



2018-19 Annual Report

Profile



The Shire of Coolgardie, known as the 'Mother of the Goldfields', encompasses an area of 30,400 km² 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.

- ✓ Gateway to the Goldfields-Esperance region
- ✓ Largest Producer of Minerals in the Region
- ✓ #3 LGA in WA for Value of Minerals (2018/19)
- ✓ Heart of lithium exploration and mining in the region
- ✓ Delivers \$661M in Gross Regional Product (+12% from 2017/18)

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Shire President's Report

I am pleased to present the Shire of Coolgardie Annual Report for 2018/19.

The Shire's financial position continues to show improvement; with an operating surplus of \$5.3 million up from \$2.8 million the previous year. As at June 30, 2019 the Shire's outstanding principle on loans liability standing is at \$3.48 million. This increase is as a result of a loan of \$1.9 million for the Kambalda Swimming Pool and \$950,000 on Binneringie Road.

Our reserve fund account is also in a very healthy state with a balance of \$3.2 million invested in restricted bank accounts. This leaves Council well positioned to utilise its cash reserve funds for any requirements identified in the Shire's future key strategy plans.

The annual audit was successfully completed for the 2018/19 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 Ladyloch Road intersection and bypass have been completed, the sealing of Jaurdi Hills Road has been completed, and sections of Binneringie Road have been upgraded to enable the haulage of lithium from the mine at Bald Hill to the port at Esperance. Black Spot funding was also allocated to intersection works on Bayley Street, Coolgardie.
- The footpath upgrade program for this financial year was completed in both Coolgardie and Kambalda
- NorthernStarResources worker's accommodation village was installed in Coolgardie in partnership with the Rangecon group. Since the installation of the village, local businesses have indicated a growth in revenue with a rise in Coolgardie Recreation Centre memberships
- After many months without a doctor present in Kambalda, an MOU was signed with St Johns for the provision of medical services in Kambalda with future expansion planned for Coolgardie
- Restoration works were undertaken by the Department of Finance, owners of the Coolgardie Visitor Centre and Goldfields Exhibition Centre to replace weathered stonework and building foundations
- Coolgardie Day 2018 attracted 20,000 people attending from all over Western Australia. There was an increase in stall holders and the event attracted visiting side-show rides from the Eastern States
- new residential rubbish bin service commenced as a result of the Shire of Coolgardie and the City of Kalgoorlie/Boulder shared services agreement
- purchase of a side tipping trailer, prime mover and water tanker which completes the road construction and maintenance fleet.
- this bushfire season was one of the worst in recent history, with the majority of the 40 or more fires being started by dry electrical storms. Combating these fire events placed a severe strain on our resources both financially and affected our staff ability to perform their own duties whilst dealing with managing and fighting bush fires.
- 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.
- new LED lighting and CCTV cameras were installed in various parks in both communities and was funded completely through the Safer Communities grant received last financial year.
- Councillors and staff hosted the community workshop at the Kambalda Recreation Centre to explain the current status of the Kambalda pool upgrade to the residents of Kambalda.
- Mia Hicks was employed as the Shire's Executive Economic Development Manager. Mia was previously engaged as a funding-business case consultant to the Shire for over three years.
- the Federal Government's trial of the cashless debit card was extended, after significant lobbying by the Shire, to June 2020.

I am confident that with the processes and procedures now in place, the Shire will continue to grow and improve in project output and delivery for our community. I would thank my fellow Councillors, CEO, the staff, and dedicated service providers for their efforts and commitment to the Shire throughout the past year.



Malcolm Cullen
Shire President

CEO's Report



The 2018/2019 has been a year of further financial consolidation for the Shire. It has seen the second year of the service level review which has impacted positively on the financial position of the Shire. Total revenue for the period was \$12,744,103 with total operating expenditure of \$13,618,303.

The Shire finished the financial year with cash and cash equivalents of \$8,034,401. Unrestricted cash amounted to \$1,942,481, an increase of \$571,535. The last 2 years has seen an increase in unrestricted cash of in excess of 11% of total rate revenue. This is as a direct result of the service level review. Restricted cash and cash equivalents totalled \$6,091,920 consisting of \$3,267,089 in reserve funds and \$2,697,101 in unspent loans.

The Shire continued to increase expenditure on its rural road network with maintenance expenditure of \$947,562 in 2018/2019 compared to \$793,420 in 2017/2018. Over the last three years this is an increase of 104%.

The financial year 2018/2019 also saw the Shire draw down on two new loans, \$1,905,000 for the Kambalda Swimming Pool and \$950,000 for Binneringie Road.

Rate collection for the 2018/2019 financial year saw a continued improvement in the % of rates collected for the year. Rates collection for 2016/2017 was 73%, 2017/2018 increased to 77% with 2018/2019 increasing to 96%. 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.

For the 2018/2019 financial year, the second full year of the service review, an efficiency dividend of 3.2% was achieved. The full year Budget, inclusive of road construction, was \$24,559,615 with full year expenditure for 2018/2019 of \$18,170,387. A dividend of \$503,905 was delivered. This contributed to the increase in the unrestricted enabled cash position of \$1,835,571.

The year ended 30 June 2019 saw the Shire's operating result in a net operating surplus of \$5,382,766 – see Note 24 of the Annual Financial Report for the year ended 30th June 2019.

I would like to acknowledge the commitment from all Shire staff and thank them for their continued support. 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 Eugen Winter JP

Term ends 2021

Mobile: 0439 815 539

Cr Sherryl Botting

Term ends 2021

Mobile: 0438 133 217

Cr Kathie Lindup

Term ends 2019

Mobile: 0402 819 468

Cr Norm Karafilis

Term ends 2021

Mobile 0429 795 139

Front Row (left to right)

Deputy President Cr Tracey Rathbone

Term ends 2019

Mobile: 0459 999 296

Shire President Cr Malcolm Cullen

Term ends 2021

Mobile: 0417 266 191

Cr Betty Logan JP

Term ends 2019

Mobile 0458 150 638

Management Team



James Trail

Chief Executive Officer

Responsible for:

- Financial Oversight
- Economic Development
- Governance and Compliance
- Regulatory services



Rebecca Horan

Manager - Administration Services

Responsible for:

- Financial Services
- Human Resources
- Occupational Health and Safety
- Risk Management



Peter Miller

Works Supervisor

Responsible for:

- Construction and Maintenance
- Roads, Drainage, Pathways
- Parks and Gardens



Laura Dwyer

Manager Recreation and Community Development

Responsible for:

- Recreation and Visitor Centre's
- Cashless Debit Card
- Ranger Services
- Community Resource Centre's and libraries
- Museums
- Community Events and Activities
- Disability Access and Inclusion
- Community Assistance Funding



Rod Franklin

*Coordinator of Waste
and Building Services*

Responsible for:

- Waste and Sewerage Facilities
- Building Infrastructure Maintenance

Community Events 2018

July



August



September



December



October



November



Community Events 2019

February



March



January



April



May



June



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 km²

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

1,747

Number of Electors

1,723

Number of Council Employees

49 (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 2018/19 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 -

- Completing a 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 or by emailing 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

- Bi-annual 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

- Bi-annual Community Satisfaction Survey
- Community Chest Fund

A THRIVING LOCAL ECONOMY

- Value of Gross Domestic Product
- Value of Mining and Industry Rates
- Bi-annual 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

- Bi-annual 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 2017/2018 of all Integrated Planning Documents including the Corporate Plan which was adopted by Council in the 2018/19 FY.

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 \$20,000 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, Retirees WA, Coolgardie and Kambalda Men's Sheds and Church West.

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 2019, 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 2019, 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 review of the Record Keeping Plan commenced in 2016/2017 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.

Accountable and Effective Leaders

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 2019.

Report on Employees Remuneration

Salary Range	2019	2018	2017	2016	2015
\$10,000 - \$110,000	0	0	0	0	0
\$110,000 - \$140,000	3	3	1	1	1
\$140,000 and above	1	1	3	4	4

Report on Employee Numbers

Salary Range	2019	2018	2017	2016	2015
The number of full-time equivalent employees at balance date	49	45	49	58	59



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.

2018/19 HIGHLIGHTS

Kambalda

- Market stall opportunities were created for local small businesses and not-for-profits at the Kambalda Football Club's major fundraising event
- Health and Wellbeing expo attracted over 130 people with 20 small businesses and not-for-profits holding stalls and providing workshops
- Facilitated WorkLink to provide a career guidance expo for Kambalda West District High School students
- Blessing of the Roads was re-established this year which included involvement from local schools, emergency services personnel and Shire employees
- Seniors Have a Go Day attracted the largest number of seniors in the history of the program with over 50 seniors from around the region in attendance

Coolgardie

- Hosted the Hit FM team for a live broadcast and community breakfast at the old Coolgardie Gaolyard
- Engaged the Barefoot Bands to host a week of music lessons, CD production, and guitar lessons for youth in the community. They also performed at a Community Sundowner at the skatepark
- Hosted the End of School Year Community evening at the skatepark with a Freestyle Now Action workshop, Rescue Services BBQ, Santa Visit, and other family entertainment activities
- Facilitated social media and NBN workshops and connected local businesses to Business Advisory support

LIBRARIES

The Shire libraries in Coolgardie and Kambalda offer a range of resources for all ages and abilities in the community. The intra-library was very popular this year with over 70 books delivered to residents from libraries around Western Australia.

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.

The annual children's book week attracts over 100 children to each library where activities are provided by staff and external service providers. Other themed activities occur throughout the year for children based on major events such as Remembrance Day, Halloween, and Grandparents Day with books supporting learning for children on the importance of these events.

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.

Job seekers are provided support through WorkLink for the preparation of resumes and job applications. The libraries provide a professional area for job seekers to attend interviews, access computers and video conferencing for inductions and interviews.

Achievements

- Early Literacy Activities – 64
- Early Literacy Participants – 613
- Better Beginning Books Provided – 83

COMMUNITY EVENTS

The Shire is committed to facilitating and delivering heritage, cultural and arts events throughout the community. There are four main events held in the Shire of Coolgardie on an annual basis which draw large numbers and are either supported by or run by passionate volunteers.

Coolgardie Day was held in September and is considered the largest event ever held with an estimated attendance of over 20,000 people. The Coolgardie Day Celebrations Committee were provided financial and in-kind support from the Shire of Coolgardie. This year, the event also included an Act-Belong-Commit freestyle event at the skatepark complete with coaching sessions and a competition.

An Inclusive, Safe and Vibrant Community

The Annual Seniors Christmas function was held at the Coolgardie Recreation Centre in November with over 130 people attending from Kambalda, Norseman and Coolgardie. The Shire of Coolgardie staff, volunteers and businesses from around the community provided prizes, entertainment and a Christmas lunch.

The Kambalda Community Christmas Tree event was held in December and attracted a significant number of visitors this year from neighbouring Shires. The Kambalda Community Christmas Tree Committee were provided financial and in-kind support from the Shire of Coolgardie.

Australia Day celebrations were held in Coolgardie in January with presentations of the Australia Day Citizenship Awards to well-deserving community members. The Shire of Coolgardie provided breakfast and prizes with the support from sponsors and volunteers.

Achievements

- Number of Shire Managed Events – 8
- Participants to Shire Managed Events – 1,245

RECREATION FACILITIES

The Coolgardie and Kambalda Recreation Facilities offer a multitude of programs that get people physically active and connected to the community. The Kambalda Recreation Facility is renowned as one of the best facilities in the Goldfields region. This year, the stadium was resurfaced, and general maintenance was carried out throughout the building.

In December 2018, the Coolgardie Recreation Facility was exposed to two separate hailstorms which severely damaged the roof, stadium indoor flooring and solar panels. Assessments were undertaken in January and works will commence next financial year. While the stadium has been closed, activities have been hosted in other areas of the facility and outdoors.

In February 2019, due to bushfires closing the Coolgardie to Esperance Highway, 120 interstate road trains were stranded in Coolgardie. The Recreation Centre became a refuge for stranded truck drivers who were provided with food, showers, free Wi-Fi, shuttle buses and recreation activities. The Shire of Coolgardie staff, volunteers and local businesses donated their time and supplies to this cause.

2018/19 HIGHLIGHTS

Kambalda

- Kambalda Community Recreation Facility awarded – Gold Waterwise Business status by Water Corporation
- Circuit classes were redeveloped this year to expand the program to accommodate for all fitness levels and ages
- Several local private businesses attended the Centres providing activities ranging from yoga to kickboxing
- Youth attended a variety of sport activities, school holiday programs, service provider events (such as the YMCA), and junior gym
- Numerous sports teams and clubs were provided with access to the facilities for training and socialising
- Kambalda Football Club Golf ball drop opened the 2019 football season with numbers recorded at local football games exceeding 800 people
- Goldfields Giants played the Perry Lakes Hawkes which attracted over 400 people

Coolgardie

- Hosted 120 stranded interstate truck drivers over two days – provided food, showers, free Wi-Fi, shuttle buses and recreation activities
- Established a partnership with the Coolgardie Police to deliver bi-monthly themed Blue Light Discos
- Youth were provided with a variety of activities including afterschool and school holiday programs in partnership with the YMCA and Head Space
- Introduced boxing and cross-fit to the recreation timetable

Achievements

- Recreation Activities Participants – 2,410
- Group Fitness Participants – 2,194
- School Holiday Program Participants – 810
- Junior Gym Attendees – 168
- Kindy Gym Attendees – 140

An Inclusive, Safe and Vibrant Community

CASHLESS WELFARE CARD

The Cashless Debit 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.

2018/19 HIGHLIGHTS

- In July 2018, the University of Adelaide attended Coolgardie to conduct two interviews with CDC participants
- Work link Services Kalgoorlie have been assisting CDC participants with job-seeking skills and resumes
- Cashless Debit Card trial was extended to 30 June 2020

Achievements

- Coolgardie Local Partner Shopfront - 157 enquiries
- Kambalda Local Partner Shopfront - 148 enquiries

AQUATIC FACILITIES

Last season, the Coolgardie Pool realised an attendance of approximately 7,500 people, an increase of almost 50% from the previous year. The improved patronage was attributed to increased promotional activities undertaken to advertise the uniqueness of the outdoor pool and its proximity to Kalgoorlie-Boulder.

The Kambalda Swimming Pool was not operational this season due to compliance and safety audits undertaken in 2017, demonstrating that the facility no longer met current Health and Compliance Standards and required significant upgrades to the pool shell including the replacement of plumbing, filtration systems and pump rooms.

Funding submissions were prepared over the financial year and included the development of a significant number of reports demonstrating infrastructure requirements, community need and project feasibility.

Funding Secured -

- \$287,000 - Move It Australia- Community Sport Infrastructure Grant
- \$1.9M - Western Australian Treasury Corporation loan
- \$700,000 - Department of Local Government, Sport and Cultural Industries' Community Sport and Recreation Facilities Funding



A Thriving Local Economy

COOLGARDIE VISITORS CENTRE & GOLDFIELDS EXHIBITION MUSEUM (WARDEN COURT BUILDING)

This financial year brought restoration works and storm damage repairs by the State Government to the Wardens Court Building which houses the Visitor Centre and Museum. The top floor of the building was closed for four (4) months while ceiling repairs and renovations were completed.

A major project of curating all the museum items was completed this year through the generous donation of volunteer hours. Volunteer assistance was also received from the Bottle and Collectables Club of WA members who assisted in evaluating and cataloguing the Shire's famous Waghorn Bottle Collection.

The Shire of Coolgardie has continued to advertise in the Australia's Golden Outback and Kalgoorlie-Boulder Holiday Planners to assist in attracting visitors to the area. It also continued to provide financial support to the Golden Quest Discovery Trail and Goldfields Tourism Network Association.

2018/19 HIGHLIGHTS

- Awarded the GWN7 Judge's Site Visit Top Tourism Awards for 2018
- Appointment of new caretakers for Warden Finnerty's Residence and installation of garden beds supported by the Shire of Coolgardie and various local businesses
- Promotional activities for a book launch of Goldfields Stories by Author Lorraine Kelly and her grandmother, historian Norma King
- Hosted a community sundowner and bottle auction at Warden Finnerty's Residence attracting over 100 visitors and residents
- A donation of an ice bucket and lantern from the Varischetti Mine rescue as made to the museum
- Hosted the Bottle and Collectables Club of WA for a club dig at the Coolgardie Tip held over two days which attracted over 50 members and their families to Coolgardie

Achievements

- 9,840 visitors
- 400 students
- 1,300 volunteer hours

ECONOMIC DEVELOPMENT

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.

The Shire is the largest producer of minerals in the region with gold and nickel mining operations supporting globally significant regional exports. In 2018/19, the value of mineral production achieved in the Shire reached \$3.4 billion; an 8.9% increase from 2017/18 and the largest growth in the region.

BAYLEY STREET UPGRADE

Bayley Street is the main street of the Coolgardie townsite and is a strategic transport route (Great Eastern Hwy) for traffic travelling from Perth to the WA Goldfields and the main arterial route to the Eastern States. The road is the gateway to Coolgardie's tourism assets with significant opportunities existing in promoting the town's historical buildings.

The Shire of Coolgardie undertook a Road Audit this year which reported that a high proportion of heavy vehicles (nearly 26% of all traffic) on the Highway. The Audit presented several recommendations to improve the safety and access for community members and visitors whilst ensuring appropriate access for heavy vehicle haulage. Initial costings prepared estimated a cost of \$7M.

The Shire of Coolgardie launched its first Community Conversation workshop in June 2019 to present these recommendations to the community and obtain input into the development of a strategic streetscape plan. The Plan considers signage, public art, road markings, footpaths, drainage and lighting. Designs will be refined and presented to the community in the next financial year.

RESIDENTIAL LAND DEVELOPMENT

The Coolgardie Horse Blocks comprises of 110 hectares located West of Coolgardie. The Shire is investigating options for subdividing the area to create land parcels for semi-rural purposes.

The project outcomes are to provide a rural lifestyle choice and larger land parcels within the Coolgardie town site; whilst offering amenities and facilities of an urban area. Coolgardie Innovation and Economic Development Centre

A Thriving Local Economy

THE COOLGARDIE INNOVATION AND ECONOMIC DEVELOPMENT CENTRE WILL PROVIDE SUBSTANTIAL

opportunities for lucrative growth in retail, hospitality, training and tourism. Development of the proposed Centre in the Coolgardie townsite will capitalise on these opportunities by repurposing the internal areas of a vacant, Shire of Coolgardie owned historical building (est. 1894).

The Shire has partnered with organisations ready to occupy and provide services in the building at project completion. These services equate to over \$500K of in-kind contributions in the first year of operation.

The project will foster job growth through wrap-around business and training services, provide a unique commercialisation pathway for new business development, stimulate Indigenous Economic Development and deliver significant tourism outcomes resulting in direct local spend.

The project will be funded by the Shire of Coolgardie, \$233,500 from Lotterywest and \$916,000 from the Federal Government's Building Better Regions Funding. Project construction is due to commence in February 2020.

LADY LOCH ROAD TRAIN ASSEMBLY AREA

The Road Train Assembly Area for heavy vehicles will be located at a strategic junction point between the Coolgardie- Esperance and Great Eastern Highways.

This project will facilitate safety and improved route planning to support transport productivity. The Coolgardie- Esperance Hwy is the only north-south inter-regional arterial state highway which links the Port of Esperance with the State's Eastern Goldfields (annual freight - 1,926,291 tonnes).

The Great Eastern Highway is a National highway which runs West/East and the only freight link for trucks travelling from Perth to the Eastern States (annual freight - 3,782,304 tonnes). It is a regionally strategic haulage route for the transport of minerals and resources for export (\$8B in international mineral exports).

COOLGARDIE INDUSTRIAL LAND RELEASE

The Shire of Coolgardie is increasingly approached by businesses for the provision of land that is suitably located and zoned for industrial purposes. The Shire is pursuing the relocation of its Industrial area to the south west of the Coolgardie townsite with the State Government.

At present, much of the land that comprises the eastern area of the town, contains highly prospective gold mining which restricts opportunities to develop industrial zoning land to the east.

The Department of Mines, Industry Regulation and Safety have advised the Shire of Coolgardie that it would likely provide support to the proposed long-term industrial developments located to the west of the townsite.

LOCAL ROAD NETWORKS FACILITATING MINING EXPORTS

The Shire of Coolgardie is experiencing a significant growth in mining activity with the value of minerals in the area increasing by 25% in the last financial year. There is now escalating financial pressure on the Shire to sustain the volume of heavy haulage traffic on its local road networks.

Transport from mines are facilitated on Shire of Coolgardie owned roads with mining companies investing into these roads to meet their logistical requirements. The Shire is actively engaging with mining companies on issues relating to local road pressure with financial contributions from these businesses received.

The Shire President and CEO have met with several State and Federal Government Departments this year to seek funding support for local road infrastructure upgrades on its strategic transport routes.

Project costings were completed this year which are estimated at \$9.9M with annual maintenance costs estimated at \$2.04M.

BEN PRIOR PARK

Ben Prior Park, located on Bayley Street, is the oldest open-air mining museum in the Goldfields region. Over the last 30 years, the Park has become worn and requires restoration to meet modern tourist expectations. The Shire of Coolgardie received funding support this year from Evolution Mining to commence the project next financial year. Through in-kind and financial support also committed from the Shire of Coolgardie, the Park's historical significance will be preserved for future generations.

A Thriving Local Economy

GRANT FUNDING SECURED 2018/19 - \$2.85M

Organisation	Funding	Project	Amount
Federal Government	Building Better Regions	Coolgardie Economic Development and Innovation Centre (Post Office Complex)	\$916,100
Federal Government	Heavy Vehicle Safety and Productivity Program	Lady Loch Decoupling Truck Bay	\$510,000
WA State Government	Department of Main Roads	Lady Loch Decoupling Truck Bay	\$260,000
Evolution Mining	Shared Value Project	Ben Prior Park	\$177,170
Federal Government	Move It Australia - Community Sport Infrastructure Grant	Kambalda Aquatic Facility	\$287,000
WA State Government	Department of Local Government, Sport and Cultural Industries' Community Sport and Recreation Facilities Funding	Kambalda Aquatic Facility	\$700,000

PARTNERSHIPS ESTABLISHED

Mining Industry

As the number one mineral producer in the Goldfields-Esperance region, the Shire has proactively established working relationships with several significant mining companies in the area.

The Shire has established Memorandum of Understandings with these stakeholders to “work collaboratively to support and deliver long term economic and community benefits to the Shire of Coolgardie.”

St John Medical's Integrated Health Care Model

In 2018, the Shire of Coolgardie and St John established a Memorandum of Understanding to work collaboratively to deliver an Integrated, Coherent, Quality Primary Health Service to the community.

St John has worked closely with the Shire and consulted extensively with local business and community members to develop an innovative and sustainable model providing comprehensive medical services for the region.

The organisation will build a range of medical services such as telemedicine and volunteer supported services including community transport and first aid training to ensure a sustainable service and build a more resilient community.

Bright Minds Occupational Therapy

In February 2019, the Shire of Coolgardie engaged Bright Minds Occupational Therapy to assist in increasing access to Allied Health services (Occupational Therapy, Education and Development sessions and Speech Pathology) to families and children in the Shire.

Bright Minds is contracted through the Shire to provide free-of-charge assessments and services one day a week free on a rotation in Kambalda and Coolgardie.

Aboriginal Training and Employment

Coolgardie is positioned for rapid economic advancement bringing opportunities for Aboriginal Economic Development, Jobs, Industry and Business Development and Tourism.

The Shire has established a MOU with a non-profit Aboriginal Training Organisation called Ngalla Maya to work together to explore the benefits of training, education and mentoring services to the local and regional Aboriginal community.

A Thriving Local Economy

Goldfields Voluntary Regional Organisations of Councils (GVROC)

In the 2018/19 financial year, the Shire of Coolgardie's Shire President continued in the Chairman role of the GVROC Council with the Chief Executive Officer chairing the GVROC CEO's Group.

The GVROC consists of all ten Shires in the Goldfields-Esperance region and is the voice of the region that directs its growth of infrastructure and community services.

The role undertaken by the Shire President and Chief Executive Officer has placed the Shire of Coolgardie in a position to play leadership roles in the region's social and economic development activities.

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.

Goldfields-Esperance Community Trust

This year, the Shire of Coolgardie commenced discussions with the Goldfields-Esperance Community Trust (GECT), a charitable organisation, established in 2012, to provide community funding to not-for-profit voluntary organisations and community groups.

The Shire aims to increase Community Assistance Funding into projects that benefit the community by working with the GECT to attract donations from a variety of private companies. The model has been articulated in a memorandum of understanding between the Shire and GECT which will be presented to stakeholders as an opportunity for investment into the community they operate in.



Effective management of infrastructure, heritage and environment

REGULATORY SERVICES

Building

A total of 257 Building Permits were issued by the Shire of Coolgardie in 2018/2019. The value of building approvals issued for 2018/2019 was \$21,556,960 which was largely due to the overflow of building applications for house repairs from storms experienced in Coolgardie and Kambalda in the previous financial year.

Environmental Health

The Shire of Coolgardie entered into a shared services arrangement with the City of Kalgoorlie-Boulder this year as a trial to evaluate efficiencies in service delivery. The arrangement will be reviewed in the next financial year.

WASTE SERVICES

2018/2019 seen some changes from long term plans come to fruition resulting in better services and efficiencies to the Shire of Coolgardie. The Shire Wheelie Bin weekly service is operating efficiently and with minimal issues other than the occasional stolen or damaged wheelie bin. The contractor Cleanaway has proven to be very reliable and cost effective.

The verge pick-up conducted by the Shire outside crew has been completed and the crew collected approximately 40 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 have once again been 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 and the following works have been completed -

- CCTV inspection of sewer lines since 2014 - this year, forecasted completion of .8km has been achieved
- Inspections of all manholes completed and replacement of seized and damage lids ongoing

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. Large quantities of cooking fat were discovered in the main line near Caltex and was traced back to the line in from Caltex.

This issue was reported to Caltex via the Shire Environmental Health Officer and has now been resolved. Other blockages are still being caused by residential items being flushed through the system. These items also caused significant damage to two (2) pumps which have since been repaired. Next financial year, a community education program via social media will be initiated.

The total operating expenditure on the sewerage facility, less depreciation and administration costs were \$302,494 with operating revenue \$273,750. Over the past four years, rates for this service have increased to ensure that it continues to be managed to an appropriate standard.

There continues to be a small gap between revenue raised via the sanitary rate and costs to provide the service which is reviewed each year. This gap has reduced again this year and with a new Sewerage Tender currently being reviewed it is expected to reduce this gap yet again and possibly eliminate the gap altogether.

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 been completed and is awaiting Certification of Completion of the Works Approval and subsequent signed amendment to the Operating License from DWER.

Once this approval and amendment has been

Effective management of infrastructure, heritage and environment

received it is expected to open the Transfer Station post haste with all residential waste to be transferred to a continuously upgraded Coolgardie Refuse Site.

Green waste, recyclable metal and building rubble will not be transferred to Coolgardie as the metal is sold to scrap metal merchants annually and the green waste can be burnt. The building rubble can also be utilized for ground stabilization and fill at the Kambalda Site.

Coolgardie Landfill Site

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.

Plans to progressively upgrade the site have been presented to DWER for approval and if approved the upgrade will result in further savings to the Shire and more effective usage of both Kambalda and Coolgardie waste site.

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.

The site has a relatively deep-water table, which renders it suitable for Class I and II waste disposal, as well as the possible construction of a Class III waste cell. It is also strategically located near a major regional population centre and significant mineral processing operations.

The development of a regional waste management facility that can offer Class I, II and III waste management services would complement a privately-owned facility that will offer commercial Class IV and V services.

The Shire commenced feasibility studies this year to determine the commercial viability of the project which would make the Shire of Coolgardie the only local government area in the region offering Class I through V waste management.

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 renewal or expansion such as sheds and patios.

The most significant planning application considered and assessed by the Shire was the \$74m Sandy Ridge Waste Facility proposal which comprised Class 4 and 5 facility.

Given the proposed Class 5 material disposal this application required extensive assessment against several different legislations including planning, environmental, radiation safety, transportation, vehicle access and transportation of material, and bushfire management.

The proposal also requires referral and liaison with various government agencies and the applicant to address a variety of provisions. The preparation of two (2) reports were made to the Joint Development Assessment Panel (JDAP).

2018/19 HIGHLIGHTS

- processed a significant number of mining tenement enquiries and clearing permit notifications
- proposed road dedication and clearing permits on several significant roads
- commenced a review of the industrial areas to map land use and development, to assist in the delivery of sustainable townsites
- worked with various State government agencies on reserve management orders and to obtain the necessary approvals for capital improvements
- pursued three (3) scheme amendments - Scheme Amendment 1 has been finalised and provides additional uses on the rural residential sites. The Shire is continuing to process two (2) further Scheme Amendments for land within the Coolgardie townsite

Effective management of infrastructure, heritage and environment

ROAD WORKS

The annual road construction program for 2018/2019 resulted in expenditure of \$1,956,520 (excluding Blackspot construction).

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.

Road	Project Cost
Tip Road Junction	\$428,133
Renou Street	\$274,514
Jobson Street	\$225,015
Coolgardie North Rd/Carbine Ora-Banda (junction)	\$127,303

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 expended on these projects was approximately \$466,000.

REGIONAL ROAD GROUP PROGRAM

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

The Group comprises 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 \$658,970.

CAPITAL WORKS EXPENDITURE

This year has seen the completion of the upgrade of the Kambalda Shire Depot and Coolgardie Information Bay.

Items	Capital & Maintenance
Drainage	~\$131,000
Footpaths	~\$143,000
Parks and verges	~\$927,000
Coolgardie Playground (renewal)	~\$83,200

PLANT & EQUIPMENT

The Shire has expanded its fleet of plant and equipment to increase efficiency and productivity.

This has included the purchase of the following plant

- Side Tipper
- Water Tanker - 30,000ltr
- Wabco Trailer
- Pavement Sweeper

Effective management of infrastructure, heritage and environment

THE FINANCIAL YEAR IN SUMMARY

Operating Surplus

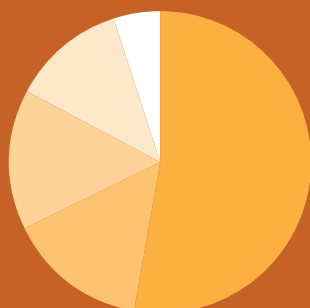
As shown in Note 24 of the Annual Financial Report, the Shire's operating result for the financial year ended 30 June 2019 was an operating surplus of \$5,382,766. The surplus increase of \$2,512,289 is a result of an increase in unrestricted cash to \$1,942,481 and unspent loans of \$2,697,101.

REVENUE

The Shire of Coolgardie had Total Operating Revenue of \$12,744,103 (including operating and capital grants) for the 2018/19 financial year. A total of 15% of the Shire's revenue for 2018/19 was Non-Operating Grants which helped to fund a number of key capital projects. Operating Grants and Contributions account for 15% of revenue, while Rates (53%) and Fees & Charges (12%) are also significant contributing factors to the total revenue figure.

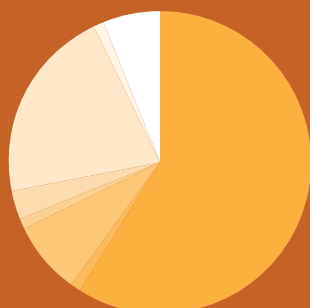
REVENUE BY NATURE & TYPE

- Rates (53%)
- Non Operating Grants & Contributions (15%)
- Operating Grants & Contributions (15%)
- Fees & Charges (12%)
- Other Revenue (5%)



REVENUE BY PROGRAM

- General Purpose Funding (59%)
- Law, Order, Public Safety (1%)
- Housing (1%)
- Transport (21%)
- Recreation & Culture (3%)
- Community Amenities (8%)
- Other Property & Services (1%)
- Other (6%)

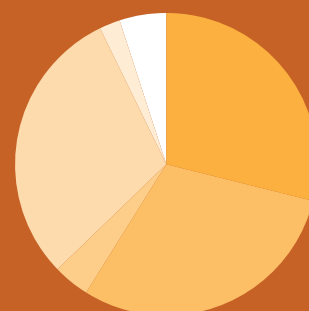


EXPENDITURE

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 (61%) is spent on maintaining road infrastructure and the provision of recreation services. When comparing the breakdown of these costs by nature and type, a significant 30% of all operating expenditure is attributed to depreciation charges, down from 36% in 2017/2018. Depreciation is a non-cash item and is the result of the Shire having in excess of \$181m worth of assets, of which 81% is attributed to the Shire's road network and other related infrastructure whilst a further 19% relates to Property, Plant & Equipment. Other significant expenditure includes Employee Costs (29%), Materials & Contracts (30%), with Utilities, Insurance, Interest and Other Expenditure (11%) making up the balance.

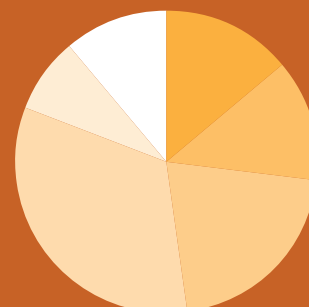
EXPENDITURE BY NATURE & TYPE

- Employee Costs (29%)
- Materials & Contracts (30%)
- Utilities (4%)
- Depreciation (30%)
- Insurance (2%)
- Other (5%)



EXPENDITURE BY PROGRAM

- Governance (14%)
- Community Amenities (13%)
- Recreation & Culture (21%)
- Transport (33%)
- Economic Services (8%)
- Other (11%)



Effective management of infrastructure, heritage and environment

In addition to the normal operating activities, some significant capital works projects were undertaken during the 2018/19 financial year to the value of \$4,552,083 an increase of \$1,838,082 from 2017/18. The 2018/2019 Budget included capital expenditure of \$10,258,351. Some of this year's capital works highlights include;

Transport	
Renou Street Blackspot	\$274,514
Coolgardie North Road	\$786,273
Jobson Street Blackspot	\$225,015
Kambalda Tip Road	\$428,133
Bayley Street South	\$87,270
King Street	\$82,134
Drainage Renewal	\$77,886
Land & Buildings	
Coolgardie Post Office	\$88,565
Kambalda Depot	\$87,736
Recreation & Culture	
Coolgardie Playground Renewal	\$83,179
Kambalda Pool	\$596,026
Community Amenities	
Coolgardie Refuse Site	\$115,317
Kambalda Transfer Station	\$169,517

Capital projects either not commenced or partially commenced included;

- Kambalda Pool - Remedial Works \$1,200,000
- Coolgardie Transit Park \$1,200,000
- Kambalda Transfer Station \$385,000
- Cave Hill Road \$490,000
- Binneringie Road Intersection \$950,000
- Coolgardie Lifestyle Horse Blocks \$100,000
- Subdivision Feasibility Studies \$100,000

All these projects have been included in the 2019/2020 Budget.

RESERVE FUNDS

As at 30 June 2019 the balance in the Reserve Accounts was \$3,267,089 as listed below;

Reserve	Balance
Plant Reserve	\$397,699
Land & Building Reserve	\$312,768
Landfill Reserve	\$468,981
Sewerage Reserve	\$133,125
Environmental Reserve	\$357,726
Community & Recreation Reserve	\$371,418
IT & Communications Reserve	\$89,654
Road Reserve	\$333,857
Infrastructure Reserve	\$643,861
Aerodrome Reserve	\$158,000
TOTAL	\$3,267,089

Council are well positioned to utilise its cash reserves for any future requirements as identified in the Shire's key strategic plans.

LOAN LIABILITY

As at 30 June 2019 the outstanding principal on all loans was \$3,479,715. The financial year 2018/2019 saw the Shire draw down on two new loans, \$1,905,000 for the Kambalda Swimming Pool and \$950,000 for Binneringie Road.

Effective management of infrastructure, heritage and environment

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	2019	2018	2017	2016
Current Ratio	>= 1.00	2.48	3.21	2.06	1.30
Asset Consumption	>= 0.75	0.97	0.75	0.97	0.98
Asset Renewal	>= 1.05	1.11	N/A	N/A	0.24
Asset Sustainability	>= 1.10	0.80	0.27	0.39	0.34
Debt Service Cover	>= 5.00	11.76	3.85	4.92	2.26
Operating Surplus	>= 0.15	(0.32)	(0.41)	(0.37)	(0.88)
Own Source Revenue Coverage	>= 0.90	0.65	0.61	0.62	0.51

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 continues to remain above the standard. The reduction in the ratio from 2017/18 is due to an increase in current liabilities of \$560,000. This is due to current borrowings for new loans and accrued expenses 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.

A significant factor in calculating this ratio is the annual depreciation charge for roads and other infrastructure. This figure has been excessively high in previous years and following the completion of the fair value adjustments in the 2017/18 financial year, this ratio has improved significantly in the 2018/19 financial year due to an increase in asset renewal of \$1,959,641 and reduction in depreciation cost of \$807,549.

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. Interpretation of this ratio should also be considered together with the Asset Consumption Ratio (above target at 0.97) and the Asset Renewal Funding Ratio (1.11).

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.

The Shire will 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.

Effective management of infrastructure, heritage and environment

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 improved slightly in the current year; however, it is still below the target level and in negative territory. In the Audit Concluding Memorandum from the Shire Auditor the following comment was made;

In addition, we 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.***

Operating Revenue minus operating expenditure divided by own source revenue is the measure for the Operating Surplus Ratio. For 2018/19 the difference between operating revenue and operating expenditure was (\$2,836,032). Consequently, in order to meet the standard and improve the ratio Council needs to have the following strategic conversation with the community;

- Increase revenue generated from non - rating sources such as Kambalda airstrip, Shire tip sites and commercial activities
- Increase rates annually in excess of 7% over the next 5 years
- Increase rates revenue through rating of mining infrastructure
- 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.

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 for 2018/19 is 1.11. This is a significant improvement on previous years when the ratio has not been calculated. This will also have a significant positive impact on the Financial Health Indicator (FHI) for the period ended 30th June 2019.

ANNUAL AUDIT

The annual audit was successfully completed for the 2018/19 financial year and a copy of the financial 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE COUNCILLORS OF
THE SHIRE OF COOLGARDIE**

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REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the accompanying financial report of the Shire of Coolgardie (the Shire), which comprises the Statement of Financial Position as at 30 June 2019, Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and the Rate Setting Statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Statement by Chief Executive Officer.

In our opinion, the financial report of the Shire of Coolgardie:

- a) is based on proper accounts and reports; and
- b) fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2019 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

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Shire in accordance with the 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Preparation

We draw attention to Note 1 to the financial report, which describes the basis of preparation. The financial report has been prepared for the purpose of fulfilling the Shire's financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. Our 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 a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the 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.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCILLORS OF THE SHIRE OF COOLGARDIE (CONTINUED)

REPORT ON THE AUDIT OF THE FINANCIAL REPORT (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives of the audit are to obtain reasonable assurance about whether the 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 our 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 financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Shire's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Shire's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE COUNCILLORS OF
THE SHIRE OF COOLGARDIE (CONTINUED)**

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) In our opinion, there is a significant adverse trend in the financial position of the Shire as the operating surplus ratio has been below the DLGSCI standard for the past 3 years.
- b) All required information and explanations were obtained by us.
- c) All audit procedures were satisfactorily completed in conducting our audit.
- d) In our opinion, the asset consumption ratio and asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

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 2019 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 financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the 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 audited financial report to confirm the information contained in this website version of the financial report.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Date: 6 December 2019
Perth, WA

SHIRE OF COOLGARDIE
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

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COMMUNITY VISION

A connected, progressive & welcoming community

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

**SHIRE OF COOLGARDIE
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

*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 2019 is based on proper accounts and records to present fairly the financial position of the Shire of Coolgardie at 30 June 2019 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 6TH day of DECEMBER 2019



James Trail
Chief Executive Officer

SHIRE OF COOLGARDIE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	Restated 2018 Actual \$
Revenue				
Rates	23(a)	6,682,397	6,951,913	6,373,439
Operating grants, subsidies and contributions	2(a)	1,950,012	2,992,549	1,379,255
Fees and charges	2(a)	1,507,378	1,183,856	1,553,784
Interest earnings	2(a)	224,933	240,000	286,671
Other revenue	2(a)	336,931	32,000	570,948
		10,701,651	11,400,318	10,164,097
Expenses				
Employee costs		(3,904,631)	(4,358,731)	(3,675,163)
Materials and contracts		(4,051,493)	(3,614,881)	(3,570,372)
Utility charges		(572,048)	(506,330)	(538,022)
Depreciation on non-current assets	11(b)	(4,125,205)	(5,026,699)	(4,932,754)
Interest expenses	2(b)	(45,171)	(69,078)	(51,335)
Insurance expenses		(293,333)	(301,950)	(276,820)
Other expenditure		(495,615)	(385,395)	(567,769)
		(13,487,496)	(14,263,064)	(13,612,235)
		(2,785,845)	(2,862,746)	(3,448,138)
Non-operating grants, subsidies and contributions	2(a)	1,961,832	1,731,044	1,631,398
Profit on asset disposals	11(a)	80,620	6,000	96,192
(Loss) on asset disposals	11(a)	(130,807)	(25,000)	(205,697)
Fair value adjustments to financial assets at fair value through profit or loss	8	0	0	87,586
		1,911,645	1,712,044	1,609,479
Net result for the period		(874,200)	(1,150,702)	(1,838,659)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	46,167	0	(232,269,563)
Total other comprehensive income for the period		46,167	0	(232,269,563)
Total comprehensive income for the period		(828,033)	(1,150,702)	(234,108,222)

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 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	Restated 2018 Actual \$
Revenue	2(a)			
Governance		95,068	70,500	21,081
General purpose funding		7,521,031	7,315,480	7,292,337
Law, order, public safety		46,260	22,390	24,164
Health		209	2,400	6,622
Education and welfare		239,336	239,991	249,879
Housing		142,291	94,760	120,998
Community amenities		1,061,489	1,006,099	1,140,547
Recreation and culture		160,362	151,500	231,201
Transport		917,192	723,469	828,619
Economic services		384,222	1,763,729	196,055
Other property and services		134,191	10,000	52,594
		10,701,651	11,400,318	10,164,097
Expenses	2(b)			
Governance		(1,916,584)	(1,865,219)	(1,909,977)
General purpose funding		(261,156)	(244,719)	(236,355)
Law, order, public safety		(302,628)	(275,457)	(216,025)
Health		(245,184)	(208,301)	(128,035)
Education and welfare		(291,712)	(375,230)	(233,123)
Housing		(276,289)	(237,691)	(249,170)
Community amenities		(1,696,801)	(1,628,030)	(1,638,154)
Recreation and culture		(2,861,389)	(2,780,142)	(2,781,747)
Transport		(4,395,429)	(5,282,638)	(5,131,129)
Economic services		(1,071,725)	(1,286,559)	(906,773)
Other property and services		(123,428)	(10,000)	(130,412)
		(13,442,325)	(14,193,986)	(13,560,900)
Finance Costs	2(b)			
Community amenities		(203)	(436)	(1,334)
Recreation and culture		(17,082)	(33,077)	(23,904)
Transport		(4,262)	(10,159)	0
Economic services		(23,624)	(25,406)	(26,097)
		(45,171)	(69,078)	(51,335)
		(2,785,845)	(2,862,746)	(3,448,138)
Non-operating grants, subsidies and contributions	2(a)	1,961,832	1,731,044	1,631,398
Profit on disposal of assets	11(a)	80,620	6,000	96,192
(Loss) on disposal of assets	11(a)	(130,807)	(25,000)	(205,697)
Fair value adjustments to financial assets at fair value through profit or loss	8	0	0	87,586
		1,911,645	1,712,044	1,609,479
Net result for the period		(874,200)	(1,150,702)	(1,838,659)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	46,167	0	(232,269,563)
Total other comprehensive income for the period		46,167	0	(232,269,563)
Total comprehensive income for the period		(828,033)	(1,150,702)	(234,108,222)

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

SHIRE OF COOLGARDIE
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 Restated *	1 July 2017 Restated *
CURRENT ASSETS				
Cash and cash equivalents	3	8,034,401	5,614,140	5,427,310
Trade receivables	5	1,860,995	1,616,187	1,325,661
Inventories	6	9,299	5,043	6,530
Other assets	7	0	54,872	54,872
TOTAL CURRENT ASSETS		9,904,695	7,290,242	6,814,373
NON-CURRENT ASSETS				
Trade receivables	5	100,415	68,237	52,813
Other financial assets	8	87,586	87,586	0
Property, plant and equipment	9	33,473,382	34,296,761	35,458,395
Infrastructure	10	147,617,503	146,734,021	380,566,568
TOTAL NON-CURRENT ASSETS		181,278,886	181,186,605	416,077,776
TOTAL ASSETS		191,183,581	188,476,847	422,892,149
CURRENT LIABILITIES				
Trade and other payables	13	1,389,586	633,043	564,788
Borrowings	14(a)	700,151	68,253	337,292
Employee related provisions	15	232,379	275,125	308,814
TOTAL CURRENT LIABILITIES		2,322,116	976,421	1,210,894
NON-CURRENT LIABILITIES				
Borrowings	14(a)	2,779,564	624,715	692,969
Employee related provisions	15	106,813	72,590	76,943
TOTAL NON-CURRENT LIABILITIES		2,886,377	697,305	769,912
TOTAL LIABILITIES		5,208,493	1,673,726	1,980,806
NET ASSETS		185,975,088	186,803,121	420,911,343
EQUITY				
Retained surplus		61,674,730	61,902,746	63,778,721
Reserves - cash backed	4	3,267,089	3,913,273	3,875,957
Revaluation surplus	12	121,033,269	120,987,102	353,256,665
TOTAL EQUITY		185,975,088	186,803,121	420,911,343

* See note 29 for details regarding impact of change in accounting policy

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

SHIRE OF COOLGARDIE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2017		63,778,721	3,875,957	353,256,665	420,911,343
Comprehensive income					
Net result for the period - Restated		(1,838,659)	0	0	(1,838,659)
Other comprehensive income	12	0	0	(232,269,563)	(232,269,563)
Total comprehensive income		(1,838,659)	0	(232,269,563)	(234,108,222)
Transfers from/(to) reserves		(37,316)	37,316	0	0
Balance as at 30 June 2018		61,902,746	3,913,273	120,987,102	186,803,121
Comprehensive income					
Net result for the period		(874,200)	0	0	(874,200)
Other comprehensive income	12	0	0	46,167	46,167
Total comprehensive income		(874,200)	0	46,167	(828,033)
Transfers from/(to) reserves		646,184	(646,184)	0	0
Balance as at 30 June 2019		61,674,730	3,267,089	121,033,269	185,975,088

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

SHIRE OF COOLGARDIE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		6,425,189	7,945,948	6,576,852
Operating grants, subsidies and contributions		1,974,089	3,592,549	1,060,374
Fees and charges		1,507,378	1,183,856	1,553,784
Interest received		224,933	240,000	286,671
Goods and services tax received		973,657	0	118,009
Other revenue		336,931	32,000	570,948
		11,442,177	12,994,353	10,166,638
Payments				
Employee costs		(3,913,482)	(4,392,717)	(3,683,168)
Materials and contracts		(3,253,249)	(3,281,188)	(3,525,978)
Utility charges		(572,048)	(506,330)	(538,022)
Interest expenses		(35,928)	(69,079)	(56,024)
Insurance paid		(293,333)	(301,950)	(276,820)
Goods and services tax paid		(1,017,512)	0	(308,491)
Other expenditure		(495,615)	(385,395)	(567,769)
		(9,581,167)	(8,936,659)	(8,956,272)
Net cash provided by (used in) operating activities	16	1,861,010	4,057,694	1,210,366
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(676,985)	(1,959,843)	(290,186)
Payments for construction of infrastructure	10(a)	(3,875,099)	(8,311,708)	(2,423,816)
Non-operating grants, subsidies and contributions	2(a)	1,961,832	1,731,044	1,631,398
Proceeds from sale of property, plant & equipment	11(a)	362,756	43,400	396,361
Net cash provided by (used in) investment activities		(2,227,496)	(8,497,107)	(686,243)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(68,253)	(293,869)	(337,293)
Proceeds from new borrowings	14(c)	2,855,000	2,640,000	0
Net cash provided by (used in) financing activities		2,786,747	2,346,131	(337,293)
Net increase (decrease) in cash held		2,420,261	(2,093,282)	186,830
Cash at beginning of year		5,614,140	5,605,043	5,427,310
Cash and cash equivalents at the end of the year	16	8,034,401	3,511,761	5,614,140

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

SHIRE OF COOLGARDIE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	2,870,477	3,148,805	2,510,127
		2,870,477	3,148,805	2,510,127
Revenue from operating activities (excluding rates)				
Governance		95,068	70,500	21,081
General purpose funding		838,634	626,970	918,898
Law, order, public safety		46,260	22,390	24,164
Health		209	2,400	6,622
Education and welfare		239,336	239,991	249,879
Housing		211,866	94,760	120,998
Community amenities		1,061,489	1,006,099	1,140,547
Recreation and culture		160,362	151,500	231,201
Transport		928,237	729,469	924,811
Economic services		384,222	1,763,729	196,055
Other property and services		134,191	10,000	52,594
		4,099,874	4,717,808	3,886,850
Expenditure from operating activities				
Governance		(1,916,584)	(1,865,219)	(1,909,977)
General purpose funding		(261,156)	(244,719)	(236,355)
Law, order, public safety		(302,628)	(275,457)	(216,025)
Health		(245,184)	(208,301)	(128,035)
Education and welfare		(291,712)	(375,230)	(233,123)
Housing		(375,431)	(237,691)	(252,300)
Community amenities		(1,697,004)	(1,628,466)	(1,657,388)
Recreation and culture		(2,878,471)	(2,813,219)	(2,932,121)
Transport		(4,431,356)	(5,317,797)	(5,189,326)
Economic services		(1,095,349)	(1,311,965)	(932,870)
Other property and services		(123,428)	(10,000)	(130,412)
		(13,618,303)	(14,288,064)	(13,817,932)
Non-cash amounts excluded from operating activities	24(a)	4,142,886	5,045,699	4,978,845
Amount attributable to operating activities		(2,505,066)	(1,375,752)	(2,442,110)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	1,961,832	1,731,044	1,631,398
Proceeds from disposal of assets	11(a)	362,756	43,400	396,361
Purchase of property, plant and equipment	9(a)	(676,985)	(1,959,843)	(290,186)
Purchase and construction of infrastructure	10(a)	(3,875,099)	(8,311,708)	(2,423,816)
Amount attributable to investing activities		(2,227,496)	(8,497,107)	(686,243)
FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(68,253)	(293,869)	(337,293)
Proceeds from borrowings	14(c)	2,855,000	2,640,000	0
Transfers to reserves (restricted assets)	4	(425,029)	(157,025)	(557,928)
Transfers from reserves (restricted assets)	4	1,071,213	995,243	520,612
Amount attributable to financing activities		3,432,931	3,184,349	(374,609)
Surplus/(deficit) before imposition of general rates		(1,299,631)	(6,688,510)	(3,502,962)
Total amount raised from general rates	23(a)	6,682,397	6,688,510	6,373,439
Surplus/(deficit) after imposition of general rates	24(b)	5,382,766	0	2,870,477

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

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.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as 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, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

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.

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 26 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	20,390	70,500	0
General purpose funding	512,791	346,970	511,053
Law, order, public safety	9,211	3,390	7,537
Education and welfare	213,938	198,991	213,784
Recreation and culture	5,018	1,500	0
Transport	912,825	723,469	578,601
Economic services	270,079	1,637,729	68,280
Other property and services	5,760	10,000	0
	1,950,012	2,992,549	1,379,255
Non-operating grants, subsidies and contributions			
Recreation and culture	258,559	39,205	88,791
Transport	1,703,273	1,691,839	1,542,607
	1,961,832	1,731,044	1,631,398
Total grants, subsidies and contributions	3,911,844	4,723,593	3,010,653

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 22.

That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Other revenue			
Reimbursements and recoveries	182,740	0	463,267
Other	154,191	32,000	107,681
	336,931	32,000	570,948
Fees and Charges			
Governance	0	0	107
General purpose funding	26,070	40,000	26,260
Law, order, public safety	36,042	19,000	16,627
Health	209	2,400	2,441
Education and welfare	17,346	21,000	16,766
Housing	142,291	94,760	129,125
Community amenities	1,055,043	742,696	1,140,547
Recreation and culture	129,442	150,000	126,740
Economic services	100,935	114,000	95,171
	1,507,378	1,183,856	1,553,784
There were no changes during the year to the amount of the fees or charges detailed in the original budget.			
Interest earnings			
Reserve accounts interest	76,311	90,000	26,830
Rates instalment and penalty interest (refer Note 23(c))	119,450	130,000	257,700
Other interest earnings	29,172	20,000	2,141
	224,933	240,000	286,671

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Borrowings (refer Note 14(b))

Rental charges

- Operating leases

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
	45,359	30,000	34,723
	64,594	30,000	79,889
	109,953	60,000	114,612
	45,171	69,078	51,335
	45,171	69,078	51,335
	124,121	108,536	61,669
	124,121	108,536	61,669

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		1,108,009	1,370,946
Short term deposits		6,926,392	4,243,194
		8,034,401	5,614,140
Comprises:			
- Unrestricted cash and cash equivalents		1,942,481	1,370,946
- Restricted cash and cash equivalents		6,091,920	4,243,194
		8,034,401	5,614,140
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Land & Building Reserve	4	312,769	306,915
Plant Reserve	4	397,698	453,046
Sewerage Reserve	4	133,125	157,712
Landfill Reserve	4	468,981	715,444
Community & Recreation Reserve	4	371,418	413,530
Environmental Reserve	4	357,726	506,073
IT & Communications Reserve	4	89,654	99,261
Road Reserve	4	333,857	545,188
Infrastructure Reserve	4	643,861	716,104
Aerodrome Reserve	4	158,000	0
		3,267,089	3,913,273
Other restricted cash and cash equivalents			
Bond & Deposits	13 & 26	122,575	0
Unspent grants/contributions	22	5,155	210,852
Unspent loans	14(d)	2,697,101	119,069
Total restricted cash and cash equivalents		6,091,920	4,243,194

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

Cash and cash equivalents (Continued)

and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

SHIRE OF COOLGARDIE

4. RESERVES - CASH BACKED

RESERVES - CASH BACKED												
	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019	2019
	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Actual	Actual	Actual
	Opening	Transfer	Transfer	Opening	Transfer	Transfer	Opening	Transfer	Transfer	Balance	Closing	Closing
	Balance	\$	\$	Balance	to	\$	Balance	to	\$	Balance	Balance	Balance
	\$			\$	\$		\$	\$	\$	\$	\$	\$
(a)	Land & Building Reserve	306,915	5,854	338,232	8,456	0	346,688	0	1,145	338,232	306,915	306,915
(b)	Plant Reserve	453,046	8,642	349,337	8,733	(70,389)	287,681	0	260,338	349,339	453,046	453,046
(c)	Sewerage Reserve	157,712	43,008	180,735	44,518	0	225,253	0	40,612	180,735	157,712	157,712
(d)	Landfill Reserve	715,444	31,245	759,041	18,976	(610,000)	168,017	(610,000)	2,570	759,042	715,444	715,444
(e)	Community & Recreation Reserve	413,530	7,888	412,135	10,303	(50,000)	372,438	0	1,395	412,135	413,530	413,530
(f)	Environmental Reserve	506,073	9,653	504,366	5,634	0	510,000	0	1,707	504,366	506,073	506,073
(g)	IT & Communications Reserve	99,261	1,893	183,832	4,596	0	188,428	0	622	183,832	99,261	99,261
(h)	Road Reserve	545,188	10,399	398,189	9,955	(170,454)	237,690	(170,454)	246,999	398,189	545,188	545,188
(i)	Infrastructure Reserve	716,104	148,447	750,090	45,854	(94,400)	701,544	(94,400)	2,540	750,087	716,104	716,104
(j)	Aerodrome Reserve	0	158,000	0	0	0	0	0	0	0	0	0
		3,913,273	425,029	3,875,957	157,025	(995,243)	3,037,739	(995,243)	557,928	3,875,957	3,913,273	3,913,273

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

In accordance with Council resolutions 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)	Road Reserve	Ongoing	For the construction and maintenance of Roads and for which contributions have been received for Heavy Haulage Campaigns
(i)	Infrastructure Reserve	Ongoing	To meet the needs of renewal funding for future Capital renewal infrastructure generally
(j)	Aerodrome Reserve	Ongoing	For the construction and maintenance of aerodrome facilities

5. TRADE RECEIVABLES

Current

Rates receivable	
Sundry receivables	
GST receivable	
Allowance for impairment of receivables	
Emergency Services Levy	
Pensioner Rebates	

Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

2019	2018
\$	\$
1,330,210	1,120,643
396,846	419,234
234,337	190,482
(153,077)	(128,807)
23,820	8,357
28,859	6,278
1,860,995	1,616,187
100,415	68,237
100,415	68,237

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 25.

Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

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.

6. INVENTORIES

Current

Museum Memorabilia & Giftware

	2019	2018
	\$	\$
	9,299	5,043
	9,299	5,043
	5,043	5,043
	4,256	0
	9,299	5,043

The following movements in inventories occurred during the year:

Carrying amount at 1 July

Additions to inventory

Carrying amount at 30 June

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.

7. OTHER ASSETS

Other current assets

Prepayments

	2019	2018
	\$	\$
	0	54,872
	0	54,872

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

8. OTHER FINANCIAL ASSETS

	2019	2018
	\$	\$
Non-current assets		
Financial assets at fair value through profit and loss	87,586	87,586
	87,586	87,586
Financial assets at fair value through profit and loss		
- <i>Unlisted equity investments</i>		
Units Held in Local Government House Trust	87,586	87,586
	87,586	87,586
During the year, the following gains/(losses) were recognised in profit and loss:		
Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services	0	87,586
	0	87,586

During the year, the following gains/(losses) were recognised in profit and loss:
Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services

Changes in the fair value of Units Held in Local Government House recognised as non current assets at fair value through profit and loss have not been recognised nor considered as they are unlikely to be material and unable to be reliably determined at the time of preparation of these statements.

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 25.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Previous accounting policy: Loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

Refer to Note 28 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

9. 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 - specialised		Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017 - Restated	1,127,600	1,127,600	1,400,000	30,459,300	31,859,300	32,986,900	661,418	1,810,077	35,458,395
Additions	0	0	0	88,660	88,660	88,660	0	201,526	290,186
(Disposals) - Restated	0	0	(3,130)	0	(3,130)	(3,130)	0	(358,366)	(361,496)
Depreciation (expense) - Restated	0	0	(29,050)	(758,725)	(787,775)	(787,775)	(108,875)	(193,674)	(1,090,324)
Carrying amount at 30 June 2018 - Restated	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
Comprises:									
Gross carrying amount at 30 June 2018	1,127,600	1,127,600	1,396,870	30,547,960	31,944,830	33,072,430	779,447	1,807,722	35,659,599
Accumulated depreciation at 30 June 2018	0	0	(29,050)	(758,725)	(787,775)	(787,775)	(226,904)	(348,159)	(1,362,838)
Carrying amount at 30 June 2018 - Restated	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
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)	(764,512)	(789,343)	(789,343)	(109,773)	(188,305)	(1,087,421)
Carrying amount at 30 June 2019	1,107,600	1,107,600	1,149,000	29,234,452	30,383,452	31,491,052	442,770	1,539,560	33,473,382
Comprises:									
Gross carrying amount at 30 June 2019	1,107,600	1,107,600	1,200,000	30,748,325	31,948,325	33,055,925	768,671	2,028,451	35,853,047
Accumulated depreciation at 30 June 2019	0	0	(51,000)	(1,513,873)	(1,564,873)	(1,564,873)	(325,901)	(488,891)	(2,379,665)
Carrying amount at 30 June 2019	1,107,600	1,107,600	1,149,000	29,234,452	30,383,452	31,491,052	442,770	1,539,560	33,473,382

9. 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
Land and buildings					
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
Furniture and equipment	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
Plant and equipment	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.

10. 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 1 July 2017 - Restated	371,004,289	1,995,100	846,876	2,422,645	1,092,704	3,204,954	380,566,568
Additions	1,862,384	78,633	32,995	231,492	63,635	154,677	2,423,816
(Disposals) - Restated	0	0	0	(108,100)	(17,900)	(18,370)	(144,370)
Revaluation increments / (decrements) transferred to revaluation surplus	(239,086,622)	828,115	277,478	2,388,089	2,590,209	733,168	(232,269,563)
Depreciation (expense) - Restated	(3,558,846)	(52,410)	(11,571)	(98,026)	(11,148)	(110,429)	(3,842,430)
Carrying amount at 30 June 2018 - Restated	130,221,205	2,849,438	1,145,778	4,836,100	3,717,500	3,964,000	146,734,021
Comprises:							
Gross carrying amount 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
Carrying amount at 30 June 2018 - Restated	130,221,205	2,849,438	1,145,778	4,836,100	3,717,500	3,964,000	146,734,021
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)	(126,475)	(3,037,784)
Carrying amount at 30 June 2019	130,241,819	2,821,011	1,193,110	4,771,531	3,679,575	4,910,457	147,617,503
Comprises:							
Gross carrying amount at 30 June 2019	132,806,005	2,903,611	1,223,664	4,967,575	3,717,500	5,032,230	150,650,585
Accumulated depreciation at 30 June 2019	(2,564,186)	(82,600)	(30,554)	(196,044)	(37,925)	(121,773)	(3,033,082)
Carrying amount at 30 June 2019	130,241,819	2,821,011	1,193,110	4,771,531	3,679,575	4,910,457	147,617,503

10. 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.

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

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

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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 no cost or for nominal consideration, 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 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 fixed assets is determined at least every three years and no more than 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 property, plant and equipment 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

In accordance with *Local Government (Financial Management) Regulation 16(a)(ii)*, the Shire was required to include as an asset (by 30 June 2013), 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 in accordance with the other policies detailed in this Note.

Land under roads

In Western Australia, all 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 fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, *Local Government (Financial Management) Regulation 16(a)(i)* prohibits 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 is not included as an asset of the Shire.

SHIRE OF COOLGARDIE
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11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019				2019				2019				2018			
	Actual		2019		Actual		2019		Actual		2019		Actual		2018	
	Net Book Value	Sale Proceeds	Actual	Profit	Actual	Loss	Net Book Value	Sale Proceeds	Budget	Profit	Budget	Loss	Net Book Value	Sale Proceeds	Actual	Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	20,000	0	0	0	(20,000)		0	0	0	0	0	0	0	0	0	0
Buildings - non-specialised	193,989	263,564	69,575	0	0		0	0	0	0	0	0	3,130	0	0	(3,130)
Buildings - specialised	123,766	44,625	0	(79,141)			0	0	0	0	0	0	0	0	0	0
Plant and equipment	75,188	54,567	11,045	(31,666)			62,400	43,400	6,000	(25,000)			358,366	396,361	96,192	(58,197)
Infrastructure - Parks & Ovals	0	0	0	0	0		0	0	0	0	0	0	108,100	0	0	(108,100)
Infrastructure - Sewerage	0	0	0	0	0		0	0	0	0	0	0	17,900	0	0	(17,900)
Infrastructure - Other	0	0	0	0	0		0	0	0	0	0	0	18,370	0	0	(18,370)
	412,943	362,756	80,620	(130,807)			62,400	43,400	6,000	(25,000)			505,866	396,361	96,192	(205,697)

The following assets were disposed of during the year.

	2019				2019			
	Actual		2019		Actual		2019	
	Net Book Value	Sale Proceeds	Actual	Profit	Actual	Loss	Net Book Value	Loss
Plant and Equipment								
Transport								
Case CX60 Tractor	4,235	9,263	5,028	0				
Water Tanker Semi Trailer	17,304	3,636	0	(13,668)				
Volvo Skid Steer Loader	37,786	20,475	0	(17,311)				
Holden Cruze	5,373	8,518	3,145	0				
Trailer	687	0	0	(687)				
Isuzu Light Truck	9,803	12,675	2,872	0				
	75,188	54,567	11,045	(31,666)				
Land - Freehold								
Housing								
111 Forrest Street, Coolgardie	20,000	0	0	(20,000)				
	20,000	0	0	(20,000)				
Buildings								
Housing								
111 Forrest Street, Coolgardie	193,989	263,564	69,575	0				
68 Serpentine Road, Kambalda	123,766	44,625	0	(79,141)				
	317,755	308,189	69,575	(79,141)				
	412,943	362,756	80,620	(130,807)				

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(b) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	24,831	0	29,050
Buildings - specialised	764,512	741,414	758,725
Furniture and equipment	109,773	118,406	108,875
Plant and equipment	188,305	212,685	193,674
Infrastructure - Roads	2,564,186	3,657,702	3,558,846
Infrastructure - Footpaths	82,600	52,266	52,410
Infrastructure - Drainage	30,554	11,540	11,571
Infrastructure - Parks & Ovals	196,044	97,756	98,026
Infrastructure - Sewerage	37,925	11,118	11,148
Infrastructure - Other	126,475	123,812	110,429
	4,125,205	5,026,699	4,932,754

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

Depreciation (Continued)

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:

- (a) 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
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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12. REVALUATION SURPLUS

	2019			2019			2018			2018			2018			2018		
	Opening Balance	Revaluation Increment	Total	Revaluation Increment	Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Total	Revaluation (Decrement)	Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Total	Revaluation (Decrement)	Movement on Revaluation	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings - specialised	16,039,943	0	0	0	0	16,039,943	16,039,943	0	0	0	0	16,039,943	16,039,943	0	0	0	0	16,039,943
Revaluation surplus - Furniture and equipment	344,808	0	0	0	0	344,808	344,808	0	0	0	0	344,808	344,808	0	0	0	0	344,808
Revaluation surplus - Infrastructure - Roads	96,296,313	0	0	0	0	96,296,313	335,382,935	0	0	(239,086,622)	(239,086,622)	96,296,313	335,382,935	0	(239,086,622)	(239,086,622)	0	96,296,313
Revaluation surplus - Infrastructure - Footpaths	1,529,985	0	0	0	0	1,529,985	701,870	828,115	828,115	0	828,115	1,529,985	701,870	828,115	828,115	0	828,115	1,529,985
Revaluation surplus - Infrastructure - Drainage	522,500	0	0	0	0	522,500	245,022	277,478	277,478	0	277,478	522,500	245,022	277,478	277,478	0	277,478	522,500
Revaluation surplus - Infrastructure - Parks & Ovals	2,912,938	0	0	0	0	2,912,938	524,849	2,388,089	2,388,089	0	2,388,089	2,912,938	524,849	2,388,089	2,388,089	0	2,388,089	2,912,938
Revaluation surplus - Infrastructure - Sewerage	2,607,447	0	0	0	0	2,607,447	17,238	2,590,209	2,590,209	0	2,590,209	2,607,447	17,238	2,590,209	2,590,209	0	2,590,209	2,607,447
Revaluation surplus - Infrastructure - Other	733,168	46,167	46,167	46,167	46,167	779,335	0	733,168	733,168	0	733,168	733,168	0	733,168	733,168	0	733,168	733,168
	120,987,102	46,167	46,167	46,167	46,167	121,033,269	353,256,665	6,817,059	(239,086,622)	(232,269,563)	120,987,102	120,987,102	353,256,665	6,817,059	(239,086,622)	(232,269,563)	0	120,987,102

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. The revaluation increment of \$46,167 for the 2018/19 financial year relates to the 40% deposit on the purchase of 240L rubbish bins in the 2017/18 financial year which was inadvertently written back to \$0 when the infrastructure valuations were processed for the year ended 30 June 2018.

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued Interest on long term borrowings
Accrued salaries and wages
ATO liabilities
Income Received in Advance
Accrued Expenses
Bonds & Deposits

2019	2018
\$	\$
596,196	361,490
21,073	11,830
113,673	114,721
98,778	98,058
7,700	0
429,591	46,944
122,575	0
1,389,586	633,043

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

Trade and other payables (Continued)

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.

SHIRE OF COOLGARDIE

14. INFORMATION ON BORROWINGS

	2019	2018
(a) Borrowings	\$	\$
Current	700,151	68,253
Non-current	2,779,564	624,715
	3,479,715	692,968

(b) Repayments - Borrowings

[illegible]

Self supporting loans are financed by payments from third parties. These are shown in Note 8 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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14. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2018/19

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2019 Actual	2019 Budget	2019 Actual	2019 Budget		
				%	\$	\$	\$	\$	\$	\$
Kambalda Swimming Pool	WATC	Fixed	10	2.17%	1,905,000	1,200,000	(188,402)	600,000	219,305	1,905,000
Binneringie Road (Note 27)	WATC	Fixed	2	1.76%	950,000	950,000	0	950,000	18,906	950,000
Cave Hills Road	N/A	N/A	N/A	N/A	0	490,000	0	490,000	0	0
					2,855,000	2,640,000	(188,402)	2,040,000	238,211	2,855,000

(d) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance	Borrowed During Year	Expended During Year	Unspent Balance
		1 July 2018			30 June 2019
		\$	\$	\$	\$
Loan 113 - Coolgardie Post Office	15/04/2014	119,069	0	(88,566)	30,503
Loan 114 - Kambalda Swimming Pool	10/05/2019	0	1,905,000	(188,402)	1,716,598
Loan 115 - Binneringie Road (Note 27)	10/05/2019	0	950,000	0	950,000
		119,069	2,855,000	(276,968)	2,697,101

(e) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2019	2018
	\$	\$
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit card limit	35,000	30,000
Credit card balance at balance date	(2,764)	(7,008)
Total amount of credit unused	532,236	522,992

Loan facilities

Loan facilities - current	700,151	68,253
Loan facilities - non-current	2,779,564	624,715
Total facilities in use at balance date	3,479,715	692,968

Unused loan facilities at balance date

	2,697,101	119,069
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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 except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Risk

Information regarding exposure to risk can be found at Note 25.

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Opening balance at 1 July 2018

Current provisions
Non-current provisions

Additional provision
Amounts used

Balance at 30 June 2019

Comprises

Current
Non-current

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	165,288	109,837	275,125
Non-current provisions	0	72,590	72,590
	165,288	182,427	347,715
Additional provision	0	1,457	1,457
Amounts used	(9,980)	0	(9,980)
Balance at 30 June 2019	155,308	183,884	339,192
Comprises			
Current	155,308	77,071	232,379
Non-current	0	106,813	106,813
	155,308	183,884	339,192

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
More than 12 months from reporting date

	2019	2018
	\$	\$
Less than 12 months after the reporting date	200,071	183,283
More than 12 months from reporting date	139,121	164,432
	339,192	347,715

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.

16. 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:

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Cash and cash equivalents	8,034,401	3,511,761	5,614,140
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(874,200)	(1,150,702)	(1,838,659)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets through profit and loss	0	0	(87,586)
Depreciation	4,125,205	5,026,699	4,932,754
(Profit)/loss on sale of asset	50,187	19,000	109,505
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(276,986)	1,594,035	(305,950)
(Increase)/decrease in other assets	54,872	0	0
(Increase)/decrease in inventories	(4,256)	0	1,487
Increase/(decrease) in payables	756,543	299,706	68,255
Increase/(decrease) in provisions	(8,523)	0	(38,042)
Grants contributions for the development of assets	(1,961,832)	(1,731,044)	(1,631,398)
Net cash from operating activities	1,861,010	4,057,694	1,210,366

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	167,670	165,120
General purpose funding	6,095,883	2,481,845
Law, order, public safety	33,519	158,867
Health	6,310	76,996
Education and welfare	215,865	503,711
Housing	3,227,077	3,526,239
Community amenities	7,442,595	6,595,392
Recreation and culture	30,350,635	27,885,264
Transport	136,146,428	137,986,592
Economic services	6,035,930	5,612,541
Other property and services	1,461,669	3,484,280
	191,183,581	188,476,847

18. CONTINGENT LIABILITIES

The Shire operates the Kambalda Refuse site and in the 2017/18 financial year concerns were raised that the site may have some areas that contain contaminated material.

During the 2018/19 financial year the Shire engaged a third party to conduct an independent assessment of the refuse site, including soil samples and plans to rehabilitate the site as required.

The Shire are still in the process of conducting independent assessments of the refuse site and at the time of signing this report, the costs of rehabilitation, if required, still need to be quantified.

19. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

Payable:

- not later than one year

	2019	2018
	\$	\$
	4,304,112	0
	4,304,112	0
	4,304,112	0

The Shire have commitments to complete the Kambalda Swimming Pool and roadworks Binneringie Road.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

- not later than one year
- later than one year but not later than five years
- later than five years

	2019	2018
	\$	\$
	142,392	75,730
	330,847	71,767
	125,340	0
	598,579	147,497

SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leases (Continued)

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

20. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and/or the President.

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	121,388	122,321	116,518
President's Allowance	28,354	28,000	20,440
Deputy President's Allowance	7,110	7,000	5,109
Travelling Expenses	9,186	6,000	5,691
Telecommunications Allowance	24,420	24,500	23,625
	190,458	187,821	171,383

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the Shire during the year are as follows:

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	568,047	504,539
Post-employment benefits	57,416	47,062
Other long-term benefits	20,339	31,018
Termination benefits	0	39,566
	645,802	622,185

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.

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

20. 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.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:	2019	2018
	Actual	Actual
	\$	\$
Sale of goods and services	0	5,734
Purchase of goods and services	880	10,300

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.

21. JOINT ARRANGEMENTS

Share of joint operations

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. 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.

	2019	2018
	\$	\$
Land & Buildings	72,500	72,500
Less: Accumulated Depreciation	(2,900)	(1,812)
Total assets	69,600	70,688
Plant & Equipment	4,182	4,182
Less: Accumulated Depreciation	(1,114)	(1,008)
Total assets	3,068	3,174
Furniture & Equipment	8,204	8,204
Less: Accumulated Depreciation	(3,106)	(1,805)
Total assets	5,098	6,399
Light Vehicles	3,200	3,200
Less: Accumulated Depreciation	(1,440)	(960)
Total assets	1,760	2,240

The Shire has a joint venture agreement with the Department of Housing & Works to provide aged housing in Kambalda. The Shire is required to make a provision of 1% of the investment per annum and to place in a reserve account any surplus funds.

	2019	2018
	\$	\$
Land & Buildings	1,520,000	1,520,000
Less: Accumulated Depreciation	(76,000)	(38,000)
Total assets	1,444,000	1,482,000

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.

22. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/17	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Closing Balance ⁽¹⁾ 30/06/18	Received ⁽²⁾ 2018/19	Expended ⁽³⁾ 2018/19	Closing Balance 30/06/19
	\$	\$	\$	\$	\$	\$	\$
Education and welfare							
Kambalda Resource Centre Funding	0	7,412	0	7,412	0	(4,780)	2,632
Coolgardie Resource Centre Funding	0	7,303	0	7,303	0	(4,780)	2,523
Recreation and culture							
Coolgardie Skate Park Funding	50,000	0	(50,000)	0	0	0	0
Kambalda Pool Funding	40,000	0	0	40,000	0	(40,000)	0
Transport							
Main Roads Black Spot - Renou Street	44,600	0	0	44,600	188,000	(232,600)	0
Main Roads Black Spot - Jobson Street	36,400	0	0	36,400	160,400	(196,800)	0
Main Roads Black Spot - Kambalda Tip Road	70,240	0	0	70,240	0	(70,240)	0
Roads to Recovery	0	930,728	(925,831)	4,897	461,681	(466,578)	0
Economic services							
Coolgardie Visitors Centre	32,000	0	(32,000)	0	0	0	0
Total	273,240	945,443	(1,007,831)	210,852	810,081	(1,015,778)	5,155

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

23. RATING INFORMATION

(a) Rates

RATE TYPE	Differential general rate / general rate	Rate in \$	Number of Properties	2018/19		2018/19		2018/19		2018/19		2018/19		2018/19		2017/18	
				Actual Rateable Value	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Rates	Actual Total Revenue	Budget Rate Revenue	Budget Total Revenue	Actual Total Revenue	Actual Total Revenue	Budget Rate Revenue	Budget Total Revenue	Actual Total Revenue	Actual Total Revenue
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations																	
Residential	0.0747		1,133	16,265,768	1,214,275	0	0	0	1,214,275	1,214,275	1,214,275	1,201,856	1,201,856				
Unimproved valuations																	
Mining	0.2204		1,178	21,122,501	4,656,138	(19,016)	(6,828)		4,630,294	4,656,139	4,656,139	4,486,411	4,486,411				
Rural	0.1105		27	958,514	105,928	0	0	0	105,928	105,928	105,928	105,929	105,929				
Sub-Total			2,338	38,346,783	5,976,341	(19,016)	(6,828)		5,950,497	5,976,342	5,976,342	5,794,196	5,794,196				
Minimum payment		\$															
Gross rental valuations																	
Residential	694		658	4,204,823	456,652	0	0	0	456,652	456,652	456,652	460,122	460,122				
Unimproved valuations																	
Mining	437		620	687,217	270,940	0	0	0	270,940	270,940	270,940	295,412	295,412				
Rural	684		14	13,500	9,576	0	0	0	9,576	9,576	9,576	9,576	9,576				
Sub-Total			1,292	4,905,540	737,168	0	0	0	737,168	737,168	737,168	765,110	765,110				
Discounts/concessions (refer Note 23(c))																	
Total amount raised from general rate			3,630	43,252,323	6,713,509	(19,016)	(6,828)		6,687,665	6,713,510	6,713,510	6,559,306	6,559,306				
Specified Area Rate (refer Note 23(b))									(5,268)			(185,867)	(185,867)				
Totals									6,682,397			6,373,439	6,373,439				
									0			0	0				
									6,682,397			6,373,439	6,373,439				

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

SHIRE OF COOLGARDIE
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23. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate		2018/19				2018/19				2018/19				2018/19				2018/19				2017/18																																																																																																																																																																																					
Specified Area Rate	Basis of Valuation	Rate in \$	2018/19 Rateable Value	2018/19 Rate Revenue	2018/19 Interim Rate Revenue	2018/19 Back Rate Revenue	2018/19 Total Specified Area Revenue	2018/19 Budget Rate Revenue	2018/19 Back Rate Revenue	2018/19 Budget Interim Rate Revenue	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Set Aside to Reserve	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 Budget Reserve Applied to Costs	2018/19 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(c) Discounts, Incentives, Concessions, & Write-offs

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted

Rates	Concession is Granted	Type	Discount %	2019 Actual	2019 Budget		2018 Actual
Rates	Concession		100.00%	\$ 0	\$ 5,000	\$ 4,582	\$
Rates	Concession		50.00%	0	15,000	16,270	
Rates	Concession		20.00%	0	5,000	392	
Rates	Write Off		100.00%	5,268	0	164,623	
				5,268	25,000	185,867	

Rate or Fee and Charge to which the Waiver or Concession is Granted and to whom it was available

Rates	Concession is Granted	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Rates	Concession	Support community groups	Support community groups by reducing the financial cost
Rates	Concession	Support rural pursuits	Support rural pursuits by reducing the financial cost
Rates	Concession	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

23. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	26/09/2018	\$0		11.00%
Option Two				
First instalment	26/09/2018	\$0	5.50%	11.00%
Second instalment	27/11/2018	\$10	5.50%	11.00%
Third instalment	28/01/2019	\$10	5.50%	11.00%
Fourth instalment	29/03/2019	\$10	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	118,783	130,000	257,700
Interest on instalment plan	667	0	0
Charges on instalment plan	19,220	25,000	23,960
	138,670	155,000	281,660

24. RATE SETTING STATEMENT INFORMATION

		2018/19 Budget (30 June 2019)	2018/19 Carried Forward)	2018/19 Brought Forward)
	Note	2018/19 (30 June 2019)	2018/19 Carried Forward)	2018/19 Brought Forward)
		\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(80,620)	(6,000)	(96,192)
Movement in pensioner deferred rates (non-current)		(32,178)	0	(15,424)
Movement on accrued interest on debentures		9,243	0	(4,689)
Movement in employee benefit provisions (current)		(43,794)	0	(38,948)
Movement in employee benefit provisions (non-current)		34,223	0	(4,353)
Add: Loss on disposal of assets	11(a)	130,807	25,000	205,697
Add: Depreciation on assets	11(b)	4,125,205	5,026,699	4,932,754
Non cash amounts excluded from operating activities		4,142,886	5,045,699	4,978,845
(b) Surplus/(deficit) after imposition of general rates				
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.				
Adjustments to net current assets				
Less: Reserves - restricted cash	3	(3,267,089)	(3,037,739)	(3,913,273)
Add: Borrowings	14(a)	700,151	874,142	68,253
Add: Current liabilities not expected to be cleared at end of year	15	232,379	326,728	275,125
Add: Accrued Interest on long term borrowings	13	21,073	0	11,830
Add: Accrued salaries & wages	13	113,673	0	114,721
Total adjustments to net current assets		(2,199,813)	(1,836,869)	(3,443,344)
Net current assets used in the Rate Setting Statement				
Total current assets		9,904,695	3,710,099	7,290,242
Less: Total current liabilities		(2,322,116)	(1,873,229)	(976,421)
Less: Total adjustments to net current assets		(2,199,813)	(1,836,869)	(3,443,344)
Net current assets used in the Rate Setting Statement		5,382,766	0	2,870,477

Difference:

There was a difference of \$87,586 between the 1 July 2018 surplus brought forward position used in the 2019 audited financial report and the surplus carried forward position as disclosed in the 2018 audited financial report. The difference relates to the reclassification of the Local Government House Trust from a current asset to a non current asset.

25. 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
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	1.60%	8,034,401	6,926,392	1,107,097	912
2018					
Cash and cash equivalents	0.40%	5,614,140	4,243,194	1,369,702	1,244

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	80,344	56,141

* 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 14(b).

25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade 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 12 months before 1 July 2019 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 2019 and 1 July 2018 (on adoption of AASB 9) 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
30 June 2019					
Rates receivable					
Expected credit loss	0.27%	4.80%	8.26%	2.16%	
Gross carrying amount	7,088	620,476	267,580	535,482	1,430,626
Loss allowance	19	29,783	22,102	11,567	63,471

01 July 2018

Rates receivable					
Expected credit loss	0.26%	4.33%	7.31%	2.04%	
Gross carrying amount	55,530	478,028	225,490	429,832	1,188,880
Loss allowance	143	20,699	16,483	8,769	46,094

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry 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
30 June 2019						
Sundry 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

01 July 2018

Sundry Receivables						
Expected credit loss	0.26%	4.33%	7.31%	2.04%	100.00%	
Gross carrying amount	227,633	8,120	400	103,443	79,638	419,234
Loss allowance	584	352	29	2,110	79,638	82,713

25. 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 14(e).

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
	\$	\$	\$	\$	\$
2019					
Payables	1,389,586	0	0	1,389,586	1,389,586
Borrowings	783,735	1,681,579	1,466,914	3,932,228	3,479,715
	2,173,321	1,681,579	1,466,914	5,321,814	4,869,301
2018					
Payables	633,043	0	0	633,043	633,043
Borrowings	101,214	347,404	491,611	940,229	692,968
	734,257	347,404	491,611	1,573,272	1,326,011

26. TRUST FUNDS

In previous years bonds and deposits were held in trust. They are now included in restricted cash at Note 3 and shown as a current liability at Note 13.

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 2018	Amounts Received	Amounts Paid	Reclassification to Restricted Cash	30 June 2019
	\$	\$	\$		\$
BCITF	18,526	505	(18,519)	(512)	0
Building Levy	4,133	53,046	(56,132)	(1,047)	0
Councillor Nominations	680	0	(360)	(240)	80
Bonds	117,077	2,945	(113,735)	(6,287)	0
Monies Held for Clubs	43,729	0	(43,729)	0	0
Miscellaneous Monies	42,804	126,446	(130,303)	(38,947)	0
Unknown Deposits	1,680	75,232	(1,370)	(75,542)	0
Goldfields Records Facility	27,778	0	(27,778)	0	0
	256,407	258,174	(391,926)	(122,575)	80

27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The Shire entered into an agreement with Alita Resources Limited (formerly Alliance Minerals Assets Limited) to borrow funds for the completion of roadworks on Binneringie Road.

A loan of \$950,000 was secured with WA Treasury in May 2019 on a 2 year loan repayment schedule, with Alita Resources Limited to make quarterly repayments on commencement of the works with the full amount of borrowings and interest payments to be repaid by Alita Resources Limited over the 2 year period.

On the 28th August 2019 the directors of the Alita Groups resolved that the Alita Group companies were insolvent, or likely to become insolvent at some future time and administrators would be appointed to the Alita Group.

At the time of the Alita Group entering voluntary administration some works had commenced on the Binneringie Road project. Works have since ceased and it is unlikely that this project will proceed given the financial situation of the Alita Group and their ability to meet any of the loan repayments.

At the Special Council Meeting on 30 October 2019 Council resolved in accordance with Section 6.20 (3) of the Local Government Act 1995 to change the purpose of Loan 115 Binneringie Road to utilise the remaining funds to fund the approved variations in the scope of works for the Kambalda Aquatic Facilities Upgrade.

The required one month's public notice for the change of purpose of the loan was advertised on 9 November 2019 and the time of signing this report no submissions had been received from the public.

28. 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.

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Shire applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the Shire has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the Shire's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the Shire's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

28. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The classification and measurement requirements of AASB 9 did not have a significant impact on the Shire. The following are the changes in the classification of the Shire's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The Shire did not designate any financial assets as at fair value through profit and loss.

In summary, upon the adoption of AASB 9, the Shire had the following required (or elected) reclassifications as at 1 July 2018:

	AASB 139 value	AASB 9 category amortised cost	Fair value through OCI	Fair value through P/L
AASB 139 category	\$	\$	\$	\$
Loans and receivables				
Trade receivables	1,622,749	1,622,749	0	0
Available for sale financial assets	87,586	0	0	87,586
	1,710,335	1,622,749	0	87,586

(b) Impairment

The adoption of AASB 9 has fundamentally changed the Shire's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Shire to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the Shire recognised no additional impairment.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined, in accordance with AASB 9:

	Impairment under AASB 139 as at 30 June 2018	Remeasurement	ECL under AASB 9 as at 01 July 2018
	\$	\$	\$
Loans and receivables under AASB 139 / Financial assets at amortised cost under AASB 9	128,807	0	128,807
	128,807	0	128,807

(c) Impact of changes to Retained Surplus

The impact on the Shire of the changes as at 1 July 2018 is as follows:

	Adjustments	2018
		\$
Retained surplus - 30 June 2018		61,902,746
Adjustment to retained surplus from adoption of AASB 9		0
Retained surplus - 1 July 2018		61,902,746

29. EFFECT OF CHANGE IN ACCOUNTING POLICY

Paragraph 17A (5) of *Local Government (Financial Management) Regulations 1996* came into operation on the 1 July 2018. The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5,000.

The Shire of Coolgardie has retrospectively applied the change in its accounting policy to comply with the regulation and excluded assets with a fair value of under \$5,000 at the time of acquisition from the assets of the Shire.

During the year assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 30 June 2018 have been excluded from the assets of the Shire and the 2018 comparatives amended accordingly.

The impacts of the changes in the accounting policy on the prior year comparatives are disclosed below.

	30 June 2017 Original Balance	Increase/ (Decrease)	1 July 2017 Restated
	\$	\$	\$
2017 Statement of Financial Position			
Non Current Assets			
Property, Plant & Equipment	35,564,370	(105,975)	35,458,395
Infrastructure	380,572,834	(6,266)	380,566,568
Equity			
Retained Earnings	63,890,962	(112,241)	63,778,721
	30 June 2018 Original Balance	Increase/ (Decrease)	1 July 2018 Restated
	\$	\$	\$
2018 Statement of Financial Position			
Non Current Assets			
Property, Plant & Equipment	34,389,508	(92,747)	34,296,761
Infrastructure	146,881,391	(147,370)	146,734,021
Equity			
Retained Earnings	62,142,863	(240,117)	61,902,746

29. EFFECT OF CHANGE IN ACCOUNTING POLICY (Continued)

Statement of Comprehensive Income	2018 Original Balance \$	Increase/ (Decrease) \$	2018 Restated \$
By Nature or Type			
Depreciation expense	(4,952,378)	19,624	(4,932,754)
Loss on Disposal of Asset	(58,197)	(147,500)	(205,697)
By program			
Expenses			
Governance	(1,912,190)	2,213	(1,909,977)
General purpose funding	(236,355)	0	(236,355)
Law, order, public safety	(216,025)	0	(216,025)
Health	(128,035)	0	(128,035)
Education and welfare	(233,555)	432	(233,123)
Housing	(249,170)	0	(249,170)
Community amenities	(1,638,154)	0	(1,638,154)
Recreation and culture	(2,792,385)	10,638	(2,781,747)
Transport	(5,132,238)	1,109	(5,131,129)
Economic services	(907,016)	243	(906,773)
Other property and services	(135,041)	4,989	(130,052)
Profit / (Loss) on Asset Disposals	37,995	(147,500)	(109,505)
Net result for the period	(1,710,783)	(127,876)	(1,838,659)
Total comprehensive income for the period	(233,980,346)	(127,876)	(234,108,222)

Rate Setting Statement	2018 Original Balance \$	Increase/ (Decrease) \$	2018 Restated \$
Expenditure from operating activities			
Governance	(1,912,190)	2,213	(1,909,977)
General purpose funding	(236,355)	0	(236,355)
Law, order, public safety	(216,025)	0	(216,025)
Health	(128,035)	0	(128,035)
Education and welfare	(233,555)	432	(233,123)
Housing	(249,170)	(3,130)	(252,300)
Community amenities	(1,639,488)	(17,900)	(1,657,388)
Recreation and culture	(2,816,289)	(115,832)	(2,932,121)
Transport	(5,190,435)	1,109	(5,189,326)
Economic services	(933,113)	243	(932,870)
Other property and services	(135,401)	4,989	(130,412)
Non cash amounts excluded operating activities	4,850,969	127,876	4,978,845

29. EFFECT OF CHANGE IN ACCOUNTING POLICY (Continued)

	2018 Original Balance	Increase/ (Decrease)	2018 Restated
	\$	\$	\$
Note 9 - Property, Plant and Equipment			
Opening Balance	35,564,370	(105,975)	35,458,395
Additions	290,186	0	290,186
Disposals	(358,366)	(3,130)	(361,496)
Revaluation increments / (decrements)	0	0	0
Depreciation	(1,106,682)	16,358	(1,090,324)
Carrying amount	34,389,508	(92,747)	34,296,761

	2018 Original Balance	Increase/ (Decrease)	2018 Restated
	\$	\$	\$
Note 10 - Infrastructure			
Opening Balance	380,572,834	(6,266)	380,566,568
Additions	2,423,816	0	2,423,816
Disposals	0	(144,370)	(144,370)
Revaluation increments / (decrements)	(232,269,563)	0	(232,269,563)
Depreciation	(3,845,696)	3,266	(3,842,430)
Carrying amount	146,881,391	(147,370)	146,734,021

Note 11a - Disposal of Assets

Net Book Value	358,366	147,500	505,866
Profit / (Loss) on Disposal	37,955	(147,500)	(109,545)

Note 11b - Fixed Assets Depreciation

Buildings - non-specialised	29,500	(450)	29,050
Buildings - specialised	758,725	0	758,725
Furniture and equipment	119,650	(10,776)	108,874
Plant and equipment	198,807	(5,133)	193,674
Infrastructure - Roads	3,558,846	0	3,558,846
Infrastructure - Footpaths	52,410	0	52,410
Infrastructure - Drainage	11,571	0	11,571
Infrastructure - Parks & Ovals	98,026	0	98,026
Infrastructure - Sewerage	11,148	0	11,148
Infrastructure - Other	113,695	(3,265)	110,430
	4,952,378	(19,624)	4,932,754

Note 16 - Notes to Statement of Cash Flows

Net Result	(1,710,783)	127,876	(1,582,907)
Depreciation	4,952,378	(19,624)	4,932,754
(Profit) / Loss on Disposal	(37,955)	147,500	109,545

29. EFFECT OF CHANGE IN ACCOUNTING POLICY (Continued)

	2018 Original Balance	Increase/ (Decrease)	2018 Restated
	\$	\$	\$
Note 17 - Total Assets Classified by Function & Activity			
Governance	174,366	(9,246)	165,120
General purpose funding	2,481,845	0	2,481,845
Law, order, public safety	158,867	0	158,867
Health	76,543	453	76,996
Education and welfare	503,954	(243)	503,711
Housing	3,529,369	(3,130)	3,526,239
Community amenities	6,613,292	(17,900)	6,595,392
Recreation and culture	28,053,282	(168,018)	27,885,264
Transport	137,999,767	(13,175)	137,986,592
Economic services	5,618,027	(5,486)	5,612,541
Other property and services	3,507,652	(23,372)	3,484,280
	188,716,964	(240,117)	188,476,847

Note 33 - Financial Ratios

2017 Financial Statements

Debt service cover ratio	5.21	(0.29)	4.92
Operating surplus ratio	(0.35)	(0.02)	(0.37)

2018 Financial Statements

Debt service cover ratio	4.28	(0.43)	3.85
Operating surplus ratio	(0.40)	(0.01)	(0.41)
Own source revenue coverage ratio	0.62	(0.01)	0.61

30. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Shire.

This note explains management's assessment of the new and amended pronouncements that are relevant to the Shire, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

The Shire will adopt 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 will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments are expected to be 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 \$
Contract liabilities - current				
Unspent grants, contributions and reimbursements		0	5,155	5,155
Adjustment to retained surplus from adoption of AASB 15	30(d)		(5,155)	

(b) Leases

The Shire will adopt AASB 16 retrospectively from 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions of AASB 16, the Shire will apply this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying the 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 will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rates applied to the lease liabilities on 1 July 2019 is 2.75%.

	Note	2019 \$
Operating lease commitments disclosed as at 30 June 2019		598,579
Lease liability recognised as at 1 July 2019		
Discounted using the Shire's incremental borrowing rate of 2.75%	30(d)	506,110
Right-of-use asset recognised as at 1 July 2019		506,110
Low-value leases recognised on a straight-line basis as an expense		13,210

On adoption of AASB 16, the Shire will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019. Property, plant and equipment increases by \$506,110 on 1 July 2019 resulting in no impact on retained earnings on 1 July 2019.

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.

30. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)

(c) Income For Not-For-Profit Entities

The Shire will adopt 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 will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes will occur to the following financial statement line items by application of AASB 1058 as compared to AASB 1004 Contributions before the change:

		AASB 1004 carrying amount		AASB 1058 carrying amount
	Note	30 June 2019	Reclassification	01 July 2019
		\$	\$	\$
Trade and other payables		1,389,586	146,517	1,536,103
Adjustment to retained surplus from adoption of AASB 1058	30(d)		0	

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 give rise to a financial liability that is within the scope of AASB 9. In accordance with the Shire's current accounting policies, prepaid rates have been netted off against rates debtors 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.

(d) Impact of changes to Retained Surplus

The impact on the Shire of the changes as at 1 July 2019 is as follows:

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			61,674,730
Adjustment to retained surplus from adoption of AASB 15	30(a)		(5,155)
Retained surplus - 01 July 2019			61,669,575

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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 regulatory 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.

32. ACTIVITIES/PROGRAMS

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

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

33. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	2.48	3.21	2.06
Asset consumption ratio	0.97	0.75	0.97
Asset renewal funding ratio	1.11	N/A	N/A
Asset sustainability ratio	0.80	0.27	0.39
Debt service cover ratio	11.76	3.85	4.92
Operating surplus ratio	(0.32)	(0.41)	(0.37)
Own source revenue coverage ratio	0.65	0.61	0.62

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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



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