided by (used in) financing activities</b>		(714,807)	(700,150)	2,786,747
<b>Net increase (decrease) in cash held</b>		(5,479,959)	(5,890,818)	2,420,261
Cash at beginning of year		8,034,401	7,819,414	5,614,140
<b>Cash and cash equivalents at the end of the year</b>	19	2,554,442	1,928,596	8,034,401

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

SHIRE OF COOLGARDIE  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2020

		2020	2020	Restated *
	NOTE	Actual	Budget	2019
		\$	\$	Actual
				\$
<b>OPERATING ACTIVITIES</b>				
Net current assets at start of financial year - surplus/(deficit)	25 (b)	5,377,601	5,787,599	2,870,477
		5,377,601	5,787,599	2,870,477
<b>Revenue from operating activities (excluding rates)</b>				
Governance		21,033	22,000	95,068
General purpose funding		980,860	565,027	833,366
Law, order, public safety		73,832	34,300	46,260
Health		24,718	3,000	209
Education and welfare		225,462	222,304	239,336
Housing		96,072	113,681	211,866
Community amenities		1,039,189	1,042,666	1,061,489
Recreation and culture		451,250	298,000	160,362
Transport		1,061,161	524,996	928,237
Economic services		330,484	331,742	384,222
Other property and services		35,615	58,710	134,191
		4,339,676	3,216,426	4,094,606
<b>Expenditure from operating activities</b>				
Governance		(1,869,522)	(1,833,407)	(1,916,584)
General purpose funding		(500,463)	(384,767)	(261,156)
Law, order, public safety		(482,778)	(429,626)	(302,628)
Health		(1,120,820)	(480,198)	(245,184)
Education and welfare		(304,269)	(366,561)	(291,712)
Housing		(241,851)	(360,485)	(356,431)
Community amenities		(1,923,004)	(1,680,482)	(1,767,998)
Recreation and culture		(3,108,899)	(3,320,481)	(2,878,471)
Transport		(4,380,621)	(4,612,009)	(4,431,356)
Economic services		(1,247,540)	(1,178,807)	(1,095,349)
Other property and services		(19,461)	(45,000)	(123,428)
		(15,199,228)	(14,691,823)	(13,670,297)
Non-cash amounts excluded from operating activities	25(a)	3,883,823	4,235,461	4,194,880
<b>Amount attributable to operating activities</b>		<b>(1,598,128)</b>	<b>(1,452,337)</b>	<b>(2,510,334)</b>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	2,826,984	6,288,074	1,961,832
Proceeds from disposal of assets	10(a)	78,268	291,364	362,756
Proceeds from financial assets at amortised cost - self supporting loans		0	484,453	0
Purchase of property, plant and equipment	8(a)	(981,481)	(4,609,345)	(676,985)
Purchase and construction of infrastructure	9(a)	(7,478,985)	(9,100,768)	(3,875,099)
<b>Amount attributable to investing activities</b>		<b>(5,555,214)</b>	<b>(6,646,222)</b>	<b>(2,227,496)</b>
<b>FINANCING ACTIVITIES</b>				
Repayment of borrowings	16(b)	(1,179,321)	(700,150)	(68,253)
Proceeds from borrowings	16(c)	602,113	0	2,855,000
Payments for principal portion of lease liabilities	15(b)	(137,599)	0	0
Transfers to reserves (restricted assets)	4	(1,362,844)	(339,645)	(425,029)
Transfers from reserves (restricted assets)	4	2,825,710	1,942,863	1,071,213
<b>Amount attributable to financing activities</b>		<b>748,059</b>	<b>903,068</b>	<b>3,432,931</b>
<b>Surplus/(deficit) before imposition of general rates</b>		<b>(6,405,283)</b>	<b>(7,195,490)</b>	<b>(1,304,899)</b>
<b>Total amount raised from general rates</b>	24(a)	<b>7,166,927</b>	<b>7,195,490</b>	<b>6,687,665</b>
<b>Surplus/(deficit) after imposition of general rates</b>	25(b)	<b>761,644</b>	<b>0</b>	<b>5,382,766</b>

\* See note 28 for details regarding the impact for the treatment of remediation costs and joint operation for aged housing.

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

**SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**1. BASIS OF PREPARATION**

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the Local Government Act 1995 and accompanying regulations.

**AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**

The Local Government (Financial Management) Regulations 1996 take precedence over Australian Accounting Standards. Prior to 1 July 2019, Financial Management Regulation 16 arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the Shire. This was not in accordance with the requirements of AASB 1051 Land Under Roads paragraph 15 and AASB 116 Property, Plant and Equipment paragraph 7.

From 1 July 2019, the Shire has applied AASB 16 Leases which requires leases to be included by lessees in the statement of financial position. Also, the Local Government (Financial Management) Regulations 1996 have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

**NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS**

On 1 July 2020 the following new accounting standards are to be adopted:

- AASB 1059 Service Concession Arrangements: Grantors
- AASB 2018-7 Amendments to Australian Accounting Standards - Materiality

AASB 1059 Service Concession Arrangements: Grantors is not expected to impact the financial report.

Specific impacts of AASB 2018-7 Amendments to Australian Accounting Standards - Materiality, have not been identified.

**CRITICAL ACCOUNTING ESTIMATES**

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

**THE LOCAL GOVERNMENT REPORTING ENTITY**

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 to these financial statements.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle

| 10

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

(a) Grant revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
<b>Operating grants, subsidies and contributions</b>			
Governance	0	22,000	20,390
General purpose funding	609,379	369,077	512,791
Law, order, public safety	15,052	16,500	9,211
Health	21,360	0	0
Education and welfare	216,305	213,304	213,938
Community amenities	5,280	6,240	0
Recreation and culture	2,455	4,500	5,018
Transport	1,032,181	490,496	912,825
Economic services	247,342	241,200	270,079
Other property and services	3,693	13,710	5,760
	2,153,047	1,377,027	1,950,012
<b>Non-operating grants, subsidies and contributions</b>			
Health	0	1,000,000	0
Housing	0	1,200,000	0
Recreation and culture	1,021,461	1,062,823	258,559
Transport	965,061	932,090	1,703,273
Economic services	840,462	2,093,161	0
	2,826,984	6,288,074	1,961,832
<b>Total grants, subsidies and contributions</b>	<b>4,980,031</b>	<b>7,665,101</b>	<b>3,911,844</b>
<b>Fees and charges</b>			
General purpose funding	22,197	32,200	26,070
Law, order, public safety	58,781	17,800	36,042
Health	3,358	3,000	209
Education and welfare	7,619	9,000	17,346
Housing	96,072	113,681	142,291
Community amenities	1,033,909	1,036,425	1,055,043
Recreation and culture	114,794	293,500	129,442
Transport	273	0	0
Economic services	80,914	78,042	100,935
	1,417,917	1,583,648	1,507,378

**Grants, subsidies and contributions**

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

**Fees and Charges**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.



SHIRE OF COOLGARDIE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020  
 2. REVENUE AND EXPENSES (Continued)

## (a) Revenue (Continued)

**Contracts with customers and transfers  
 for recognisable non-financial assets**

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:

Non-operating grants, subsidies and contributions

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Non-operating grants, subsidies and contributions	2,826,984	6,288,074	1,961,832
	<u>2,826,984</u>	<u>6,288,074</u>	<u>1,961,832</u>

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:

Contracts with customers included as a contract liability at the start of the period

Other revenue from performance obligations satisfied during the year

Contracts with customers included as a contract liability at the start of the period	5,165	0	0
Other revenue from performance obligations satisfied during the year	2,821,819	6,288,074	1,961,832
	<u>2,826,984</u>	<u>6,288,074</u>	<u>1,961,832</u>

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:

Trade and other receivables from contracts with customers

Contract liabilities from contracts with customers

Trade and other receivables from contracts with customers	166,715	0	0
Contract liabilities from contracts with customers	(4,894)	0	0

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'.

Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.

Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less.

Consideration from contracts with customers is included in the transaction price.

Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

**Revenue from statutory requirements**

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

General rates

Statutory permits and licences

Fines

	2020 Actual \$	2020 Budget \$	2019 Actual \$
General rates	7,166,927	7,195,490	6,687,665
Statutory permits and licences	27,389	36,000	63,448
Fines	1,779	4,800	3,450
	<u>7,196,095</u>	<u>7,236,290</u>	<u>6,754,563</u>

**Other revenue**

Reimbursements and recoveries

Other

Reimbursements and recoveries	224,983	116,270	182,740
Other	352,814	57,500	154,191
	<u>577,797</u>	<u>173,770</u>	<u>336,931</u>

**Interest earnings**

Interest on reserve funds

Rates instalment and penalty interest (refer Note 24(c))

Other interest earnings

Interest on reserve funds	35,310	69,000	76,311
Rates instalment and penalty interest (refer Note 24(c))	106,988	122,500	119,450
Other interest earnings	39,502	17,250	29,172
	<u>181,800</u>	<u>208,750</u>	<u>224,933</u>

**SHIRE OF COOLGARDIE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**  
**2. REVENUE AND EXPENSES (Continued)**

(a) Revenue (Continued)

**SIGNIFICANT ACCOUNTING POLICIES**

**Interest earnings**

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

**Interest earnings (continued)**

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

(b) Expenses

**Auditors remuneration**

- Audit of the Annual Financial Report
- Other services

**Interest expenses (finance costs)**

- Borrowings
- Lease liabilities

**Other expenditure**

- Impairment loss on trade and other receivables from contracts with customers
- Sundry expenses

Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
	59,500	50,000	45,359
	13,686	25,000	64,594
	73,186	75,000	109,953
16(b)	102,855	100,519	45,171
15(b)	16,088	0	0
	118,943	100,519	45,171
	142,170	0	153,077
	492,097	591,269	365,897
	634,267	591,269	518,974

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

	NOTE	2020 \$	2019 \$
Cash at bank and on hand		750,217	1,108,009
Term deposits		1,804,225	6,926,392
<b>Total cash and cash equivalents</b>		<b>2,554,442</b>	<b>8,034,401</b>

**Restrictions**

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents		1,918,046	6,091,920
		<b>1,918,046</b>	<b>6,091,920</b>

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash backed	4	1,804,223	3,267,089
Contract liabilities from contracts with customers	14	4,894	0
Bonds & Deposits	13	108,929	122,575
Unspent grants, subsidies and contributions		0	5,155
Unspent loans	16(c)	0	2,697,101
<b>Total restricted assets</b>		<b>1,918,046</b>	<b>6,091,920</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

**Restricted assets**

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

4. RESERVES - CASH BACKED

	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance	2020 Budget Opening Balance	2020 Budget Transfer to	2020 Budget Transfer (from)	2020 Budget Closing Balance	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Land & Building Reserve	312,769	3,743	(150,000)	166,512	312,769	0	0	312,769	306,915	5,854	0	312,769
(b) Plant Reserve	397,698	83,029	(227,501)	253,226	397,697	111,364	(377,364)	131,697	453,046	8,642	(63,990)	397,698
(c) Sewerage Reserve	133,125	41,594	0	174,719	133,125	40,000	0	173,125	157,712	43,008	(67,595)	133,125
(d) Landfill Reserve	468,981	5,386	(272,658)	201,709	468,981	0	(268,000)	200,981	715,444	31,245	(277,708)	468,981
(e) Community & Recreation Reserve	371,418	3,982	(350,000)	25,400	371,418	0	(250,000)	121,418	413,530	7,888	(50,000)	371,418
(f) Environmental Reserve	357,726	4,167	(69,788)	292,105	357,726	0	(300,000)	57,726	506,073	9,653	(158,000)	357,726
(g) IT & Communications Reserve	89,654	1,073	(80,000)	10,727	89,654	0	0	89,654	99,261	1,893	(11,500)	89,654
(h) Aerodrome Reserve	158,000	1,817	(140,000)	19,817	158,000	0	(129,000)	29,000	0	158,000	0	158,000
(i) Road Reserve	333,857	3,776	(118,499)	219,134	333,857	0	(118,499)	215,358	545,188	10,399	(221,730)	333,857
(j) Infrastructure Renewal Reserve	643,861	264,277	(467,264)	440,874	643,863	188,281	(500,000)	332,144	716,104	148,447	(220,690)	643,861
(k) COVID-19 Reserve	0	950,000	(950,000)	0	0	0	0	0	0	0	0	0
	3,267,089	1,362,844	(2,825,710)	1,804,223	3,267,090	339,645	(1,942,863)	1,663,872	3,913,273	425,029	(1,071,213)	3,267,089

All reserves are supported by cash and cash equivalents and are restricted within equity as Reserves - cash backed.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Land & Building Reserve	Ongoing	To finance purchase or capital improvements to Council buildings and facilitate subdivisions and developments
(b) Plant Reserve	Ongoing	To be used for the purchase of major and minor plant and equipment
(c) Sewerage Reserve	Ongoing	To repair, replace or extend the Coolgardie Sewerage Infrastructure
(d) Landfill Reserve	Ongoing	To reinstate landfill sites at the end of their current purpose or to fund improvements at landfill sites
(e) Community & Recreation Reserve	Ongoing	To fund capital and maintenance requirements to improve Community and Recreational Facilities
(f) Environmental Reserve	Ongoing	Funding of infrastructure and building improvements to meet environmental challenges and to promote efficient use of power & water
(g) IT & Communications Reserve	Ongoing	To fund capital and maintenance of Computer and communications hardware and software
(h) Aerodrome Reserve	Ongoing	For the construction and maintenance of aerodrome facilities
(i) Road Reserve	Ongoing	For the construction and maintenance of Roads and for which contributions have been received for Heavy Haulage Campaigns
(j) Infrastructure Renewal Reserve	Ongoing	To meet the needs of renewal funding for future Capital renewal infrastructure generally
(k) COVID-19 Reserve	30/06/2020	To meet the costs associated with COVID-19

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

5. OTHER FINANCIAL ASSETS

	2020	2019
	\$	\$
<b>Non-current assets</b>		
Financial assets at fair value through profit and loss	89,026	87,586
	<u>89,026</u>	<u>87,586</u>
<b>Financial assets at fair value through profit and loss</b>		
Units in Local Government House Trust	89,026	87,586
	<u>89,026</u>	<u>87,586</u>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

**Financial assets at fair value through profit and loss**

The Shire classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the Shire has not elected to recognise fair value gains and losses through other comprehensive income.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 26.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	1,560,356	1,476,726
Trade and other receivables	166,715	396,846
GST receivable	166,988	234,337
Allowance for impairment of receivables	(142,170)	(153,077)
Emergency Services Levy	8,338	23,820
Pensioner Rebates	3,356	28,859

Non-current

Pensioner's rates and ESL deferred	100,415	100,415
------------------------------------	---------	---------

	2020	2019
	\$	\$
	1,560,356	1,476,726
	166,715	396,846
	166,988	234,337
	(142,170)	(153,077)
	8,338	23,820
	3,356	28,859
	1,763,583	2,007,511
	100,415	100,415
	100,415	100,415

**SIGNIFICANT ACCOUNTING POLICIES**

**Trade and other receivables**

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

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

**Impairment and risk exposure**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

**SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Classification and subsequent measurement**

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

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

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

7. INVENTORIES

Current

Museum Memorabilia & Giftware

	2020	2019
	\$	\$
	15,350	9,299
	<u>15,350</u>	<u>9,299</u>
	9,299	5,043
	6,051	4,256
	<u>15,350</u>	<u>9,299</u>

The following movements in inventories occurred during the year:

Carrying amount at beginning of period

Additions to inventory

Carrying amount at end of period

**SIGNIFICANT ACCOUNTING POLICIES**

General

Inventories are measured at the lower of cost and net realisable value.

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

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

Movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 30 June 2018</b>	1,127,600	1,127,600	1,367,820	29,789,235	31,157,055	32,284,655	552,543	1,459,563	34,296,761
Prior year adjustment (Note 28)	0	0	0	(741,000)	(741,000)	(741,000)	0	0	(741,000)
<b>Balance at 1 July 2018</b>	1,127,600	1,127,600	1,367,820	29,048,235	30,416,055	31,543,655	552,543	1,459,563	33,555,761
Additions	0	0	0	333,495	333,495	333,495	0	343,490	676,985
(Disposals)	(20,000)	(20,000)	(193,989)	(123,766)	(317,755)	(337,755)	0	(75,188)	(412,943)
Depreciation (expense)	0	0	(24,831)	(745,512)	(770,343)	(770,343)	(109,773)	(188,305)	(1,068,421)
<b>Carrying amount at 30 June 2019</b>	1,107,600	1,107,600	1,149,000	28,512,452	29,661,452	30,769,052	442,770	1,539,560	32,751,382
<b>Comprises:</b>									
Gross carrying amount at 30 June 2019	1,107,600	1,107,600	1,200,000	30,007,325	31,207,325	32,314,925	768,671	2,028,451	35,112,047
Accumulated depreciation at 30 June 2019	0	0	(51,000)	(1,494,873)	(1,545,873)	(1,545,873)	(325,901)	(488,891)	(2,360,665)
<b>Carrying amount at 30 June 2019</b>	1,107,600	1,107,600	1,149,000	28,512,452	29,661,452	30,769,052	442,770	1,539,560	32,751,382
Additions	0	0	0	741,763	741,763	741,763	12,893	226,825	981,481
(Disposals)	0	0	0	0	0	0	0	(67,177)	(67,177)
Depreciation (expense)	0	0	(25,500)	(753,879)	(779,379)	(779,379)	(110,305)	(211,521)	(1,101,205)
<b>Carrying amount at 30 June 2020</b>	1,107,600	1,107,600	1,123,500	28,500,336	29,623,836	30,731,436	345,358	1,487,687	32,564,481
<b>Comprises:</b>									
Gross carrying amount at 30 June 2020	1,107,600	1,107,600	1,200,000	30,730,087	31,930,087	33,037,687	781,563	2,094,938	35,914,188
Accumulated depreciation at 30 June 2020	0	0	(76,500)	(2,229,751)	(2,306,251)	(2,306,251)	(436,205)	(607,251)	(3,349,707)
<b>Carrying amount at 30 June 2020</b>	1,107,600	1,107,600	1,123,500	28,500,336	29,623,836	30,731,436	345,358	1,487,687	32,564,481

| 20



SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>Land and buildings</b>					
Land - freehold land	2 & 3	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2017	Price per hectare, with reference to current zoning of land. Market values were used unless there were some restrictions or other factors associated with the land.
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2017	Observable open market values of similar assets adjusted for condition and comparability at the highest and best use
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2017	Construction costs based on recent contract prices, current condition, residual values and remaining useful life assessments
<b>Furniture and equipment</b>	3	Cost approach using depreciated replacement cost	Management Valuation	June 2016	Purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments
<b>Plant and equipment</b>	2 & 3	Market approach using recent observable market data for similar assets and cost approach using depreciated replacement cost	Independent Registered Valuer & Management Valuation	June 2016	Purchase costs of similar assets adjusted for condition and comparability, residual values and remaining useful life assessments

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year.

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Infrastructure - Sewerage	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 30 June 2018	130,221,205	2,849,438	1,145,778	4,836,100	3,717,500	3,964,000	146,734,021
Prior year adjustment (Note 28)	0	0	0	0	0	447,500	447,500
Balance at 1 July 2018	130,221,205	2,849,438	1,145,778	4,836,100	3,717,500	4,411,500	147,181,521
Additions	2,584,800	54,173	77,886	131,475	0	1,026,765	3,875,099
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	46,167	46,167
Depreciation (expense)	(2,564,186)	(82,600)	(30,554)	(196,044)	(37,925)	(174,110)	(3,085,419)
Carrying amount at 30 June 2019	130,241,819	2,821,011	1,193,110	4,771,531	3,679,575	5,310,322	148,017,368
<b>Comprises:</b>							
Gross carrying amount at 30 June 2019	132,806,005	2,903,611	1,223,664	4,967,575	3,717,500	5,699,106	151,317,461
Accumulated depreciation at 30 June 2019	(2,564,186)	(82,600)	(30,554)	(196,044)	(37,925)	(388,784)	(3,300,093)
Carrying amount at 30 June 2019	130,241,819	2,821,011	1,193,110	4,771,531	3,679,575	5,310,322	148,017,368
Additions	1,417,065	53,158	39,333	84,071	0	5,885,358	7,478,985
Depreciation (expense)	(2,615,083)	(84,170)	(32,631)	(200,183)	(37,924)	(182,161)	(3,152,152)
Carrying amount at 30 June 2020	129,043,801	2,789,999	1,199,812	4,655,419	3,641,651	11,013,519	152,344,201
<b>Comprises:</b>							
Gross carrying amount at 30 June 2020	134,223,070	2,956,768	1,262,998	5,051,646	3,717,500	11,584,464	158,796,446
Accumulated depreciation at 30 June 2020	(5,179,269)	(166,769)	(63,186)	(396,227)	(75,849)	(570,945)	(6,452,245)
Carrying amount at 30 June 2020	129,043,801	2,789,999	1,199,812	4,655,419	3,641,651	11,013,519	152,344,201

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Sewerage	3	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2018	Construction costs and current condition, residual values and remaining useful life assessments

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.

During the period there were no changes in the valuation techniques used to determine the fair value of infrastructure using level 3 inputs.

**SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**10. FIXED ASSETS**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed assets**

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

**Initial recognition and measurement between mandatory revaluation dates**

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings and infrastructure acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

**Revaluation**

The fair value of land, buildings and infrastructure is determined at least every five years in accordance with the regulatory framework.

At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires land, buildings and infrastructure to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

**AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY**

**Land under control prior to 1 July 2019**

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

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

**Land under roads prior to 1 July 2019**

In Western Australia, most land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the then Local Government (Financial Management) Regulation 16(a)(i) which arbitrarily *prohibited local governments from recognising such land as an asset*. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then Local Government (Financial Management) Regulation 16(a)(i) prohibited local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail. Consequently, any land under roads acquired on or after 1 July 2008 was not included as an asset of the Shire.

**Land under roads from 1 July 2019**

As a result of amendments to the Local Government (Financial Management) Regulations 1996, effective from 1 July 2019, vested land, including land under roads, are treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

Refer to Note 11 that details the significant accounting policies applying to leases (including right of use assets).

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

## 10. FIXED ASSETS

## (a) Disposals of Assets

	2020		2020		2020		2020		2019		2019	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual
	Net Book	Sale	Actual	Actual	Net Book	Budget	Profit	Loss	Net Book	Sale	Actual	Actual
	Value	Proceeds	Profit	Loss	Value	Proceeds	Profit	Loss	Value	Proceeds	Profit	Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	20,000	0	0	(20,000)
Buildings - non-specialised	0	0	0	0	263,000	180,000	0	(83,000)	193,989	263,564	69,575	0
Buildings - specialised	0	0	0	0	0	0	0	0	123,766	44,625	11,045	(90,186)
Plant and equipment	67,177	78,268	27,324	(16,233)	80,864	111,364	34,500	(4,000)	75,188	54,567	0	(20,621)
	67,177	78,268	27,324	(16,233)	343,864	291,364	34,500	(87,000)	412,943	362,756	80,620	(130,807)

The following assets were disposed of during the year.

	2020		2020	
	Actual	Actual	Actual	Actual
	Net Book	Sale	Actual	Actual
	Value	Proceeds	Profit	Loss
<b>Plant and Equipment</b>				
<b>Transport</b>				
P306 - Holden Cruze	1,920	5,850	3,930	0
P323 - Holden Evoke	5,198	8,775	3,577	0
P324 - Holden Evoke	4,857	7,800	2,943	0
P327 - Holden Evoke	5,394	7,800	2,406	0
P337 - Ford Ranger	8,032	16,575	8,543	0
P301 - Mitsubishi Utility	3,706	6,338	2,632	0
P214 - Mitsubishi Tip Truck	6,045	7,800	1,755	0
P332 - Self Levelling Planner	20,888	4,655	0	(16,233)
P230 - Hino Dutro 6500	11,137	12,675	1,538	0
	67,177	78,268	27,324	(16,233)

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

10. FIXED ASSETS

(b) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - non-specialised	25,500	25,000	24,831
Buildings - specialised	753,879	637,200	745,512
Furniture and equipment	110,305	122,473	109,773
Plant and equipment	211,521	266,393	188,305
Infrastructure - Roads	2,615,083	2,650,000	2,564,186
Infrastructure - Footpaths	84,170	80,000	82,600
Infrastructure - Drainage	32,631	30,721	30,554
Infrastructure - Parks & Ovals	200,183	208,000	196,044
Infrastructure - Sewerage	37,924	38,805	37,925
Infrastructure - Other	182,161	124,369	174,110
Right of use assets - plant and equipment	166,266	0	0
	4,419,623	4,182,961	4,153,840

**SIGNIFICANT ACCOUNTING POLICIES**

**Depreciation**

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

**Depreciation rates**

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Asset Class	Useful life
Buildings - non-specialised	30-50 years
Buildings - specialised	3-50 years
Furniture and equipment	3-40 years
Plant and equipment	5-20 years
Infrastructure - Roads	20-150 years
Infrastructure - Footpaths	30-60 years
Infrastructure - Drainage	75 years
Infrastructure - Parks & Ovals	5-50 years
Infrastructure - Sewerage	10-100 years
Infrastructure - Other Infrastructure	2-50 years
Infrastructure - Kerbing	50 years
Right of use (plant and equipment)	3-7 Years

**Depreciation on revaluation**

When an item of property, plant and equipment is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Amortisation**

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

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

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

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

## 11. LEASES

### (a) Right of Use Assets

Movement in the carrying amounts of each class of right of use asset between the beginning and the end of the current financial year.

#### Carrying amount at 30 June 2019

Recognised on initial application of AASB 16  
Restated total equity at the beginning of the financial year  
Depreciation (expense)  
Carrying amount at 30 June 2020

### (b) Cash outflow from leases

Interest expense on lease liabilities  
Lease principal expense  
Total cash outflow from leases

	Right of use assets - plant and equipment	Right of use assets Total
	\$	\$
Carrying amount at 30 June 2019	0	0
Recognised on initial application of AASB 16	703,030	703,030
Restated total equity at the beginning of the financial year	703,030	703,030
Depreciation (expense)	(166,266)	(166,266)
Carrying amount at 30 June 2020	536,764	536,764
Interest expense on lease liabilities	16,088	16,088
Lease principal expense	137,599	137,599
Total cash outflow from leases	153,687	153,687

## SIGNIFICANT ACCOUNTING POLICIES

### Leases

At inception of a contract, the Shire assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

### Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

The Shire does not have any vested improvements.

### Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

12. REVALUATION SURPLUS

	2020 Opening Balance	2020 Revaluation Increment	2020 Revaluation (Decrement)	Total Movement on Revaluation	2020 Closing Balance	2019 Original Opening Balance	2019 Prior Year Adjustment	2019 Restated Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings - specialised	15,257,193	0	0	0	15,257,193	16,039,943	(782,750)	15,257,193	0	0	0	15,257,193
Revaluation surplus - Furniture and equipment	344,808	0	0	0	344,808	344,808	0	344,808	0	0	0	344,808
Revaluation surplus - Infrastructure - Roads	96,296,313	0	0	0	96,296,313	96,296,313	0	96,296,313	0	0	0	96,296,313
Revaluation surplus - Infrastructure - Footpaths	1,529,985	0	0	0	1,529,985	1,529,985	0	1,529,985	0	0	0	1,529,985
Revaluation surplus - Infrastructure - Drainage	522,500	0	0	0	522,500	522,500	0	522,500	0	0	0	522,500
Revaluation surplus - Infrastructure - Parks & Ovals	2,912,938	0	0	0	2,912,938	2,912,938	0	2,912,938	0	0	0	2,912,938
Revaluation surplus - Infrastructure - Sewerage	2,607,447	0	0	0	2,607,447	2,607,447	0	2,607,447	0	0	0	2,607,447
Revaluation surplus - Infrastructure - Other	779,335	0	0	0	779,335	733,168	0	733,168	46,167	0	46,167	779,335
	120,250,519	0	0	0	120,250,519	120,987,102	(782,750)	120,204,352	46,167	0	46,167	120,250,519

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.



SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors	934,272	596,196
Prepaid rates	162,093	146,516
Accrued salaries and wages	7,858	113,673
ATO liabilities	101,320	98,778
Income Received in Advance	0	7,700
Bonds and deposits held	108,929	122,575
Accrued Expenditure	6,000	429,591
Accrued Interest on borrowings	23,764	21,073
	<b>1,344,236</b>	<b>1,536,102</b>

2020

2019

\$

\$

**SIGNIFICANT ACCOUNTING POLICIES**

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

Prepaid rates

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

SHIRE OF COOLGARDIE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

14. CONTRACT LIABILITIES

Current

Contract liabilities from contracts with customers

	2020	2019
	\$	\$
Contract liabilities from contracts with customers	4,894	0
	<u>4,894</u>	<u>0</u>
Performance obligations from contracts with customers are expected to be recognised as revenue in accordance with the following time bands:		
- Less than 1 year	4,894	0
	<u>4,894</u>	<u>0</u>

**SIGNIFICANT ACCOUNTING POLICIES**

Contract Liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

**SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

15. LEASE LIABILITIES

(a) Lease Liabilities

	2020	2019
	\$	\$
Current	132,083	0
Non-current	433,348	0
	565,431	0

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual	30 June 2020	30 June 2020	30 June 2020	Budget	30 June 2020	30 June 2020	30 June 2020	Actual	30 June 2019	30 June 2019	30 June 2019
					Lease Principal 1 July 2019	Actual Lease Repayments	Lease Principal Outstanding	Lease Interest Repayments	Lease Principal 1 July 2019	Lease Principal Repayments	Lease Principal Outstanding	Lease Interest Repayments	Lease Principal 1 July 2018	Actual Lease Repayments	Lease Principal Outstanding	Lease Interest Repayments
<b>Recreation and culture</b>																
Kambalda Gym Equipment	333864-06	De Lage Landen	2.54%	5 yrs	26,379	17,476	8,903	462	0	0	0	0	0	0	0	0
<b>Transport</b>																
P351 Hino 700 Series	6320171	Kooya	2.54%	7 yrs	200,259	21,888	178,371	4,778	0	0	0	0	0	0	0	0
P355 Hino 500 Series	6344997	Kooya	2.54%	7 yrs	159,413	14,585	144,828	3,835	0	0	0	0	0	0	0	0
P358 Hino 500 Series	6374551	Kooya	2.54%	7 yrs	158,637	16,921	141,716	3,801	0	0	0	0	0	0	0	0
<b>Other property and services</b>																
IT Hardware	45325-003	All Leasing	2.54%	3 yrs	158,342	66,729	91,613	3,212	0	0	0	0	0	0	0	0
					703,030	137,599	565,431	16,088	0	0	0	0	0	0	0	0

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

16. INFORMATION ON BORROWINGS

	2020	2019
	\$	\$
Current	292,693	700,151
Non-current	2,608,814	2,779,564
	2,902,507	3,479,715

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2020					30 June 2020				30 June 2019					
				Actual Principal	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Budget Principal	Budget Principal repayments	Budget Interest repayments	Budget Principal outstanding	Actual Principal	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Community amenities</b>																		
Coolgardie Effluent System	99	WATC *	5.75%	0	0	0	0	0	0	0	0	0	13,960	0	13,960	203	0	0
<b>Recreation and culture</b>																		
Coolgardie Aquatic Facilities	112	WATC *	4.34%	206,442	0	37,821	9,263	168,621	205,643	19,011	9,354	186,632	242,674	0	36,232	10,293	206,442	0
Kambalda Aquatic Facilities	114	WATC *	2.17%	1,905,000	0	172,489	55,770	1,732,511	1,905,000	172,489	53,276	1,732,511	0	1,905,000	0	6,789	1,905,000	0
Kambalda Aquatic Facilities	115	WATC *	1.55%	950,000	0	950,000	13,806	0	0	0	0	0	0	950,000	0	4,262	950,000	0
Kambalda Aquatic Facilities	116	WATC *	1.23%	0	602,113	0	0	602,113	0	0	0	0	0	0	0	0	0	0
<b>Economic services</b>																		
Coolgardie Post Office	113	WATC *	5.19%	418,273	0	19,011	24,016	399,262	416,817	37,821	24,265	378,996	436,334	0	18,061	23,624	418,273	0
				3,479,715	602,113	1,179,321	102,855	2,902,507	2,527,460	229,321	86,895	2,298,139	692,968	2,855,000	68,253	45,171	3,479,715	0
<b>Self Supporting Loans</b>																		
<b>Transport</b>																		
Binneringie Road	115	WATC *	1.55%	0	0	0	0	0	950,000	470,829	13,624	479,171	0	0	0	0	0	0
				0	0	0	0	0	950,000	470,829	13,624	479,171	0	0	0	0	0	0
				3,479,715	602,113	1,179,321	102,855	2,902,507	3,477,460	700,150	100,519	2,777,310	692,968	2,855,000	68,253	45,171	3,479,715	0

\* WA Treasury Corporation

Loan 115 - Change of Purpose

At a Special Council Meeting held 30 October 2019, Council resolved to change the purpose of Loan 115 from completing proposed works on Binneringie Road to the refurbishment of the Kambalda Aquatic Facilities Upgrade. The decision to change the purpose of the loan was carried unanimously.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

16. INFORMATION ON BORROWINGS (Continued)

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent	Borrowed	Expended	Unspent
			Balance 1 July 2019	During Year	During Year	Balance 30 June 2020
			\$	\$	\$	\$
Loan 113 - Coolgardie Post Office	WATC *	15/04/2014	30,503	0	(30,503)	0
Loan 114 - Kambalda Swimming Pool	WATC *	10/05/2019	1,716,598	0	(1,716,598)	0
Loan 115 - Binneringie Road / Kambalda Pool	WATC *	10/05/2019	950,000	0	(950,000)	0
			2,697,101	0	(2,697,101)	0

\* WA Treasury Corporation

	2020	2019
(d) Undrawn Borrowing Facilities	\$	\$
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	55,000	35,000
Credit card balance at balance date	(5,428)	(2,764)
<b>Total amount of credit unused</b>	549,572	532,236
<b>Loan facilities</b>		
Loan facilities - current	292,693	700,151
Loan facilities - non-current	2,609,814	2,779,564
Lease liabilities - current	132,083	0
Lease liabilities - non-current	433,348	0
<b>Total facilities in use at balance date</b>	3,467,938	3,479,715
<b>Unused loan facilities at balance date</b>	0	2,697,101

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

Financial liabilities are recognised at fair value when the Shire becomes a party to the contractual provisions to the instrument.

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred. The Shire has elected not to capitalise borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset.

**Risk**

Information regarding exposure to risk can be found at Note 26.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

## 17. EMPLOYEE RELATED PROVISIONS

### (a) Employee Related Provisions

	Provision for Provision for Annual Long Service		Total
	Leave	Leave	
	\$	\$	\$
<b>Opening balance at 1 July 2019</b>			
Current provisions	155,308	77,071	232,379
Non-current provisions	0	106,813	106,813
	155,308	183,884	339,192
<b>Additional provision</b>	210,579	29,579	240,158
Amounts used	(174,550)	(35,753)	(210,303)
<b>Balance at 30 June 2020</b>	191,337	177,710	369,047
<b>Comprises</b>			
Current	191,337	92,885	284,222
Non-current	0	84,825	84,825
	191,337	177,710	369,047
<b>Amounts are expected to be settled on the following basis:</b>	<b>2020</b>	<b>2019</b>	
	\$	\$	
Less than 12 months after the reporting date	176,879	200,071	
More than 12 months from reporting date	192,168	139,121	
	369,047	339,192	

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

### SIGNIFICANT ACCOUNTING POLICIES

#### Employee benefits

##### Short-term employee benefits

Provision is made for the Shire's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

##### Other long-term employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

##### Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

##### Provisions

Provisions are recognised when the Shire has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

18. OTHER PROVISIONS

	Note	Provision for Remediation	
		Costs	Total
		\$	\$
Balance at 30 June 2018		0	0
Prior year adjustment	28	774,456	774,456
Balance at 1 July 2018		774,456	774,456
Additional provision		23,359	23,359
Balance at 30 June 2019		797,815	797,815
Current provisions		0	0
Non-current provisions		797,815	797,815
		797,815	797,815
Additional provision		0	0
Balance at 30 June 2020		797,815	797,815
<b>Comprises</b>			
Current		450,000	450,000
Non-current		347,815	347,815
		797,815	797,815

**Provision for remediation costs**

Under the licence for the operation of the Kambalda Landfill Facility, the Shire has a legal obligation to restore the site.

A provision for remediation is recognised when:

- there is a present obligation as a result of waste activities undertaken;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- the amount of the provision can be measured reliably.

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

19. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2020 Actual \$	2020 Budget \$	Restated 2019 Actual \$
Cash and cash equivalents	2,554,442	1,928,596	8,034,401
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	(865,641)	2,008,167	(926,194)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(1,440)	0	0
Depreciation on non-current assets	4,419,623	4,182,961	4,153,840
(Profit)/loss on sale of asset	(11,091)	52,500	50,187
Changes in assets and liabilities:			
(Increase)/decrease in receivables	243,928	1,000,000	(276,986)
(Increase)/decrease in other assets	0	0	54,872
(Increase)/decrease in inventories	(6,051)	0	(4,256)
Increase/(decrease) in payables	(191,866)	316,603	756,543
Increase/(decrease) in provisions	29,855	0	14,836
Increase/(decrease) in contract liabilities	(271)	183,397	0
Non-operating grants, subsidies and contributions	(2,826,984)	(6,288,074)	(1,961,832)
Net cash from operating activities	790,062	1,455,554	1,861,010



SHIRE OF COOLGARDIE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	Restated 2019
	\$	\$
Governance	115,910	167,670
General purpose funding	2,379,500	6,095,883
Law, order, public safety	67,479	33,519
Health	84,618	6,310
Education and welfare	188,502	215,865
Housing	2,143,323	2,505,077
Community amenities	6,925,759	7,842,460
Recreation and culture	34,017,501	30,350,635
Transport	136,077,875	136,146,428
Economic services	5,927,758	6,035,930
Other property and services	2,040,037	1,461,669
Unallocated	0	146,516
	<u>189,968,262</u>	<u>191,007,962</u>

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

21. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	2020	2019
	\$	\$
	0	4,304,112
	0	4,304,112
Payable:		
- not later than one year	0	4,304,112

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:

- not later than one year

- later than one year but not later than five years

- later than five years

	2020	2019
	\$	\$
	0	142,392
	0	330,847
	0	125,340
	0	598,579

**SIGNIFICANT ACCOUNTING POLICIES**

Leases

Up to 30 June 2019, operating leases were expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from leased assets.

From 1 July 2019, the Shire has recognised right of use assets and corresponding lease liabilities for all non-cancellable operating lease commitments, apart from short term and low value assets.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

## 22. RELATED PARTY TRANSACTIONS

### Elected Members Remuneration

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the President.			
Meeting fees	123,196	122,321	121,388
President's allowance	32,800	32,800	28,354
Deputy President's allowance	8,200	8,200	7,110
Travelling expenses	0	10,000	9,186
Telecommunications allowance	23,695	24,500	24,420
	<u>187,891</u>	<u>197,821</u>	<u>190,458</u>

### Key Management Personnel (KMP) Compensation Disclosure

	2020 Actual	2019 Actual
	\$	\$
The total of remuneration paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	751,359	568,047
Post-employment benefits	75,790	57,416
Other long-term benefits	35,057	20,339
	<u>862,206</u>	<u>645,802</u>

#### Short-term employee benefits

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

#### Post-employment benefits

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

#### Other long-term benefits

These amounts represent long service benefits accruing during the year.

SHIRE OF COOLGARDIE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

## 22. RELATED PARTY TRANSACTIONS (Continued)

### Transactions with related parties

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

The following transactions occurred with related parties:	2020 Actual	2019 Actual
	\$	\$
Purchase of goods and services	18,348	880

### Related Parties

#### The Shire's main related parties are as follows:

*i. Key management personnel*

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

*ii. Other Related Parties*

The associate person of KMP was employed by the Shire under normal employment terms and conditions.

*iii. Entities subject to significant influence by the Shire*

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

**SHIRE OF COOLGARDIE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2020**

**23. JOINT ARRANGEMENTS**

**Share of joint arrangements**

- (a) In June 2012 the Shire of Coolgardie became part of a joint venture arrangement with nine other Councils, being the Shire's of Dundas, Esperance, Laverton, Leonora, Menzies, Ngaanyatjaraku, Ravensthorpe, Wiluna and the City of Kalgoorlie-Boulder (collectively called the Goldfields Voluntary Regional Organisation of Councils - GVROC) for the provision of a regional records facility. The facility is located in Kalgoorlie and the only assets are the vehicle and the building which the Shire of Coolgardie has a 1/10th share.

	2020	2019
	\$	\$
<b>Statement of Financial Position</b>		
Land & Buildings	72,500	72,500
Less: Accumulated Depreciation	(5,438)	(2,900)
Total assets	67,062	69,600
Plant & Equipment	8,200	8,204
Less: Accumulated Depreciation	(3,608)	(3,106)
Total assets	4,592	5,098
Furniture & Equipment	4,200	4,182
Less: Accumulated Depreciation	(2,016)	(1,114)
Total assets	2,184	3,068
Light Vehicles	3,200	3,200
Less: Accumulated Depreciation	(1,920)	(1,440)
Total assets	1,280	1,760
<b>Statement of Comprehensive Income</b>		
Other revenue	6,457	18,372
Other expenditure	(18,137)	(13,378)
Net result for the period	(11,680)	4,994

- (b) The Shire has a joint arrangement with the Department of Housing & Works to provide aged housing in Kambalda. The Shire's share of the joint arrangement is 50% and the Shire is required to set aside the equivalent of 1% of the current replacement cost of the properties from the annual rental income for the long term maintenance needs of the properties.

	2020	Restated 2019
	\$	\$
<b>Statement of Financial Position</b>		
Land & Buildings	760,000	760,000
Less: Accumulated Depreciation	(57,000)	(38,000)
Total assets	703,000	722,000
<b>Statement of Comprehensive Income</b>		
Other revenue	7,574	11,962
Other expenditure	(13,097)	(12,416)
Net result for the period	(5,523)	(454)

**SIGNIFICANT ACCOUNTING POLICIES**

**Interests in joint arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. The equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

**Interests in joint arrangements (Continued)**

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

## 24. RATING INFORMATION

## (a) Rates

RATE TYPE	Rate in \$	Number of Properties	2019/20 Actual Rateable Value \$	2019/20 Actual Rate Revenue \$	2019/20 Actual Interim Rates \$	2019/20 Actual Back Rates \$	2019/20 Actual Total Revenue \$	2019/20 Budget Rate Revenue \$	2019/20 Budget Interim Rate \$	2019/20 Budget Back Rate \$	2019/20 Budget Total Revenue \$	2018/19 Actual Total Revenue \$
<b>Differential general rate / general rate</b>												
<b>Gross rental valuations</b>												
Residential	0.076107	1,135	16,317,541	1,241,879	0	0	1,241,879	1,241,879	0	0	1,241,879	1,214,275
<b>Unimproved valuations</b>												
Mining	0.220435	1,159	22,636,584	4,989,895	83,391	8,047	5,081,333	4,989,895	120,000	0	5,109,895	4,630,294
Rural / Pastoral	0.110513	29	1,134,784	125,408	0	0	125,408	125,408	0	0	125,408	105,928
<b>Sub-Total</b>		2,323	40,088,909	6,357,182	83,391	8,047	6,448,620	6,357,182	120,000	0	6,477,182	5,950,497
<b>Minimum payment</b>												
Minimum \$												
<b>Gross rental valuations</b>												
Residential	708	656	4,185,895	464,448	0	0	464,448	464,448	0	0	464,448	456,652
<b>Unimproved valuations</b>												
Mining	437	559	598,076	244,283	0	0	244,283	244,283	0	0	244,283	270,940
Rural / Pastoral	684	14	13,500	9,576	0	0	9,576	9,576	0	0	9,576	9,576
<b>Sub-Total</b>		1,229	4,797,471	718,307	0	0	718,307	718,307	0	0	718,307	737,168
<b>Total amount raised from general rate</b>		3,552	44,886,380	7,075,489	83,391	8,047	7,166,927	7,075,489	120,000	0	7,195,490	6,687,665
Concessions (Note 24(b))							7,166,927				7,195,490	6,687,665
							(19,649)				(45,000)	(5,268)
<b>Totals</b>							7,147,278				7,150,490	6,682,397

## SIGNIFICANT ACCOUNTING POLICIES

## Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

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

SHIRE OF COOLGARDIE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

24. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs  
 Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2020 Actual \$	2020 Budget \$	2019 Actual \$
Community Groups	Waiver	100.00%	Various	0	5,000	0
Rural pursuit properties	Concession	50.00%	Various	16,223	15,000	0
Bona Fide Prospectors	Concession	20.00%	Various	533	5,000	0
Financial hardship	Waiver	100.00%	Various	2,893	20,000	5,268
				19,649	45,000	5,268
Total discounts/concessions (Note 24(a))				19,649	45,000	5,268

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Rates	Community groups who lease or own their own premise and meet the criteria as per Council	Support community groups	Support community groups by reducing the financial cost
Rates	Property being used for rural pursuits	Support rural pursuits	Support rural pursuits by reducing the financial cost
Rates	Bona Fide Prospectors	Support bona fide prospectors	Support bona fide prospectors by reducing the financial cost
Rates	Write Off	Rates debts written off	To bring to account uncollectable rates debts

SHIRE OF COOLGARDIE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

24. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	9/09/2019	\$0	N/A	6.00%
<b>Option Two</b>				
First instalment	9/09/2019	\$0	5.50%	6.00%
Second instalment	11/11/2019	\$10	5.50%	6.00%
Third instalment	13/01/2020	\$10	5.50%	6.00%
Fourth instalment	16/03/2020	\$10	5.50%	6.00%

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Interest on unpaid rates	80,027	120,000	118,783
Interest on instalment plan	26,961	2,500	667
Charges on instalment plan	22,170	21,400	19,220
	129,158	143,900	138,670



SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

25. RATE SETTING STATEMENT INFORMATION

	2019/20 (30 June 2020) Carried Forward	2019/20 Budget (30 June 2020) Carried Forward	2019/20 (1 July 2019) Brought Forward	Restated 2018/19 (30 June 2019) Carried Forward
Note	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	10(a)	(27,324)	(34,500)	(80,620)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(1,440)	0	0
Movement in pensioner deferred rates (non-current)		0	0	(32,178)
Movement in accrued interest on debentures		2,691	0	9,243
Movement in employee benefit provisions (current)		(53,972)	0	(43,794)
Movement in employee benefit provisions (non-current)		(21,988)	0	34,223
Movement in other provisions (non-current)		(450,000)	0	23,359
Add: Loss on disposal of assets	10(a)	16,233	87,000	130,807
Add: Depreciation on non-current assets	10(b)	4,419,623	4,182,961	4,153,840
<b>Non cash amounts excluded from operating activities</b>		<b>3,883,823</b>	<b>4,235,461</b>	<b>4,194,880</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserves - cash backed	4	(1,804,223)	(1,663,872)	(3,267,089)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	16(a)	292,693	712,645	700,151
- Current portion of contract liability held in reserve		0	183,397	0
- Accrued Interest on long term borrowings		23,764	0	21,073
- Accrued Salaries & Wages		7,858	0	113,673
- Bonds & Deposits		0	18,908	0
- Current portion of lease liabilities		132,083	0	0
- Employee benefit provisions		284,222	238,493	232,379
<b>Total adjustments to net current assets</b>		<b>(1,063,603)</b>	<b>(510,429)</b>	<b>(2,199,813)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		4,333,375	2,728,615	10,051,211
Less: Total current liabilities		(2,508,128)	(2,218,186)	(2,468,632)
Less: Total adjustments to net current assets		(1,063,603)	(510,429)	(2,199,813)
<b>Net current assets used in the Rate Setting Statement</b>		<b>761,644</b>	<b>0</b>	<b>5,382,766</b>
<b>(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards</b>				
<b>Total current assets at 30 June 2019</b>				
- Contract assets	27(a)			10,051,211
<b>Total current assets at 1 July 2019</b>				<b>10,051,211</b>
<b>Total current liabilities at 30 June 2019</b>				
- Contract liabilities from contracts with customers	27(a)			(2,468,632)
<b>Total current liabilities at 1 July 2019</b>				<b>(2,473,797)</b>

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

26. FINANCIAL RISK MANAGEMENT

This note explains the Shire's exposure to financial risks and how these risks could affect the Shire's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Shire does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

The Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
<b>2020</b>					
Cash and cash equivalents	0.30%	2,554,442	1,804,225	749,005	1,212
<b>2019</b>					
Cash and cash equivalents	1.60%	8,034,401	6,926,392	1,107,097	912

Sensitivity

Profit or loss is sensitive to higher/lower interest income from cash and cash equivalents as a result of changes in interest rates.

	2020 \$	2019 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	25,544	80,344

\* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 16(b).

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

26. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

**Trade and Other Receivables**

The Shire's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2019 or 1 July 2020 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for rates receivable.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
<b>30 June 2020</b>					
Rates receivable					
Expected credit loss	0.14%	3.71%	8.45%	1.86%	
Gross carrying amount	171,231	572,650	334,882	582,008	1,660,771
Loss allowance	13	21,245	28,298	10,825	60,381
<b>30 June 2019</b>					
Rates receivable					
Expected credit loss	0.27%	4.80%	8.26%	2.16%	
Gross carrying amount	153,603	620,476	267,580	535,482	1,577,141
Loss allowance	19	29,783	22,102	11,567	63,471

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	90+ Days Specific Loss Allowance	Total
<b>30 June 2020</b>						
Trade and other receivables						
Expected credit loss	1.18%	4.28%	4.48%	4.48%	100.00%	
Gross carrying amount	51,333	6,975	5,580	23,189	79,638	166,715
Loss allowance	563	299	250	1,039	79,638	81,789
<b>30 June 2019</b>						
Trade and other receivables						
Expected credit loss	2.10%	3.87%	5.90%	5.90%	100.00%	
Gross carrying amount	197,395	61,370	17,523	40,920	79,638	396,846
Loss allowance	4,145	2,375	1,034	2,414	79,638	89,606

SHIRE OF COOLGARDIE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

26. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(d).

The contractual undiscounted cash flows of the Shire's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<b>2020</b>					
Payables	1,344,236	0	0	1,344,236	1,344,236
Borrowings	363,364	1,407,081	1,534,420	3,304,865	2,902,507
Contract liabilities	4,894	0	0	4,894	4,894
Lease liabilities	144,718	346,734	118,516	609,968	565,431
	<u>1,857,212</u>	<u>1,753,815</u>	<u>1,652,936</u>	<u>5,263,963</u>	<u>4,817,068</u>
<b>2019</b>					
Payables	1,536,102	0	0	1,536,102	1,536,102
Borrowings	783,735	1,681,579	1,466,914	3,932,228	3,479,715
	<u>2,319,837</u>	<u>1,681,579</u>	<u>1,466,914</u>	<u>5,468,330</u>	<u>5,015,817</u>

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the current year, the Shire adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

(a) AASB 15: Revenue from Contracts with Customers

The Shire adopted AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the Statement of Financial Position at the date of initial application (1 July 2019):

	Note	AASB 118 carrying amount 30 June 2019 \$	Reclassification \$	AASB 15 carrying amount 01 July 2019 \$
<b>Contract liabilities - current</b>				
Contract liabilities from contracts with customers	14	0	(5,165)	(5,165)
Adjustment to retained surplus from adoption of AASB 15	29(b)		(5,165)	

(b) AASB 1058: Income For Not-For-Profit Entities

The Shire adopted AASB 1058 Income for Not-for-Profit Entities (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the Shire adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements.

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance gave rise to a financial liability that is within the scope of AASB 9. In accordance with the Shire's current accounting policies, prepaid rates were recognised as a liability as at 30 June 2019. Therefore the initial application of AASB 1058 Income for Not for Profit Entities on 1 July 2019 will not have an impact on the recognition and classification of prepaid rates.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the Shire to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services in relation to Volunteer Fire Services will not be recognised as the fair value of the services cannot be reliably estimated.

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

	Note	As reported under AASB 15 and AASB 1058 2020 \$	Adjustment due to application of AASB 15 and AASB 1058	Compared to AASB 118 and AASB 1004 2020 \$
<b>Statement of Comprehensive Income</b>				
<b>Revenue</b>				
Rates	24(a)	7,147,278	0	7,147,278
Operating grants, subsidies and contributions	2(a)	2,153,047	4,894	2,157,941
Fees and charges	2(a)	1,417,917	0	1,417,917
Non-operating grants, subsidies and contributions	2(a)	2,826,984	0	2,826,984
Net result		(865,641)	4,894	(860,747)
<b>Statement of Financial Position</b>				
Trade and other payables	13	1,344,236	0	1,344,236
Contract liabilities	14	4,894	(4,894)	0
Net assets		183,984,332	(4,894)	183,979,438
<b>Statement of Changes in Equity</b>				
Net result		(865,641)	4,894	(860,747)
Retained surplus		61,929,590	4,894	61,934,484

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

SHIRE OF COOLGARDIE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

(c) AASB 16: Leases

The Shire adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the Shire will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the Shire recognised lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117 (excluding short term and low value leases). These lease liabilities were measured at the present value of the the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 2.54%.

	Note	2020 \$
Operating lease commitments at 30 June 2019 applying AAS 117		598,579
Impact of lease renewal options		165,076
Discount applied using incremental borrowing rate		<u>(60,625)</u>
Lease liability recognised as 1 July 2019	15(b)	703,030
Lease liability - current		137,599
Lease liability - non-current		<u>565,431</u>
Right-of-use assets recognised at 1 July 2019		703,030

On adoption of AASB 16, the Shire recognised a right-of-use asset in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is deemed to be equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments.

Property, plant and equipment and lease liabilities increased by \$703,030 on 1 July 2019 resulting in no impact on retained surplus.

On adoption of AASB 16 Leases (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the Shire is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

In applying AASB 16 for the first time, the Shire will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

## 28. PRIOR YEAR ADJUSTMENTS

### (a) Unrecognised Provision for Landfill closure and rehabilitation

The Shire has been operating a landfill facility in Kambalda since 2013. Under the license for the operation, the Shire has a legal obligation to restore the site.

During the year a provision for the closure and rehabilitation of the waste cells at the Kambalda landfill facility was recognised. As recognition of this should have been made at the inception of the landfill facility, the provision is now being recognised as a prior period error.

The provision was recognised and a corresponding rehabilitation / post closure asset was created, to be amortised over the remaining life of the site.

### (b) Recognition of share of Kambalda aged accommodation units owned by Department of Housing & Works

In previous years the Shire had shown its joint share in the Kambalda aged accommodation with the Department of Housing & Works at 100% of the value of the units. This has now been corrected to reflect the Shire's true share of 50% of the carrying value of the aged accommodation buildings and related depreciation.

The errors have been corrected by restating each of the affected financial statement line items for the prior periods as follows:

	30 June 2018 Original Balance	Increase/ (Decrease)	1 July 2018 Restated
	\$	\$	\$
<b>2018 Statement of Financial Position</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	34,296,761	(741,000)	33,555,761
Infrastructure	146,734,021	447,500	147,181,521
<b>Non Current Liabilities</b>			
Other Provisions	0	774,456	774,456
<b>Equity</b>			
Retained Surplus	61,902,746	(285,206)	61,617,540
Revaluation Surplus	120,987,102	(782,750)	120,204,352
<b>30 June 2019</b>			
	Original Balance	Increase/ (Decrease)	30 June 2019 Restated
	\$	\$	\$
<b>2019 Statement of Financial Position</b>			
<b>Non Current Assets</b>			
Property, Plant & Equipment	33,473,382	(722,000)	32,751,382
Infrastructure	147,617,503	399,865	148,017,368
<b>Non Current Liabilities</b>			
Other Provisions	0	797,815	797,815
<b>Equity</b>			
Retained Surplus	61,674,730	(337,200)	61,337,530
Revaluation Surplus	121,033,269	(782,750)	120,250,519

| 51

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

28. PRIOR YEAR ADJUSTMENTS (continued)

	30 June 2019 Original Balance	Increase/ (Decrease)	30 June 2019 Restated
<b>Statement of Comprehensive Income</b>			
<b>By Nature or Type</b>			
<b>Expenses</b>			
Depreciation Expense	(4,125,205)	(28,635)	(4,153,840)
Other Expenditure	(495,615)	(23,359)	(518,974)
<b>By program</b>			
<b>Expenses</b>			
Housing	(276,289)	19,000	(257,289)
Community amenities	(1,696,801)	(70,994)	(1,767,795)
Net result for the period	(874,200)	(51,994)	(926,194)
<b>Total comprehensive income for the period</b>	<b>(828,033)</b>	<b>(51,994)</b>	<b>(880,027)</b>
<b>Rate Setting Statement</b>			
<b>Expenditure from operating activities</b>			
Housing	(375,431)	19,000	(356,431)
Community amenities	(1,697,004)	(70,994)	(1,767,998)
Non cash amounts excluded from operating activities	4,142,886	51,994	4,194,880
<b>Note 8 - Property, Plant &amp; Equipment</b>			
Opening Balance	34,296,761	(741,000)	33,555,761
Additions	676,985	0	676,985
Disposals	(412,943)	0	(412,943)
Revaluation increments / (decrements)	0	0	0
Depreciation	(1,087,421)	19,000	(1,068,421)
Carrying amount	33,473,382	(722,000)	32,751,382
<b>Note 9 - Infrastructure</b>			
Opening Balance	146,734,021	447,500	147,181,521
Additions	3,875,099	0	3,875,099
Disposals	0	0	0
Revaluation increments / (decrements)	46,167	0	46,167
Depreciation	(3,037,784)	(47,635)	(3,085,419)
Carrying amount	147,617,503	399,865	148,017,368
<b>Note 10(b) - Fixed Assets Depreciation</b>			
Buildings - specialised	764,512	(19,000)	745,512
Infrastructure - Other	126,475	47,635	174,110
Total	4,125,205	28,635	4,153,840
<b>Note 12 - Revaluation Surplus</b>			
Revaluation surplus - Buildings - specialised	16,039,943	(782,750)	15,257,193
	121,033,269	(782,750)	120,250,519



SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

28. PRIOR YEAR ADJUSTMENTS (continued)

	30 June 2019 Original Balance	Increase/ (Decrease)	30 June 2019 Restated
	\$	\$	\$
<b>Note 18 - Other Provisions</b>			
<b>Kambalda Landfill Facility</b>			
Current	0	0	0
Non-current	0	797,815	797,815
	0	797,815	797,815
<b>Note 19 - Notes to Statement of Cash Flows</b>			
Net Result	(874,200)	(51,994)	(926,194)
Depreciation	(4,125,205)	(28,635)	(4,153,840)
Increase/(decrease) in provisions	(8,523)	23,359	14,836
<b>Note 20 - Total Assets Classified by Function &amp; Activity</b>			
Housing	3,227,077	(722,000)	2,505,077
Community amenities	7,442,595	399,865	7,842,460
<b>Note 25 - Rate Setting Statement Information</b>			
<b>(a) Non-cash amounts excluded from operating activities</b>			
Movement in other provisions (non-current)	0	23,359	23,359
Depreciation on non current assets	4,125,205	28,635	4,153,840
<b>Note 32 - Financial Ratios</b>			
<b>2019 Financial Statements</b>			
Asset sustainability ratio	0.80	(0.01)	0.79
Debt service cover ratio	11.76	(0.20)	11.56
Operating surplus ratio	(0.32)	(0.01)	(0.33)
Own source revenue coverage ratio	0.65	0.00	0.65
Asset consumption ratio	0.97	0.00	0.97
<b>2018 Financial Statements</b>			
Asset sustainability ratio	0.27	0.00	0.27
Debt service cover ratio	3.85	(0.01)	3.84
Operating surplus ratio	(0.41)	(0.01)	(0.42)
Own source revenue coverage ratio	0.61	0.00	0.61
Asset consumption ratio	0.75	0.00	0.75

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

## 29. CHANGE IN ACCOUNTING POLICIES

### (a) Change in Accounting Policies due to regulation changes

Effective 6 November 2020, *Local Government (Financial Management) Regulation 16* was deleted and *Local Government (Financial Management) Regulation 17A* was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the Shire was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 10.

In summary no adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019).

Also, following changes to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously or during the year were not reversed as it was deemed fair value approximates cost at the date of the change.

### (b) Changes in equity due to change in accounting policies

There was no impact on the Shire's opening retained surplus due to the adoption of AASB 15 and AASB 1058 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			61,337,530
Adjustment to retained surplus from adoption of AASB 15	27(a)	(5,165)	(5,165)
Adjustment to retained surplus from adoption of AASB 1058	27(b)	0	0
Retained surplus - 1 July 2019			61,332,365

There was no impact on the Shire's opening revaluation surplus resulting from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A* as at 1 July 2019.

SHIRE OF COOLGARDIE  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2020

30. TRUST FUNDS

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

	1 July 2019	Amounts Received	Amounts Paid	30 June 2020
	\$	\$	\$	\$
Councillor Nominations	80	0	(80)	0
	80	0	(80)	0

**SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**31. OTHER SIGNIFICANT ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**b) Current and non-current classification**

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

**c) Rounding off figures**

All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.

**d) Comparative figures**

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

**e) Budget comparative figures**

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

**f) Superannuation**

The Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

**g) Fair value of assets and liabilities**

Fair value is the price that the Shire would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

**h) Fair value hierarchy**

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

**Level 1**

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2**

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

**Valuation techniques**

The Shire selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Shire are consistent with one or more of the following valuation approaches:

**Market approach**

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

**Income approach**

Valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

**Cost approach**

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Shire gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

**i) Impairment of assets**

In accordance with Australian Accounting Standards the Shire's cash generating non-specialised assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

**SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020**

**32. ACTIVITIES/PROGRAMS**

Shire operations as disclosed in these financial statements encompass the following service orientated activities/programs.

<b>PROGRAM NAME AND OBJECTIVES</b>	<b>ACTIVITIES</b>
<p><b>GOVERNANCE</b> To provide a decision making process for the efficient allocation of scarce resources.</p>	Administration and operation of facilities and services to members of council; other costs that relate to the tasks of assisting elected members and ratepayers on matters which do not concern specific Council services
<p><b>GENERAL PURPOSE FUNDING</b> To collect revenue to allow for the provision of services.</p>	Rates, general purpose government grants and interest revenue.
<p><b>LAW, ORDER, PUBLIC SAFETY</b> To provide services to help ensure a safer community.</p>	Fire prevention, animal control and safety.
<p><b>HEALTH</b> To provide services to help ensure a safer community.</p>	Food quality, pest control and meat inspections.
<p><b>EDUCATION AND WELFARE</b> To meet the needs of the community in these areas.</p>	Includes education programs, youth based activities and resources centres. Care of families and the aged & disabled activities and resources centres.
<p><b>HOUSING</b> Provide housing services required by the community and for staff.</p>	Maintenance of staff, aged and rental housing.
<p><b>COMMUNITY AMENITIES</b> Provide services required by the community.</p>	Rubbish collection services, landfill maintenance, effluent disposal, town site storm water drainage control and maintenance, administration of the Town Planning Scheme and maintenance of cemeteries.
<p><b>RECREATION AND CULTURE</b> To establish and manage efficiently, infrastructure and resources which will help the social well being of the community.</p>	Maintenance of halls, the aquatic centres, recreation centres and various reserves, operation of library, support of arts and community festivals. Also matters relating to heritage.
<p><b>TRANSPORT</b> To provide effective and efficient transport services to the community.</p>	Construction and maintenance of streets, road and footpaths, cleaning and lighting of streets, roads and footpaths, traffic signs and depot maintenance.
<p><b>ECONOMIC SERVICES</b> To help promote the Shire and improve its economic wellbeing.</p>	The regulation and provision of tourism, area promotion, building control, noxious weeds.
<p><b>OTHER PROPERTY AND SERVICES</b> To provide effective and efficient administration, works operations and plant and fleet services.</p>	Private works operations, plant repairs and operational costs and administration overheads.

SHIRE OF COOLGARDIE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2020

### 33. FINANCIAL RATIOS

	2020 Actual	2019 Restated	2018 Restated
Current ratio	1.01	2.48	3.21
Asset consumption ratio	0.95	0.97	0.75
Asset renewal funding ratio	1.10	1.11	N/A
Asset sustainability ratio	1.49	0.79	0.27
Debt service cover ratio	0.66	11.56	3.84
Operating surplus ratio	(0.40)	(0.33)	(0.42)
Own source revenue coverage ratio	0.62	0.65	0.61

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

### 34 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire of Coolgardie did not have any events occurring after the reporting date that have a significant effect on the financial statements.



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

To the Councillors of the Shire of Coolgardie

#### Report on the Audit of the Financial Report

##### **Opinion**

I have audited the annual financial report of the Shire of Coolgardie which comprises the Statement of Financial Position as at 30 June 2020, and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, as well as notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the Shire of Coolgardie:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2020 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

##### **Basis for Opinion**

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

##### **Emphasis of Matter – Basis of Accounting**

I draw attention to Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the Shire's annual financial reporting responsibilities under the Act. In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), did not allow a local government to recognize some categories of land, including land under roads, as assets in the financial report. My opinion is not modified in respect of this matter.

##### **Responsibilities of the Chief Executive Officer and Council for the Financial Report**

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of the annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual financial report, the CEO is responsible for assessing the Shire's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

**Auditor's Responsibility for the Audit of the Financial Report**

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

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

**Report on Other Legal and Regulatory Requirements**

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the Shire:
  - a. The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries standard for the past 3 years.  
The financial ratios are reported at Note 33 to the financial report.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

**Other Matter**

The annual financial report of the Shire for the year ended 30 June 2019 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2018 and 2019 in Note 33 of the audited annual financial report were included in the audited annual financial report for those years.

**Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the Shire of Coolgardie for the year ended 30 June 2020 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the annual audited financial report to confirm the information contained in this website version of the annual financial report.



ALOHA MORRISSEY  
ASSISTANT AUDITOR GENERAL FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
10 December 2020



**5 PUBLIC QUESTION TIME**

- 1. Jan McLeod asked if her leaving the Annual Electors Meeting 28 January 2020 on should have been in minutes and therefore, they should not be a true and correct record?**

If someone walks out of the meeting the meeting continues, if the council move and second the minutes, as a True and Correct Record and if seeking advice that it needs to be amended then that will be done then as an amendment when you reconsider those minutes as a minor amendment. It does not stop you dealing with the item. Council will take advice on this and bring that back if required.

**Jan McLeod asked if we are going to a vote? Because I will Vote against the minutes as being a True and Correct Record**

Those in Favour 5, those against 1 being Mrs McLeod.

- 2. Jan McLeod – RE Annual Report 2019/2020 There has been Significant adverse trends for the past four years so it is not new. What will be done to alleviate this?**

The adverse trends have only been highlighted in the third year. The adverse trend has only been that the operating surplus ratio in 2017 and worsened in 2017 -2018 and then it improved, and it has decreased to the same level two years before. The operating surplus ratio has been highlighted in the last two annual electors reports as being reasons presented as to how the council needs to approve on it and on both occasions, there has been no rate increases and things talked about is reduction in service levels which we have been doing.

- 3. Jan McLeod - Why are you blaming the community for the blow out in the pool budget?**

Shire President Cullen - The community consultations were done, and the majority of the people wanted the 50 metre pool retained. As part of that development, it was recognised over the period of the time of the works being done that significant issues arose which it was a better option to actually increase the money spent on the development while it was in being developed for the extra life of the pool. The comments that the community was at fault was not the real problem, it was that the council bowed to community pressure.

CEO – Through the Chair I did not say that the community was to be blamed that was not my words.

- 4. Jan McLeod – On Page 18 of the Annual Report it says that there is 45 councillor employees 2018, and further on it states 51 employees further on. So which number shall we correctly use? Key facts on Page 10 on the Annual Report states 45 employees. Employees as key facts Page 20 of 41 is 51 employees.**

Shire President Cullen - Take on notice - The document council is looking at is the attachments. The number will be taken as 51 Employees in the minutes.

- 5. Jan McLeod – This has been ongoing for two years - why is there still in the report Bi-Annual surveys that we do not have, and it has been an ongoing concern by Councillor Rathbone and myself and it is it still appearing on this Annual Report. Why is it still appearing?**

Shire President – We will take the question on notice and make sure it will be amended.

- 6. Jan McLeod – Dealing strictly with the Annual Report there is no complaints listed - yet there were two 2 complaints listed by me on 9/12/2019 and 23/12/2019 and these has not been listed in the Annual Report?**

CEO – Through the Chair – The requirement in the Annual Report is to deal with complaints in the compliance and statutory method, the complaints and issues raised if it complies with the regulations in the act it becomes a complaint and there is a register for it. Those complaints were not.

Shire President – Does this answer your question?

**Jan McLeod– No, because I filled it in on the registered complaint form of the Shire of Coolgardie and I received a reply from the Shire of Coolgardie. If that is not doing it on the regulatory format could you please tell me what is the regulatory format?**

Shire President - Will take that on Public notice that it can be dealt with.

- 7. Rose Mitchell - How is the Post Office Complex Building going? Is it on track for tenders coming in?**

Shire President - It is progressing to a point where we have all the quantitative surveying etc done. There are management meetings in the next couple of weeks and the tenders will be coming to the council meeting in February.

- 8. Rose Mitchell, Coolgardie – I have noticed that you have taken out the toddler's pool at the Coolgardie Swimming Pool, is that going to be replaced or not?**

Shire President – There is a current staff report coming to briefing in the next two months with a consideration of what should happen with the Coolgardie pool – In the community consultation in past we have talked about a splash park or replacing the pool or other things that is something that will be discussed with the community in the near future.

- 9. Rose – Is the Shire going to fix up the tennis court, basketball court as it needs some Maintenance on it.? During Naidoc week we had a Basketball tournament and we had to zip down to the Recreation Centre because that one was not working to well as the basketball hoop was going around the other way.**

Shire President – That is operational maintenance and that area will be put into consideration in the Budget Review

- 10. Harry Buckingham – Did he hear that questions now have to be put in writing for the Rate Payers Annual meeting?**

Shire President – All questions should be in writing however we will take your verbal question and try to do our best to answer it.

- 11. Harry Buckingham, Coolgardie – In the Annual bylaws there is a \$70 fee to scatter ashes to the winds in the Cemetery and I asked what you would do about it and you said that it would be reviewed in the fees in the annual bylaws.**

Shire President – We will take that on notice and get council to consider it in budget deliberations for 2021/2022.

- 12. Harry - How many new staff positions have been created in the last 24 months for this council?**

Shire President Cullen – Four

CEO – Apologies there has only been two new staff members in 24 months, the staff numbers over the last 5 years is on page 20 of the Annual Report. 2016 we had 58 at the end of 2020 we had 51 so we are still below what we had 5 years ago by seven staff.

- 13. Harry – How is the seven year battle to get the speed reduced in Bayley Street going? It's a bit drawn out.**

Shire President – We are currently getting design done for Bayley Street. Until that work is completed, we are still hamstrung by the main roads not allowing us to reduce the speed. Part of the design is to encourage the traffic to slow down and to give us evidence for main roads to create a 50km zone. There has also been letter's written to the Minister and Premier.

- 14. Harry Buckingham – Was there any public consultation with rate payers on the proposed tyre and waste and recycling plant?**

Shire President – There was three community consultations on waste, two were here in Coolgardie.

- 15. Harry – I missed them all I am sorry to say. What is the staff and costs?. And what is the payback period?**

Shire President – It is still in the preliminary, feasibility and project stage.

- 16. Harry - 24 hour process?**

Shire President – This would be considered as part of the scope of the project.

- 17. Harry – Estimate of cost? And any Preliminary Estimates?**

CEO – This will be determined once it goes out to tender. Once the tender information is received, we will provide that to the community.

- 18. Harry – Will this plant pay its way?**

CEO T – Initial preliminary estimates indicate it will.

**19. Harry - And any idea of the Margin?**

CEO -This would ultimately be worked out as part of the tender process and business plan.

**20. Rose – The Cemetery, do you have a Budget for it? It does not look that there has been any work done on it for the last 12 months? When you go down the Cemetery main road / pathway through the big gates it needs grading, the whole thing needs grading and some of the roads goes over the graves**

Shire President – There is a budget for this service area. I will ask the CEO to raise this with staff.

**21. Harry - will council propose to separate the ratepayers from Kambalda and Coolgardie? The Coolgardie rate payers?**

Shire President Cullen – This has not been proposed nor suggested. Is there any reason why you would suggest that?

**22. Harry – What rates are gathered in Coolgardie and spent in Coolgardie, Money - collected and spent in Kambalda? Are they separate?**

CEO - Through the Chair – Through the Local Government Act it is one local government, one set of rates and one set of expenditure, and you cannot separate under legislation. It is against legislation to do this.

Shire President - It is documented every year in the budget the spend in Coolgardie and Kambalda. 72% of our rates is mining rates from mining companies across the whole Shire.

**23. Harry - how much is the accommodation camp paying in lease?**

CEO – It is a Confidential lease agreement – the confidential document was adopted by the council.

**24. Harry -What rates do they pay and is its public knowledge?**

CEO – It is estimated to be \$20,000

**25. Harry - When will the Truck Bay be completed with lights and abolition block.**

Shire President - The lights there are on every night – Staff are investigating the options on what sort of facility the Abolition block can be erected on site. It has been budgeted for

**26. Harry - The Free Parking at the Railway Station – Consultation with a previous CEO was done in Kalgoorlie what was done in Coolgardie? – It was reported in the press that CEO consulted in Kalgoorlie where was the Coolgardie consultation? Was this Kalgoorlie consultation significant in the decision making? Harry has letters from businesses to say that the RV Park it is not a good idea.**

Shire President – Our staff and councillors have been to see community members and businesses. I have spoken to the travellers and there has been consultation.

Shire President – I can't answer for a previous CEO in Coolgardie that they consulted in Kalgoorlie. We have received different opinions to you on the RV Park.

**27. Harry - The establishment of the RV Park has now made my place not viable what have you got in return?**

Shire President - I am not in a position to answer that question.

CEO – Please put this in writing to the CEO for consideration.

**28. Harry – There is a receipt Box at the RV Park what is the receipts? What is the take from travellers receipts?**

Shire President – I can't answer that question, I will need to get staff advice on that but would expect it to be minimal over the last 11 months as travel has been restricted with Covid-19.

**29. Harry - would council consider the direct election of Mayor? It can happen with a President it doesn't have to be a Mayor. It is common practice now that more and more Councils are doing it?**

Shire President - No - The state govt is currently reviewing the Local Government act and part of that is in the review.

CEO - Through the Chair, it is not common practice, very few shires do it. It's a decision that council makes, in terms of the reviews that have gone on, they don't believe that it is relevant to do that. Until such time that they do it will not be put to the community. The process is for the public to write in to the council, otherwise you can also write to the minister to consider the changes.

**30. Jan McLeod - Will Widgiemooltha be involved in the hard rubbish pick up as it was not advertised in the mill? It starts on February 1<sup>st</sup> 2021.**

Shire President take that question on notice.

**31. Swimming Pool Kiosk - when will it be finished and open? And why is it taking so long?**

Shire President- There is still building issues to be sorted out and a final date is not yet known

**32. Jan McLeod - in Annual Report - all rubbish from Kambalda goes to the Coolgardie Tip, what percentage of domestic and commercial rubbish is going through the Coolgardie tip? What is the Guestimate?**

CEO – Through the Chair - without a weighbridge we can't determine it.

- 33. Jan McLeod – The Debt Recovery with Ampac, in September the shire paid \$8000, then in November \$3000, and also Payment to Cloud in November of \$46,000 and in September \$12,000 what is the recovery and the amounts?**

Shire President – They are recovering Unpaid rates, old debts and clean-up of properties - we received 98% of our rates through the use of those consultants.

CEO - Debt collection, rates collection at 98% and to date we have collected approximately \$600,000.

- 34. Jan McLeod - Why is the council using Uniqco? Since we are paying them \$7194.00 per month which equates to \$86,000 per year. Then a plant procurement review of \$2200.00, then training on software of \$18,000.00. Why using this consultancy firm about what vehicles to buy?**

Shire President – It is a total fleet / plant management service that is provided. The service was put out to tender and Uniqco were awarded the tender.

- 35. Jan McLeod – Why were the Employee costs from budget were up \$900K? From the 2019 actual to the 2020 Actual, what consists of this \$900K?**

Shire President - Take on notice

CEO – The annual Budget for employee costs in 2019 was \$4.4 million. The difference between the actuals to budget and between 2019 and 2020 actuals is that in 2019 the Shire operated for the majority of the year with less staff than budgeted. The Shire always budgets for a full compliment of staff. The 2020 year has been the first year for the last 3 years that the Shire has operated with a full compliment of staff. Hence the difference between 2019 and 2020. Furthermore in 2020, the Shire employed 4 more FTE's in response to the 2019 Community Survey.

- 36. Jan McLeod - Lease on airport submissions that closed on 24 December - when will it come to council?**

CEO - Resolution is that the lease will be signed. It does not have to come back to Council.

- 37. Jan McLeod - With regard to the use of the airport what will happen to other users of the airport? Other users were to contact the Shire who will discuss the potential use of the Airport? There has been people who have asked the CEO and have been told no.**

Shire President - The question has been answered before that other users can use the Airport, if there are people that want to use the airstrip then they need to put it in writing to the CEO.

CEO – That information is not correct, if you provide me the information I will speak to those people as that is not correct. No one has spoken to me for this request.

**Jan McLeod – A person has told me that the CEO has said No to the use of the airstrip.**

CEO – That is not correct. You are suggesting I have lied. I request an apology

**Jan McLeod – That is your interpretation. I am not going to apologise.**

Shire President – No more questions

**6 CLOSURE OF MEETING**

The Shire President M Cullen declared the meeting closed at 7:40pm and thanked all for their attendance.