



CONFIRMED

MINUTES

Audit Committee Meeting

22 December 2022

9:00am

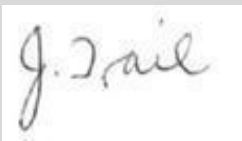
**Kambalda Recreation Centre, Barnes Drive,
Kambalda**

SHIRE OF COOLGARDIE

NOTICE OF AUDIT COMMITTEE MEETING

Dear Elected Member

The next Audit Committee Meeting of the Shire of Coolgardie will be held on Thursday 22 December 2022 commencing at 9:00am.

A rectangular box containing a handwritten signature in cursive script that reads "J. Trail".

**JAMES TRAIL
CHIEF EXECUTIVE OFFICER**

DISCLAIMER

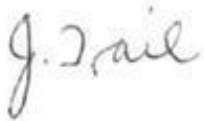
INFORMATION FOR PUBLIC ATTENDING COUNCIL MEETINGS

PLEASE NOTE:

THE RECOMMENDATIONS CONTAINED IN THIS AGENDA ARE OFFICERS RECOMMENDATIONS ONLY AND SHOULD NOT BE ACTED UPON UNTIL COUNCIL HAS RESOLVED TO ADOPT THOSE RECOMMENDATIONS.

THE RESOLUTIONS OF COUNCIL SHOULD BE CONFIRMED BY PERUSING THE MINUTES OF THE COUNCIL MEETING AT WHICH THESE RECOMMENDATIONS WERE CONSIDERED.

MEMBERS OF THE PUBLIC SHOULD ALSO NOTE THAT THEY ACT AT THEIR OWN RISK IF THEY ENACT ANY RESOLUTION PRIOR TO RECEIVING OFFICIAL WRITTEN NOTIFICATION OF COUNCILS DECISION.



James Trail
CHIEF EXECUTIVE OFFICER

COUNCIL MEETING INFORMATION NOTES

1. Your Council generally handles all business at Ordinary or Special Council Meetings.
2. From time to time Council may form a Committee to examine subjects and then report to Council.
3. Generally all meetings are open to the public; however, from time to time Council will be required to deal with personal, legal and other sensitive matters. On those occasions Council will generally close that part of the meeting to the public. Every endeavour will be made to do this as the last item of business of the meeting.
4. Public Question Time. It is a requirement of the Local Government Act 1995 to allow at least fifteen (15) minutes for public question time following the opening and announcements at the beginning of the meeting. Should there be a series of questions the period can be extended at the discretion of the Chairman.

Written notice of each question should be given to the Chief Executive Officer prior to 12:30pm on the day of the meeting. A summary of each question and response is included in the Minutes.

When a question is not able to be answered at the Council Meeting a written answer will be provided after the necessary research has been carried out. Council staff will endeavour to provide the answers prior to the next meeting of Council.

5. **Councillors** may from time to time have a financial interest in a matter before Council. Councillors must declare an interest and the extent of the interest in the matter on the Agenda. However, the Councillor can request the meeting to declare the matter **trivial, insignificant or in common with a significant number of electors or ratepayers**. The Councillor must leave the meeting whilst the matter is discussed and cannot vote unless those present agree as above.

Members of staff, who have delegated authority from Council to act on certain matters, may from time to time have a financial interest in a matter on the Agenda. The member of staff must declare that interest and generally the Chairman of the meeting will advise the Officer if he/she is to leave the meeting.

6. Agendas including an Information Bulletin are delivered to Councillors within the requirements of the Local Government Act 1995, i.e. seventy-two (72) hours prior to the advertised commencement of the meeting. Whilst late items are generally not considered there is provision on the Agenda for items of an urgent nature to be considered.

Should an elector wish to have a matter placed on the Agenda the relevant information should be forwarded to the Chief Executive Officer in time to allow the matter to be fully researched by staff. An Agenda item including a recommendation will then be submitted to Council for consideration.

The Agenda closes the Monday week prior to the Council Meeting (i.e. ten (10) days prior to the meeting).

The Information Bulletin produced as part of the Agenda includes items of interest and information, which does not require a decision of Council.

7. Agendas for Ordinary Meetings are available in the Coolgardie and Kambalda Offices/Libraries seventy-two (72) hours prior to the meeting and the public are invited to secure a copy.
8. Agenda items submitted to Council will include a recommendation for Council consideration. Electors should not interpret and/or act on the recommendations until after they have been considered by Council. Please note the Disclaimer in the Agenda (page 3).
9. Public Question Time – Statutory Provisions – Local Government Act 1995

Time is to be allocated for questions to be raised by members of the public and responded to at:

- (a) Every ordinary meeting of a council; and
- (b) Such other meetings of councils or committees as may be prescribed

Procedures and the minimum time to be allocated for the asking of and responding to questions raised by members of the public at council or committee meetings are to be in accordance with regulations.

9A. Question Time for the Public at Certain Meetings – s5.24 (1) (b)

Local Government (Administration) Regulations 1996

Reg 5 For the purpose of section 5.24(1)(b), the meetings at which time is to be allocated for questions to be raised by members of the public and responded to are:

- (a) every special meeting of a council; and
- (b) every meeting of a committee to which the local government has delegated a power or duty.

Minimum Question Time for the Public – s5.24 (2)

- Reg 6 (1) The minimum time to be allocated for the asking of and responding to questions raised by members of the public at ordinary meetings of councils and meetings referred to in regulation 5 is fifteen (15) minutes.
- (2) Once all the questions raised by members of the public have been asked and responded to at a meeting referred to in sub regulation (1), nothing in these regulations prevents the unused part of the minimum question time period from being used for other matters.

Procedures for Question Time for the Public – s5.24 (2)

Local Government (Administration) Regulations 1996

- Reg 7 (1) Procedures for the asking of and responding to questions raised by members of the public at a meeting referred to in regulation 6 (1) are to be determined:
- (a) by the person presiding at the meeting; or
 - (b) in the case where the majority of members of the council or committee present at the meeting disagree with the person presiding, by the majority of members, having regard to the requirements of sub regulations (2) and (3).
- (2) The time allocated to the asking and responding to questions raised by members of the public at a meeting referred to in regulation 6(1) is to precede the discussion of any matter that requires a decision to be made by the council or the committee, as the case may be.
- (3) Each member of the public who wishes to ask a question at a meeting referred to in regulation 6(1) is to be given an equal and fair opportunity to ask the question and receive a response.
- (4) Nothing in sub regulation (3) requires:
- (a) A council to answer a question that does not relate to a matter affecting the local government;
 - (b) A council at a special meeting to answer a question that does not relate to the purpose of the meeting; or
 - (c) A committee to answer a question that does not relate to a function of the committee.

2. Public Inspection of Unconfirmed Minutes (Reg 13)

A copy of the unconfirmed Minutes of Ordinary and Special Meetings will be available for public inspection in the Coolgardie and Kambalda Offices/Libraries within ten (10) working days after the Meeting.

NOTE:**10.3 Unopposed Business**

- (1) Upon a motion being moved and seconded, the person presiding may ask the meeting if any member opposes it.
- (2) If no member signifies opposition to the motion the person presiding may declare the motion in sub clause (1) carried without debate and without taking a vote on it,
- (3) A motion carried under sub clause (2) is to be recorded in the minutes as a unanimous decision of the Council or committee.
- (4) If a member signifies opposition to a motion the motion is to be dealt with according to this Part.
- (5) This clause does not apply to any motion or decision to revoke or change a decision which has been made at a Council or committee meeting.

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**MINUTES OF SHIRE OF COOLGARDIE
AUDIT COMMITTEE MEETING
HELD AT THE KAMBALDA RECREATION CENTRE, BARNES DRIVE, KAMBALDA
ON THURSDAY, 22 DECEMBER 2022 AT 9:00AM**

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

Shire President, Malcolm Cullen, opened the meeting at 9.01am and welcomed his fellow Councillors and staff, and thanked them for their attendance.

2 RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

PRESENT:

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

IN ATTENDANCE:

James Trail (Chief Executive Officer), Robert Hicks (Deputy Chief Executive Officer), Bree Crawley (Community Development Team Leader), Corina Morgan (Senior Finance Officer)

APOLOGIES

Nil

LEAVE OF ABSENCE

Nil

3 DECLARATIONS OF INTEREST

3.1 Declarations of Financial Interests – Local Government Act Section 5.60A

Nil

3.2 Declarations of Proximity Interests – Local Government Act Section 5.60B

Nil

3.3 Declarations of Impartiality Interests – Shire of Coolgardie Code of Conduct for Council Members, Committee Members and Candidate for Election, Code of Conduct for Employees

Nil

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

4.1 MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 13 DECEMBER 2022

Date: 19 December 2022

Author: Kasey Turner, Administration Officer

ATTACHMENTS

Nil

VOTING REQUIREMENT

Simple majority

OFFICER RECOMMENDATION

That the Minutes of the Audit Committee Meeting held on 13 December 2022 be confirmed as a true and accurate record.

AUDIT COMMITTEE RESOLUTION AND OFFICER RECOMMENDATION #279/2022

Moved: Cr Tracey Rathbone

Seconded: Cr Tammee Keast

That the Minutes of the Audit Committee Meeting held on 13 December 2022 be confirmed as a true and accurate record.

In Favour: Crs Malcolm Cullen, Tracey Rathbone, Rose Mitchell, Kathie Lindup and Tammee Keast

Against: Nil

CARRIED 5/0

5 REPORTS OF OFFICERS

5.1 Executive Services

5.1.1 ANNUAL REPORT 2021-2022

Location:	Nil
Applicant:	Nil
Disclosure of Interest:	Nil
Date:	20 December 2021
Author:	James Trail, Chief Executive Officer

SUMMARY

Audit Committee to recommend to Council to adopt the Draft Annual Report for the year ended 30 June 2022 and set the date of the Annual Meeting of Electors

BACKGROUND

An Audit Committee Meeting was held on 13th December 2022. The committee resolved;

AUDIT COMMITTEE RESOLUTION #274/2022

Moved: Cr Tracey Rathbone

Seconded: Cr Kathie Lindup

That Council defer Item 5.1.1 to the next Audit Committee Meeting until further information is provided from the OAG.

In Favour: Crs Malcolm Cullen, Tracey Rathbone, Rose Mitchell, Kathie Lindup and Tamme Keast

Against: Nil

CARRIED 5/0

The annual Meeting of Electors is to consider the Annual Report for the year ended 30 June 2022. If Council were like minded the meeting could be held in Coolgardie on Tuesday 31 January 2023.

COMMENT

The Annual Report for the year ended 30 June 2022 is presented to Council for adoption. The report will be available to the public at the Administration Office and the Library, Barnes Drive Kambalda, and the Library in the Recreation Centre, Sylvester Street Coolgardie.

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

The primary tool set by the Department of Local Government and Communities for the measurement of the performance of each local government were the financial ratios. These were presented for many years. There is now no longer a requirement for OAG to report against the financial ratio's.

The Shire ended the financial year with Cash and Cash Equivalents of \$1.9 million up from \$1.3 million the year before. Capital expenditure this year amounted to \$7,366,528 on infrastructure assets and \$3,609,416 on property, plant and equipment. This is up \$6,343,984 from the previous year. A massive increase in investment in Shire Infrastructure.

Highlights for this year include :

- Upgrades and renewal on Coolgardie North Road, Jaurdi Hills Road, Cave Hill Road and Carins Road \$1,201,322
- Provision of primary health and medical services through St John, \$416,000..
- Coolgardie Cultural and Community Hub(Post Office precinct) commencement,\$1,125,940
- Project works at Coolgardie Landfill. Excavation ,roadworks, weighbridge preparation,\$3,594,875
- Renewal and Upgarde of Kambalda Aerodrome \$1,875,950

The Shire economy, like the WA economy is emerging from COVID-19 related restrictions and faces a raft of new challenges in the form of supply chain disruptions, labour shortages and rising costs, punctuated by the 7.6% increase in the Perth Consumer Price Index (CPI) over the year to March 2022. Furthermore, the Shire has undergone a Gross Rental Revaluation the last one occurring 6 years ago. The revaluation has resulted in gross rental valuations in Kambalda decreasing on average by 10.5% and in Coolgardie on average by 8%. For the Shire to continue to strive to deliver improved and efficient services to the community with costs increasing as a minimum in excess of 7% and a decrease in gross rental values resulting in a decrease in rate revenue is impossible without generating other sources of revenue.

The Shire estimates the impact of the 7.6% increase in Perth CPI, increases in insurance, contractors, employee and operational costs to be in excess of \$1.3 million on the Shire annual operating and capital expenditure budget. In order to provide services to the community at the same level as it has done in 2021/2022 simply on rates revenue alone, given an estimated increase of in excess of \$1.3 million, would require a rate increase of in excess of 100% on residential, commercial, generally industry and light industry rate payers. Clearly this is not an action the Council could ever consider.

In order to maintain or increase the level of services to the community, in an environment of escalation costs and decrease in valuation of the majority of residential, commercial, generally industry and light industry properties in the Shire, Council has displayed exceptional leadership in planning for and progressing new revenue generating opportunities. In doing so it was in a unique position to be able to advertise only a 5% increase in the rate in the \$ for residential, commercial, generally industry and light industry rate payers in the Shire generating an estimated revenue increase of only \$81,000. The estimated increase of \$8.5 million in fees and charges associated with workers accommodation, waste facilities and the Kambalda Airport has enabled the Shire to not only improve the level of services to the community but increase the level of expenditure on renewing and maintaining roads, footpaths, drainage, buildings, and community infrastructure. Furthermore, it has enabled the Council to consider only a 3% increase in the rate in the \$ for residential, commercial, generally industry and light industry rate payers in the Shire generating an estimated revenue increase of \$48,600.

The Shire has worked extremely hard over the past three years to create strong collaborative relationships with the Mining Sector, connected businesses and industry and the State Government. Consequently, the strength of these partnerships has enabled the Shire to progress revenue generating opportunities to ensure that the residential, commercial, generally industry and light industry rate payers are not burdened with massive rate increases now and into the future.

The most significant impact on the estimated surplus for 2021/2022 and the draft budget for 2022/23 has been the timing of construction of several major infrastructure projects including the Coolgardie Class III Waste Facility, Kambalda Aerodrome Refurbishment and the construction of the Kambalda Workers Accommodation Facility.

In the short term this has also placed pressure on cashflow. It is anticipated that with the completion of the three above mentioned projects there is expected to be significant revenue generated in the 2022/23 financial year that will have a significant positive impact on cashflow, revenue and reserves in long term.

The 2022/2023 Annual Draft Budget highlights operating revenue of \$26,895,575 compared to \$13,821,180 in 2021/2022 and operating expenditure of \$24,079,858 compared to \$16,728,630 in 2021/2022. Consequently, for the 2022/2023 year the budget operating surplus is \$2,815,717 compared to an operating deficit in 2021/2022 of \$2,907,450. This extraordinary turn around estimated at \$5,723,167 is a direct result of the progression of

new revenue generating opportunities. Furthermore, for the first time, the Shire will end up with an estimated positive operating surplus ratio.

The 2022/2023 Annual Draft Budget also highlights an estimated \$7,296,251 net cash provided by operating activities. The significance of this cannot be underestimated. Very few local governments in WA would have a ratio of 74% of rates revenue contributing to the renewal of road, building, footpath, drainage and community infrastructure

CONSULTATION

Auditor – RSM

Auditor General

Shire Staff

Shire Contractor

STATUTORY ENVIRONMENT

Section 5.54 Local Government Act 1995 as amended.
Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS

N/A

FINANCIAL IMPLICATIONS

N/A

STRATEGIC IMPLICATIONS**Accountable and effective leaders**

High quality corporate governance, accountability and compliance

ATTACHMENTS

1. **Draft Annual Report 2022**

VOTING REQUIREMENT

Simple majority

OFFICER RECOMMENDATION**Moved: Cr Kathie Lindup****Seconded: Cr Tammee Keast**

That Audit Committee,

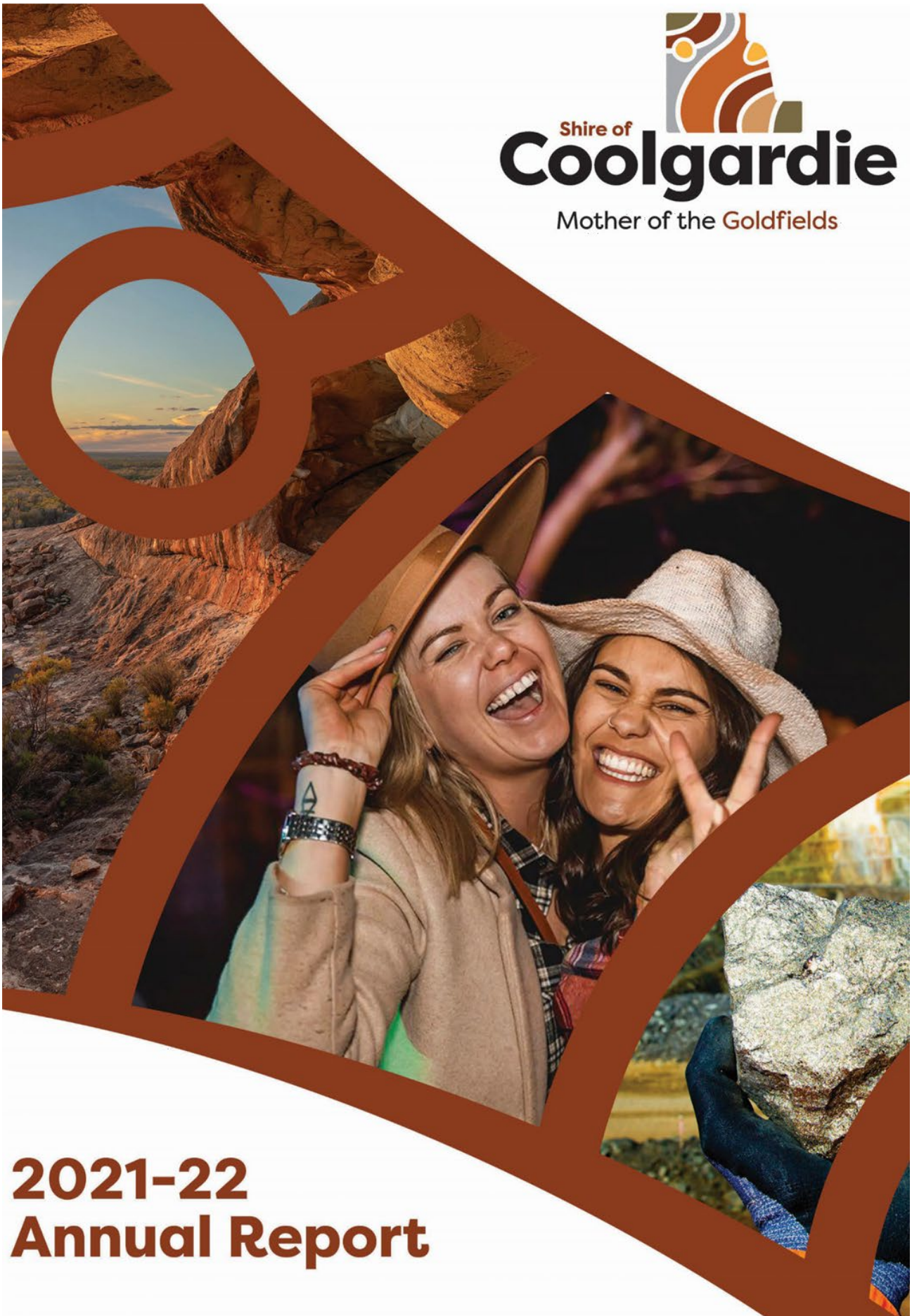
1. Recommend to Council to adopt the Draft Annual Report for the year ended 30 June 2022 in accordance with Section 5.54 of the Local Government Act 1995,
2. Recommend to Council to set the date for the Annual meeting of Electors to be Tuesday 31 January 2023 at 6.30pm at the Coolgardie Recreation Centre.

AUDIT COMMITTEE RESOLUTION AND OFFICER RECOMMENDATION #280/2022**Moved: Cr Kathie Lindup****Seconded: Cr Tammee Keast**

That Audit Committee,

1. Recommend to Council to adopt the Draft Annual Report for the year ended 30 June 2022 in accordance with Section 5.54 of the Local Government Act 1995,
2. Recommend to Council to set the date for the Annual meeting of Electors to be Tuesday 31 January 2023 at 6.30pm at the Coolgardie Recreation Centre.

In Favour: Crs Malcolm Cullen, Tracey Rathbone, Rose Mitchell, Kathie Lindup and Tammee Keast**Against: Nil****CARRIED 5/0**



2021-22 Annual Report

SHIRE OF COOLGARDIE - 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, nickel and lithium 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 by value with 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.

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SHIRE PRESIDENT'S REPORT

On behalf of the Council, I am pleased to present the Shire of Coolgardie Annual Report for the 2021/22 year.

The Shire's Annual Audit was completed successfully for the 2021/22 financial year and Council will continue to implement any recommended changes raised by the Auditors that will improve the Shire's level of Governance, compliance and financial position of our organisation.

The Shire ended the financial year with Cash and Cash Equivalents of \$1.9 million up from \$1.3 million the year before. Capital expenditure this year amounted to \$7,366,528 on infrastructure assets and \$3,609,416 on property, plant and equipment. This is up \$6,343,984 from the previous year. A massive increase in investment in Shire Infrastructure.

Highlights for this year include :

- Upgrades and renewal on Coolgardie North Road, Jaurdi Hills Road, Cave Hill Road and Carins Road - \$1,201,322.
- Provision of primary health and medical services through St John - \$416,000.
- Coolgardie Cultural and Community Hub (Post Office precinct) commencement - \$1,125,940.
- Project works at Coolgardie Landfill including excavation, roadworks, weighbridge preparation - \$3,594,875
- Renewal and Upgrade of Kambalda Aerodrome - \$1,875,950

Parallel with the above projects, our staff continued to work hard providing services, programmes and community events into both our towns. These included our recreation Centres, swimming pools community resource centres and playgrounds.

Our road construction and town crews have worked on local gravel road maintenance throughout the year, while our town crews have maintained our streets, parks and gardens to a high standard.

Also, special mention to the Shire's Finance and Administration Staff, we may not see them in action, however behind the scenes, I know the workload they bear and it is a credit to them all they are able to perform their duties at the level they achieve.

I would also make mention of Community Volunteer organisations such as St John Sub Centre and Community Transport and Kambalda Fire and Rescue volunteers who continue their dedicated services to keep our community safe throughout the year with significant volunteer hours and effort invested into both towns.

The Shire adopted the 2022/2023 Budget with operating revenue of \$26,895,575 compared to \$13,821,180 in 2021/2022 and operating expenditure of \$24,079,858 compared to \$16,728,630 in 2021/2022. Consequently, for the 2022/2023 year the budget operating surplus is \$2,815,717 compared to an operating deficit in 2021/2022 of \$2,907,450. This extraordinary turn around estimated at \$5,723,167 is a direct result of the progression of new revenue generating opportunities. Furthermore, for the first time, the Shire will end up with an estimated positive operating surplus ratio.

The 2022/2023 Annual Draft Budget also highlights an estimated \$7,296,251 net cash provided by operating activities. The significance of this cannot be underestimated. Very few local governments in WA would have a ratio of 74% of rates revenue contributing to the renewal of road, building, footpath, drainage and community infrastructure.

Traditionally local governments allocate financial resources into infrastructure facilities for the betterment of community services and facilities. This has been the case in prior financial years with the refurbishment of the Kambalda Aquatic Facility and the Coolgardie Community & Cultural Hub. While both projects provide valuable services to the community, they also require a significant initial and ongoing investment from the Shire and have limited scope to generate fees and charges from their operating activities. Council has made a conscious decision in recent years to make significant investment in infrastructure that has the capacity to generate fees and charges from mining, commercial and other industrial activities.

The Shire's priority projects for 2022/23 include:

- Coolgardie North Road
- Carins Road Renewal.
- Completion of Kambalda Workers Accommodation Village
- ESG Framework and Strategy
- Socio Economic Strategy
- Coolgardie Landfill Expansion.
- Coolgardie Post Office Fire Damage
- Gnarlbine Road Renewal
- Tindals/Ladyloch Intersection
- Completion of Driver Reviver and Ablution Facility at the Coolgardie Truck Assembly Park.
- Completion of Coolgardie Cultural and Community Precinct.

The Shire will continue to maintain the level of services into our communities, while working on developing shovel ready projects for when suitable funding becomes available to continue to improve our assets for the future.

I believe the Shire of Coolgardie is very well positioned with the increased activity in mining and resources sector, the emerging electric vehicle and battery markets, our regional waste and recycling facility and by developing strong partnerships with both Federal ,State Governments and the Mining Industry, the Shire can build a stronger and more resilient community for the Future.

I would like to sincerely thank my fellow Councillors, our CEO, all our Staff and Consultants, as well as the many dedicated service providers for their efforts and commitment to our Shire for what has been once again a very challenging year for the Shire.



Malcolm Cullen
Shire President

CEO'S REPORT

The Shire of Coolgardie had a Total Operating Revenue of \$16.54m (including operating and capital grants) for the 2021/22 financial year.

Net Cash from operating activities at year ended 30 June 2022 was \$3,395,770 – see Note 18 of the Annual Financial Report. This was a significant increase of \$2,394,046 from the year ended 30 June 2021. The movement reported at 30 June 2022 was largely the result of timing relating to cash flows tied to payments for major projects.

The Shire ended the financial year with Cash and Cash Equivalents of \$1.9 million up from \$1.3 million the year before. Capital expenditure this year amounted to \$7,366,528 on infrastructure assets and \$3,609,416 on property, plant and equipment. This is up \$6,343,984 from the previous year. A massive increase in investment in Shire Infrastructure

The most significant impact on the surplus for 2021/2022 and the draft budget for 2022/23 has been the timing of construction of several major infrastructure projects including the Coolgardie Class III Waste Facility, Kambalda Aerodrome Refurbishment and the construction of the Kambalda Workers Accommodation Facility.

In the short term this has also placed pressure on cashflow. It is anticipated that with the completion of the three above mentioned projects there is expected to be significant revenue generated in the 2022/23 financial year that will have a significant positive impact on cashflow, revenue and reserves in long term.

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

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.

Cr Sherryl Botting	Term ends 2025	Mobile: 0438 133 217
Cr Tammee Keast	Term ends 2023	Mobile: 0467 980 847
Cr Rose Mitchell	Term ends 2025	Mobile: 0438 662 404
Deputy President Cr Tracey Rathbone	Term ends 2023	Mobile: 0459 999 296
Shire President Cr Malcolm Cullen	Term ends 2025	Mobile: 0417 266 191
Cr Kathie Lindup	Term ends 2023	Mobile: 0402 819 468

MANAGEMENT TEAM



James Trail

Chief Executive Officer

Responsible for:

- Financial Oversight
- Governance and Compliance
- Regulatory services



Robert Hicks

Director of Operations

Responsible for:

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



Rod Franklin

Commercial Manager

Responsible for:

- Waste and Sewerage Facilities
- Building Infrastructure Maintenance
- Airport Facilities

Community Events 21/22



Australia Day Community Breakfast



Australia Day Awards



Australia Day



Blessing of the Roads



Coolgardie Rodeo



Clean Up Australia Day



Business Sundowner

Community Events 21/22



Hit FM 15.09.2021



Mothers Group
Halloween Session



Go for 2 & 5



R U Okay Day



Seniors Christmas



Spring Fun Run



Warden Finnerties Sundowner

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
3,638

Median Age
38 years
(Source ABC 2021 Census report)

Length of Roads
1,279 km of roads

Area of Parks and Ovals
14ha

Towns
Coolgardie
Kambalda
Widgiemooltha
Kurrawang

Number of Dwellings
1,610 *(residential houses)*

Number of Electors
1,819

Number of Council Employees
54 *(FTE)*

Number of Elected Members
Shire President and five (5) 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 2021/22 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.

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 Community Strategic 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 Plan outlines 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.

Since the development of the plan in 2018, much has changed but the focus established through community engagement have remained stable. Two major changes have been the focus of ESG (environment, social, governance) as a standard of which organisations are held to account, and the realisation by Council that the resource sector provides approx. 83% of the Shire's income. These factors, being a crucial part of the municipal community, along with the biennial community survey (2021) results, will form part of the Shire's major review at the start of the 22/23 financial year.

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

ACCOUNTABLE AND EFFECTIVE LEADERS

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

AN INCLUSIVE, SAFE AND VIBRANT COMMUNITY

- Biennial Community Satisfaction Survey
- Community Chest Fund

A THRIVING LOCAL ECONOMY

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

EFFECTIVE MANAGEMENT OF INFRASTRUCTURE, HERITAGE AND ENVIRONMENT

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

ACCOUNTABLE AND EFFECTIVE LEADERS

THE CORPORATE BUSINESS PLAN

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

The Shire undertook a comprehensive review in 2020/21 of the Corporate Plan which was adopted by Council during the year.

COMMUNITY ASSISTANCE FUND

The Shire of Coolgardie's Community Assistance Fund (CAF), is aimed at not-for-profit community groups/organisations or outstanding individuals' seeking small amounts of funding for specific events and projects that align with the Shire's Aspirations.

The Shire of Coolgardie's Strategic Aspirations are aiming for:

- an inclusive, safe and vibrant community
- a thriving local economy
- effective management of infrastructure, heritage and environment

A provision of \$20,000 was adopted for applications that benefited the community and to help not for profits to achieve their goals.

In the 21/22 financial year, successful applications included the Kambalda Tee Ball Association, Kambalda Cultural and Arts Group, House of Hope Rescue, Coolgardie Primary School P&C, Coolgardie Junior Volunteer Fire and Rescue, CAPS Coolgardie, Judumul Aboriginal Corporation and the Kambalda Junior Football Club.

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 smaller 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 four 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.

The Code of conduct and related policies were reviewed extensively during 2021/2022.

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 of 30 June 2022, the Shire received two 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 of 30 June 2022, 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.

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 Shire maintains a commitment to its regulatory responsibilities as dictated by the State and Federal government and is committed to enhancing disability access and inclusion of its residents through a range of strategies and actions.

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 2022.

REPORT ON EMPLOYEES RENUMERATION

Salary Range (up to 30 June)	2022	2021	2020	2019	2018	2017
\$10,000 - \$110,000	51	48	47	45	41	45
\$110,000 - \$140,000	0	2	3	3	3	1
\$140,000 and above	3	3	1	1	1	3

Report on Employee Numbers

Salary Range (up to 30 June)	2022	2021	2020	2019	2018	2017
The number of full-time equivalent employees at balance date	54	53	51	49	45	49

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.

2021/2022 HIGHLIGHTS**KAMBALDA**

- The **"Australia's Biggest Morning Tea"** was hosted on a weekend this year and the attendees not only enjoyed a delicious morning tea but also joined in with the fun games, activities and silent auction. The fundraising total for the day was \$1445.75 making this the highest total raised yet.
- The **"Welcome to Town Morning Tea"** events for the new residents were hosted and supported by representatives of the community as well as local sporting and community groups to welcome newcomers to town. The Shire of Coolgardie Welcome packs with a local information directory, What's On calendar, local school and playgroup information, membership forms, enrolment forms and merchandise were also given out to new residents.
- **Being Connected** - The weekly "Ready Set Go Digital" Be Connected classes and 1:1 support for residents aged 50+ to get digitally connected has been well attended. The Shire was successful in a "Be Connected Grant" and 5 Samsung Tablets were purchases for participant use. Participants also can bring along their own devices for use. Specialized workshops delivered during the year have included: National Esmart Week, Scam Awareness Week with Consumer Protection, Get on-line Week, Understanding your Digital assets and Wills with Paralegal Team from Mara Pirni. Get online with QR Codes and Kahoot Online Quizz, Safer Internet Day – Playing fair online.
- Our local businesses enjoyed a new initiative this year with the **"Business networking and educational sundowners"** being held at the different local business locations. Attendees enjoyed catering from a local business with guest speakers and the opportunity to network with the other businesses in Kambalda.
- 2021/2022 Saw a range of activities and workshops delivered to the community that were focused on health, exercise, and mental health wellbeing. Service Providers assisted with the delivery of International Men's Health Week held at the Kambalda Men's Shed – offering free basic health

checks, Seniors "Have a Go Day", Spring Fun Run / Walk – Kambalda East to West, International Youth Day, Women's Health Day run in conjunction with Goldfields Women's Health Care Centre, Mental Health starts with Children workshop, Tiny Tots First Aid, The Blue Tree campaign and R U OK Day which was run in conjunction with the Goldfields Service providers .

- The Fortnightly counselling appointments have additionally been on offer to the community with Goldfields Women's Health Care Centre, Hope Community Services and Centrecare at the Kambalda Community Recreation Facility.
- Arts, Crafts and educational workshops have been held with Sustainable Kitchen and Garden Workshop delivered by a local garden guru, "Awesome Arts" Lantern making workshop by travelling artists, Quirky Quilters display, Ranger information evening, Science Week, Teddy Bear's Picnic, and a Youth Silent Disco.
- The "Clean-up Australia Day" was run in conjunction with Kambalda Playgroup, Kambalda Volunteer Fire and Rescue Service, St John WA – Kambalda and the community. The BP Dam (also known as Newton Dam) was the agreed area of clean up as this is a popular site for our community and visitors to relax and enjoy the scenery. The collected rubbish was sorted into recycling and refuse bags and the day finished with an enjoyable onsite BBQ that was cooked by the Kambalda Volunteer Fire and Rescue Service.
- The bi-monthly PINGO continues to be ever popular with both monthly named or themed events for Halloween, Valentine's Day and Christmas attracting a crowd each Friday night.

COOLGARDIE – COMMUNITY RECREATION CENTRE (CCRC)

There was wide range of activities delivered to our Coolgardie community that focused on connection, collaboration, and creativity for all ages. Despite the staff challenges of staffing changes and shortages, and closures due to the Covid-19 Pandemic through 21 to 22, we worked hard to give the community confidence to engage and try and get back to normality. During this time, our programs focused on health and mental health related programs and workshops following the stresses experienced by our community.

- Through 2021/2022 we continued the partnership with our regular providers the Centrecare Group (Seniors, Finance and Youth), Anglicare, HOPE and YMCA.
- During Health week we connected with Goldfields Women's Health and Men's Health Services. Cancer Australia (Hidden Sugars), Goldfields Chiropractic (Spinal Awareness).
- Supported R U OK? Day by providing lunch at the Community Recreation Facility.
- March of 2022 the 3C's (Coffee, Cake, and Conversation) was initiated to engage our Seniors after COVID-19 lock down (we now have anywhere from 13–19 regularly attending). During these morning teas, we invite St John's Ambulance every couple of months to conduct mini health checks. Coolgardie Fire Brigade spoke on fire safety talks and the local police talk on general safety.
- Australia's Biggest Morning Tea fundraising event was held for the first time by Coolgardie Community Rec Centre. 40 people attended and a total of \$3000.00 in donations was collected for the Cancer Council.
- Barefoot Bands continued to deliver community engagement activities at the Coolgardie Railway Station.
- The local Coolgardie Police deliver a regular Tuesday play basketball activity for our school age students.

- Our PINGO event moved to a half yearly event due to COVID and still proves to be very popular.
- MEDAC held their annual Coolgardie Community and Employment Expo on the 11 May 2022. This was a free community event designed to provide a platform for local community members to access employers, community services and community groups.
- Toddler Playtime is a regularly run event which engages toddlers through play, crafts and teaching them to share. This also gives parent an opportunity to catch-up for a chat or meet other parents.
- Be Connected Classes commences for those that wanted to learn about information technology (IT).
- ANZAC Day was hosted by the Shire of Coolgardie at the CCRC. Over 100 people attended the Service, and approximately 80 of those attendees enjoyed a Gun Fire breakfast at the Coolgardie Community Recreation Centre.
- Shire school holiday program provides a variety of activities over the school holiday period for school students including trips to Kalgoorlie with YMCA.
- During the month of May 2022, the film cast and crew of Kid Snow the film show cased Coolgardie whilst accommodated at the CCRC for a period of 2 weeks.

LIBRARIES

The Shire libraries in Coolgardie and Kambalda offer a range of resources for all ages and abilities in the community. This includes inter-library loans, working with other libraries across the state providing requested books to library patrons at no cost.

STORY TIME is offered to preschool aged children in the community monthly with themed events and acknowledging national days throughout the year. The "Better Beginnings" Free program is offered to parents of newborns to primary school children in both communities with early literacy packs available from the Library.

CHILDREN'S BOOK WEEK - Local author Sara Whincup and illustrator Elvis Moody inspired our community with their newly published book "Where Wild Emu's Roam". It was a day of art, music, and movement activities, for the community members and schools.

JOB SEEKERS are provided support through Work Link for the preparation of resumes and job applications and are also offered free access to the library public computers for job seeking and resume work as well as printing / scanning services. Libraries provide a professional area for jobseekers to attend interviews.

COMMUNITY EVENTS

Large community events were re-introduced within the Shire of Coolgardie with the easing of the pandemic restrictions.

The annual Seniors Christmas was held in both Kambalda and Coolgardie in 2021, with 130 attendees in total. This included seniors from Kambalda, Coolgardie, Widgiemooltha and visiting bordering neighbours, Shire of Dundas. Volunteers from service providers and the Local emergency services assist staff at the event, with many of the regions local businesses supporting this event with many donations contributed. This successful event provides a free Christmas luncheon, entertainment, prizes and encourages social interactions with our senior community.

Extended Australia Day celebrations were hosted in both Coolgardie and Kambalda thanks to a National Australia Day Council grant. A collaborative approach was taken to host the Free community breakfast with fun family activities throughout the day. Citizenship ceremonies were held in both towns as well as

the Australia Day Awards in the categories of Community Group or Event, Youth Award, Corporate Citizen Award and Citizen Award.

Financial and in kind support from the Shire was also give to community groups hosting major community events such as the Kambalda Christmas Tree and Outback Rodeo.

RECREATION FACILITIES

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

2021/2022 HIGHLIGHTS

KAMBALDA

- Group Fitness classes have been condensed into day sessions only; a new instructor joined our team to provide different style class techniques, skills and improving motivation.
- Memberships have been revamped to include 3 types to purchase Gym, Fitness and Aquatic.
- Online forms have been updated to improve community access to complete, with payment over the phone or in person.
- Sports Development Officers presented our after-school sports programs in a variety of sports, with the Shire offering two free sports programs per term for children to be active and participate.
- Shire SDO's joined in more collaboration with State Regional SDO's to bring sport specific skill programs to our Shire. i.e., AUSKICK, Cricket -BLAST, Soccer and Basketball.
- SDO" s presented sports-based programs with Kambalda East Primary School during lunchtime and PE lessons as the school had no designated PE teacher.
- SDO was key to our first ever interschool carnival with Coolgardie PS and Kambalda East PS participating in a sports skill combined program.
- Kambalda U14 Basketball Team entered the Kalgoorlie-Boulder Basketball Assn competition and ended up 3rd on the ladder. Finals were cancelled due to COVID.

COOLGARDIE

Sports Development staff engaged with local Primary Schools to engage with children to activate and stimulate programs within their school environment and encourage participation at our Recreation facilities.

- Early morning fitness classes presented at Coolgardie PS, targeting primary school aged children with breakfast provided after program.
- SDO" s presented sports-based programs with Coolgardie Primary School during lunchtime and PE lessons as the school had no designated PE teacher.
- SDO was key to our first ever interschool carnival with Coolgardie PS and Kambalda East PS participating in a sports skill combined program.
- Afterschool sports programs offered in conjunction with Centre Care planned for the whole year.

SPORT DEVELOPMENT AND YOUTH

Kambalda and Coolgardie Sports Development officers and the Sports Recreation trainee resigned in January 2021, the Shire engaged another SDO who worked across both townsites for the remainder of the period.

With a management change in the organisation the areas were split to a manager overseeing Leisure (Gym & Aquatic facilities and programs) and Recreation (Sports Recreation programs, facilities infrastructure, and Sport Club Development)

The improvement has been to collaborate and improve structure of the Leisure & Recreation programs to align with the Shire of Coolgardie Strategic and Operational plans. The Shire are recruiting qualified staff to enable programs to be across both town sites and activate facilities through programs and events that measure value in participation and trends.

Holiday Programs continue to be an exciting sports programs for different age groups and varied abilities, has enticed numbers back to the facility.

Kambalda Junior Gym program grew with over 30 Youth attending, therefore it had to broken into two separate age-based time slots to provide adequate supervision and allow the one on one with participant and PT.

Kambalda Gym has experienced an increased attendance, due to the renovation with installation of brand-new Technogym equipment and upgrading the gym facilities with cleaning dispensers, improving the plan layout of the facilities with designated cardio, weights, and stretching areas.

AQUATIC FACILITIES

KAMBALDA AQUATIC FACILITY

Aquatics Pool Operators attended the Annual LIWA conference held in Perth, as a Health Department requirement; to maintain current accreditations and provide the current information from Industry Providers and Leaders.

Staff members that are qualified Aquatic Trainers presented Heartbeat courses with community members across both town sites and bronze medallion courses.

Kambalda District HS used this opportunity to complete a bronze course as part of their school curriculum to enable students and teachers to receive this qualification. The Shire was able to employ 2 students as aquatic staff from this course.

We are still seeing a lot of patrons from our neighbouring Shire's that are using our facilities regularly.

GO FOR 2 & 5 Promotion was held to encourage families to eat healthier and be active. On the day patrons had fun on the aquatic inflatables and joining in with the fruit & veg based activities.

COOLGARDIE POOL

Royal Life Saving WA Swim 4 Fruit program, 18 children travelled to a combined Swim 4 Fruit met in Lenora. This is a reoccurring event that the Shire participates where children were able to show case their skills learnt through the program to be displayed with other peers in a fun filled carnival.

The Shire conducts this program in conjunction with Royal Life Savings WA at both Aquatic Facilities.

Vacswim was held in January, a welcome back for this valuable program with Coolgardie school aged children benefiting with swimming, lessons through the school Holidays.

TOURISM AND HERITAGE

- Throughout the year the Shire have hosted live music events for the community at the Warden Finnerty's Residence.
- Makers Markets have been held every second month bringing over 1000 community members and visitors together.
- Hosted Anthony Grzelka for another successful ghost tour.
- Held the first Mother's Day High Tea in the gardens at Warden Finnerty's Residence.
- Road access to the Varischetti rescue site at historic Bonnie Vale townsite has been upgraded to provide better accessibility.
- Installation of augmented reality artwork and information panels throughout Coolgardie.
- The Museum Pop-up space has seen five different displays throughout the year.
- Five museum displays have received an update or had a complete replacement.
- The Coolgardie Visitor Centre became a Transwa accredited booking agent.
- Coolgardie was entered into the GWN7 Tourism Town Awards, winning third place in its category.
- New tri-fold handouts were created to promote self-guided tours in Coolgardie.
- Familiarisations were held with the staff from three Goldfields visitor centres to increase awareness of Coolgardie attractions and encourage cross promotion through these centres.
- The annual photography competition was held again.
- The museum proved very popular with 17 chartered coach tour, including three school groups, being hosted by staff.

CASHLESS DEBIT CARD

In August 2021 Council approved the Shire entering a contract with the Commonwealth Government to deliver services to Cashless Debit Card recipients within the Shire via a Support Hub. A Support Hub Coordinator was appointed January 2022 and worked closely with other participating regional local governments under the guidance of the City of Kalgoorlie-Boulder's regional coordinator.

As at 30 June 2022 35 Cashless Debit Card participants had been supported within the Shire.

As a result of the May 2022 Federal election, the new Government reconfirmed its pre-election commitment to abolish the Cashless Debit Card program in the new financial year. This includes the Support Hub and Local Partnership arrangements.

THRIVING LOCAL ECONOMY

ECONOMIC DEVELOPMENT – LOOKING TO THE FUTURE

The Shire is on a growth trajectory that sets it apart within the Local Government sector. The Councils strategy is to take advantage of a buoyant mining industry that is expected to reap significant social and economic dividends for the Shire and communities.

Providing the revenue streams that allow the Shire to perform its multiplicity of roles can only occur through a deliberate approach to economic development. The Shire has developed a firm foundation and will continue to focus on a range of initiatives.

WORKERS ACCOMMODATION VILLAGES

The mining industry's growth is being hampered by the lack of suitable workers accommodation within the region. To alleviate this strain on the mining industry, the Shire of Coolgardie is currently building a worker accommodation village with 200-rooms, located in Kambalda West. This investment of over \$20 million demonstrates the Shire's commitment to working collaboratively with the mining industry. It is anticipated that any profits made from the accommodation village will be deposited into a future fund. It is anticipated the future fund would be established for community programs, events, activities, and infrastructure into the future.

The Shire is also working with the mining sector for additional workers accommodation in Coolgardie. It is anticipated that the current demand is in excess of 600 additional rooms. The new accommodation will provide rooms for employees working on local mine sites to meet the growing needs of the mining industry.

The proceeds from the Shire's investment in the worker accommodation villages will be used directly to benefit the community to fund initiatives such as:

- Medical services
- Allocation of funds into a Community Foundation for the purpose of community grants
- Funding Community Recreation Centres
- Community programmes and events
- Other infrastructure upgrades deemed necessary or important

RESIDENTIAL LAND DEVELOPMENT

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

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

Furthermore the Shire is investigating options for the development of 40 or more residential lots in the heart of the Coolgardie Town Centre. It is anticipated affordable housing will be developed.

COOLGARDIE WASTE FACILITY

The Coolgardie Waste Facility has been identified as a strategic waste management asset for the Goldfields-Esperance region. The Shire has developed a 30,000 tonne per annum Class III Waste Management Facility at the current Coolgardie Waste Site. This redevelopment, in conjunction with Tellus Holding's Sandy Ridge facility offering commercial Class IV and V services will render the Shire of Coolgardie the only LGA in the region facilitating Class I through V waste management solutions. Shire funded works are well advanced and nearly complete. This includes a 40 metre, 160 tonne weighbridge as well as the completion of the first cell with a capacity of 90,000 tonnes.

The Shire's investment in this key project of \$3.8 million and further shows the Shire's commitment to providing essential services for key stakeholders, such as the mining industry.

COOLGARDIE COMMUNITY AND CULTURAL HUB

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

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

This important upgrade project has seen an investment of over \$2.1 million.

INDUSTRIAL LAND RELEASE

The Shire is proactively pursuing opportunities within the Coolgardie townsite to release land to strengthen its financial position. With the rapid growth in mineral production and exploration activities in the Shire, the organisation is increasingly approached by ancillary businesses to the mining industry for the provision of land that is suitably located and zoned for industrial purposes.

The Shire is currently working to release industrial land to accommodate for industry development.

REDEVELOPMENT OF THE KAMBALDA AERODROME

To further enable growth in the region, the Shire has invested significant funds to upgrade its Kambalda Aerodrome operations. In 2022 the Shire invested \$2.1 million in expanding the runway apron to accommodate larger aircraft. Building upon this improvement, the Shire now has plans to re-seal the entire runway. A fully sealed runway would enable mining companies to fly in workers on larger jet aircraft with a capacity of 120 passengers per flight, day or night and in less favourable weather conditions.

GRANT/SPONSORSHIP FUNDING SECURED – 2021/22

Organisation	Funding	Project	Amount
Gold Fields St Ives Foundation	Sponsorship	Meals on Wheels - Kambalda	\$40,020.75
Goldfields St Ives	Sponsorship	Women's Counselling	Carried over from 20/21.
Australia Day Council of WA	Grant	Australia Day	\$22,000
Northern Star	Sponsorship	Meals on Wheels - Coolgardie	\$20,000 approx. in kind
WAPHA	Grant	Suicide Prevention	\$110,000

Department of Communities	Grant	Go For 2 & 5 Childrens event	\$990.00
Department of Communities	Grant	Thank A Volunteer	\$1000.00
Department of Infrastructure, Transport, Regional Development and Communication	Grant	Coolgardie Waste Facility Cell and Leachate Pond	\$728,002
GEDC – Election promise	Grant	Nature Playground - Kambalda	\$85,000

MEDIA AND COMMUNICATIONS

This financial year, the Shire of Coolgardie kept the momentum of its branding and communications overhaul undertaken in the 2020/21 period along with new communications initiatives in an endeavour to keep the community informed of local events.

2021/22 HIGHLIGHTS

- The website experienced a significant increase in website users, up 129% from the previous financial year. Meaning that users are finding the relevant information they need and the increase in traffic demonstrates the site has great useability. Website traffic growth is a key metric for tracking the brand awareness of the Shire. An increase as significant as the traffic growth seen year on year indicates that the Shire is leveraging its website as a marketing tool on the relevant touchpoints for users, who are taking the opportunity and time to access the site, and increases the Shire's brand awareness and positive public perception.
- Facebook page comments increased by 139 compared to the last financial year along with an increased of 221 pages likes by users. This indicates that the page is getting higher levels of engagement.
- Launched a refreshed community e-Newsletter template in January to improve the design and user experience for our readers.
- Launched the Customer Service Portal and supporting communications campaign in October 2021. The new portal enables community members to digitally submit service requests via the website. This change in community service was communicated via the website, email notifications, letterbox drop and social media.
- Implementation of a new monthly 'What's On' events calendar in October 2021 to better promote the initiatives running at the Community Resource & Recreation Centre.
- Project updates, media releases and community updates on major Shire projects including the Workers Accommodation Village and Class III Waste Facility. This facilitates a level of transparency between the Shire and the community on projects and initiatives that affects them, helping us to foster a stronger relationship with our residents.

Facebook	2018/19	2019/20	2020/21	2021/22
Followers	375	1,594	2400	2,351
Posts	64	650	396	323
Shire President Videos	Nil	14	6	1

Website	2018/19	2020/21	2020/21	2021/22
Website Users	14,493	21,670	29,870	62,768

PARTNERSHIPS

GOLDFIELDS WOMEN'S HEALTH CARE CENTRE

The Goldfields Women's Health Care Centre (GWHCC) is a Not-for-profit organisation that is self-funded to service women residing in the Goldfields. GWHCC has operated in the region for over 30 years servicing women through a range of counselling services and clinics on a number of different issues women face in regional WA.

The partnership with GWHCC continued strongly in the 21/22 financial year with continued fortnightly counselling sessions in Kambalda for women (and men) over the age of 16. Large community workshops were also hosted, concentrating on women's health and general mental health of residents and staff.

KAMBALDA WEST DISTRICT HIGH SCHOOL

The purpose and aim of this partnership is to support Shire of Coolgardie students residing in Kambalda in accessing Year 11 and 12 at the Kambalda West District High School. The partnership also enhances the development of VET and general studies work placement opportunities, supported by Central Regional TAFE (CRT) courses or general studies.

The Shire continues to support Kambalda West District High School in their Year 11 and 12 programs in the 21/22 year. The Shire hosted work placement students as a part of the VET pathway and General studies to assist students in their transition from school to work. The Shire also initiated relationships between local businesses and the school to provide students with an opportunity to relate their school studies with a workplace. Through the 21/22 year, many students went on to apprenticeships or employment, with the first group of Year 12 students expecting to graduate at the end of the 2022 school year.

KALGOORLIE-BOULDER VOLUNTEER CENTRE

The Shire of Coolgardie continues the partnership with the Kalgoorlie Boulder Volunteer Centre to help promote and encourage volunteering roles and volunteers within the Shire. The Shire acknowledges the importance of volunteers within the community and its beneficial value for the individual.

COMMUNITY DEVELOPMENT PROGRAMS

MEALS ON WHEELS

The Meals on Wheels service in Kambalda commenced on 28 April 2020 when COVID-19 restrictions were put in place for people over the ages of 70+ to not leave their homes. This successful program is unique and independently funded with no financial support from the Commonwealth. It remains free to clients who are 70+ years of age who require this meal.

The delivery consists of twice weekly meals being collected from 2 mining camps and delivered to 55 clients within the Shire. A collaborative approach has made this program sustainable with stakeholders assisting the Shire financially for the cost of meals. The delivery process is a collaboration of volunteers through the community, St John and MEEDAC assisting Shire staff in the safe delivery of these meals.

Town	Meals delivered 2021/2022
Kambalda	2763
Coolgardie	2400

This service also provides a wellness check on our vulnerable population and has resulted in numerous lifesaving situations where an ambulance has been called to assist.

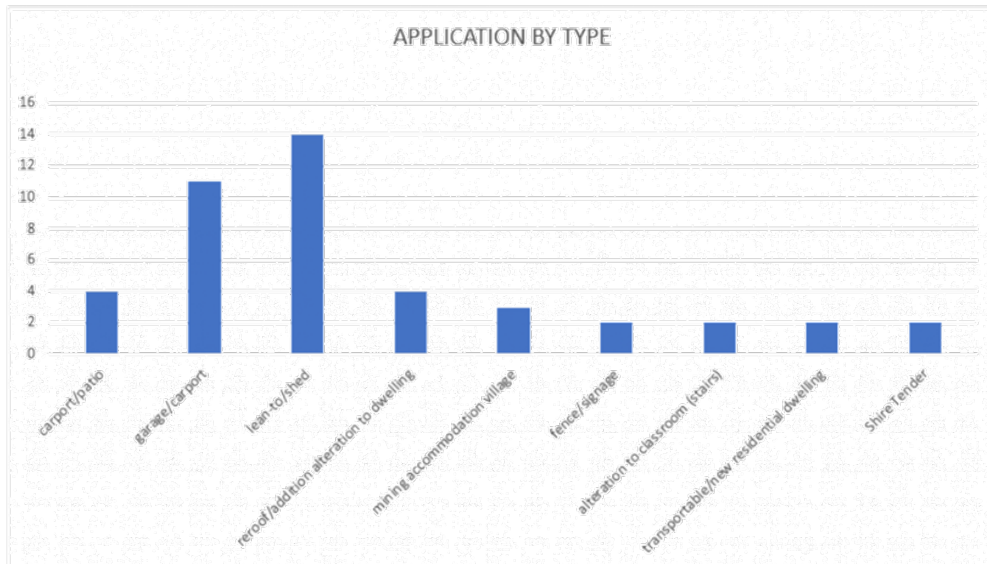
Whilst other programs have ceased, the Shire of Coolgardie's remains strong and has got the attention of the media, Meals on Wheels WA and Australia, and recently been nominated for awards.

EFFECTIVE MANAGEMENT OF INFRASTRUCTURE, HERITAGE AND ENVIRONMENT

REGULATORY SERVICES

BUILDING

A total of 44 building permits were issued by the Shire of Coolgardie from 01/07/21 to 30/06/22 and the total value of these approvals issued was \$19,277,852.53. Significant projects within the Shire involve mining accommodation villages and Shire Tender 07/20 (Coolgardie Post Office Complex).



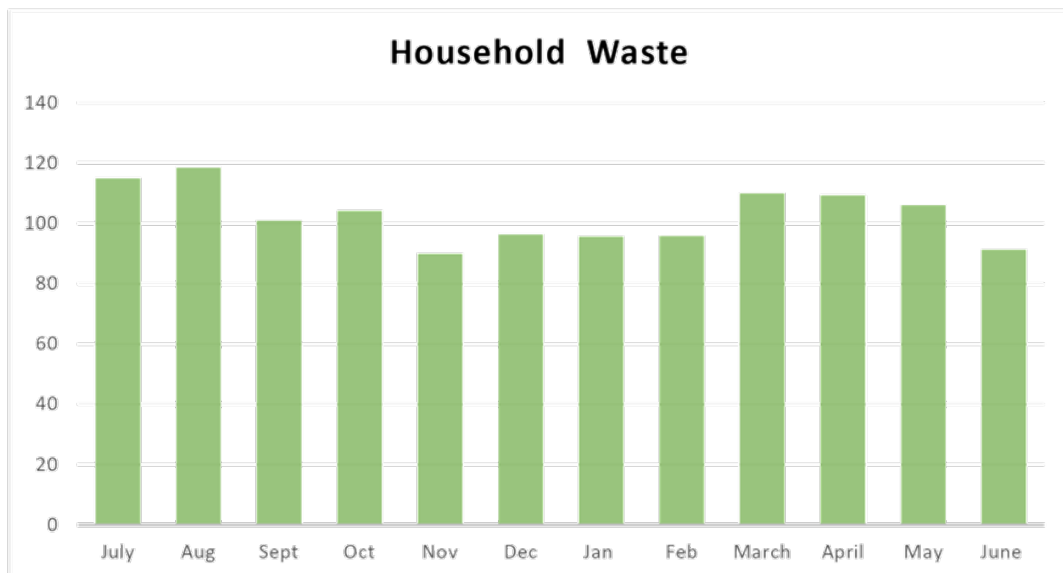
ENVIRONMENTAL HEALTH

The Shire of Coolgardie continues to engage the services of a contract Environmental Health professional (EHO) during 2021/22. This ensured that the focus was solely on the needs of the Shire, and the level of service and expertise has been invaluable to the Shire and community alike. Services provided by the EHO include routine & follow up inspections of health-based (food) premises, COVID advice and recommendations, effluent disposal system approvals, and asbestos & mosquito issues.

WASTE SERVICES

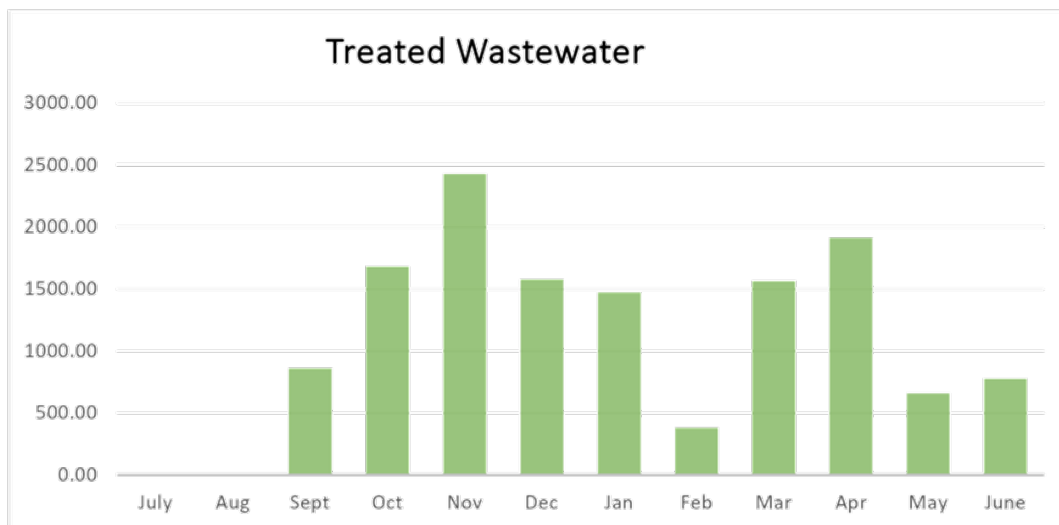
Household waste collection is an essential service for Shire residents. To ensure ongoing effective delivery of this service the Shire has also implemented monthly contract/performance management meetings with its service provider, Cleanaway. This process enables the Shire to be across the service delivery and deal with any shortcomings as they arise. The Shire continues to explore ways in which the household collection can be improved.

As per the Shire’s waste report to DWER, 1,232.96 tonnes of household waste were collected and deposited to landfill. The Shire conducts an annual verge collection, which collected some 130 tonnes of bulk and general waste. A new household waste collection was added to the Kurrawang community.



COOLGARDIE WASTEWATER TREATMENT PLANT

The Shire continues to take steps to upgrade the sewerage system. While no new sewerage connections were undertaken there has been an increase in connection enquires along with development approvals. An Asset Management Plan and a Customer Charter were developed for a water license application. About 1.33 million litres (13,312m3) of treated wastewater was used for irrigation of Shire’s parks and gardens. With the increase in recycled water, the Shire can explore the use of water for dust suppression, which can benefit the community.



KAMBALDA REFUSE SITE TRANSFER STATION

The Kambalda landfill site is compliant, and all required reports continue to be submitted to DWER. The Shire has engaged JBS&G Strategen to assist EMRC with technical oversight of the Remediation Action Plan. The containment cell screening, treatment and construction will commence in the next financial year.

There are only limited recycling opportunities offered within the Shire due to its isolated location and distance from markets, impacting the costs and viability. Recycling initiatives are the subject of ongoing investigation.

COOLGARDIE LANDFILL

The Shire engaged Talis Consultant and GHD to design and construct its Coolgardie Class III cell with the leachate pond. The Coolgardie Waste Facility has been operating as a registered landfill under the Environmental Protection Act. The Shire will be lodging a Class III license application with DWER in the coming financial year. This will allow the Shire to expand its waste operations to receive a range of materials to cater for mining companies in the region who usually transport their Class III waste to Perth. Class III waste is the contaminated waste produced from mining activities.

Machinery and labour needs have also been considered in meeting the evolving waste management demands. The most pressing challenge was the waste acceptance and volume assessment. Installation of the weighbridge has improved the Shire’s ability to accurately quantify the waste received. This has improved the accuracy of annual waste data and enabled the Shire to plan and manage its service delivery.

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..

2021/22 HIGHLIGHTS

- Statutory Development
 - This year the Shire has experience a significant number of major development applications - 21 planning applications, including new Kambalda Village and the ESS Village.
 - The Shire experiences an increase in planning development enquiries.
 - Preparation of the public mapping module and customer access information.
 - The Shire has been updating the development compliance framework and operational policy to standards the approach in dealing with unauthorised development.
 - Mining tenement enquiries and clearing permit notifications
 - Briefing Paper investigations and analysis and drafting.
 - Compliance and site clean up
 - Liquor licence applications.
 - Advocacy Paper for Mungari Industrial Estate - Pure Batteries
 - Prepared and managed changes to the Kurrawang Layout Plan
 - The Shire prepared Scheme Amendments in accordance with the legislative process, including finalised Amend 4 & 5.

Land changes. The Shire has been identify reserve purpose alignment and coordinating actions under the Land Administration Act in the area of:-

- Proposed road dedication
- Reserve purpose changes to accommodate strategic townsite growth and service activities.
- Crown land lease changes
- Preparation of various agreements and licences

ROAD WORKS

The annual road construction program for 2021/2022 resulted in expenditure of \$1,378,935.00

BLACKSPOT PROGRAM

The Federal Government's Department of Infrastructure, Transport, Cities and Regional Development's Black Spot funding targets road locations with high levels of risk of vehicle crashes. By funding measures such as traffic signals and roundabouts at dangerous locations, the program reduces the risk of crashes. In 2021/22, there were no Blackspot projects undertaken within the Shire.

ROADS TO RECOVERY PROGRAM

The Federal Government's Roads to Recovery Program supports the maintenance of local road infrastructure assets, which improves safety, economic and social outcomes. Two projects were included as part of the program. Tip Road was improved to 8 metres wide, 2 coat seal, new signage and new RAV rating to RAV 7.3. Cave Hill 1km Bypass and new intersection to the Widgiemooltha Townsite involved clearing works and new drainage structures. The total spent on these projects in 2021/22, was approximately \$459,987.

REGIONAL ROAD GROUP PROGRAM

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

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

Total expenditure under the RRG program in 2021/22, was \$1,678,209.83, This represents an average spend of \$1,155,420 over the past 3 years.

Significant road projects within the Shire during 2021/22, include:

Coolgardie North Road – works involved maintenance grading, water binding and roller consolidation.

Jaurdi Hills Road (Coolgardie) The project involved maintenance grading, watering and rolling.

Coolgardie Tip Road – This project was to align with the upgrade of the Coolgardie Waste Facility, and included shoulder and formation widening, re-seal and design and installation of signage.

Carins Road – This project involved 2.2km section of road, new profile works to improve steep incline impeding heavy haulage (major cut and fill) and installation of new drainage structures (box culverts and concrete pipe culverts).

Cave Hill Road – Works involved the construction of a new bypass and intersection. 1km in length to bypass the townsite of Widgiemooltha, major earthworks (excess of 30,000 tonnes) of sub base material procured and constructed, 600 tonne of gravel base course constructed and formed for road surface, installation concrete pipe culverts and new signage and roadside delineators.

Expenditure during 2021/22, in Operations included;

Drainage \$56,462

Footpaths \$52,879

Parks & Verges \$1,285,161

THE FINANCIAL YEAR IN SUMMARY

OPERATING POSITION

The year ended 30 June 2022 saw the Shire's operating result in a net operating deficit of \$1,257,027 – see Note 27(b) of the Annual Financial Report. The operating position is a result of an increase in current liabilities associated with the significant capital projects nearing completion at the end of the financial year.

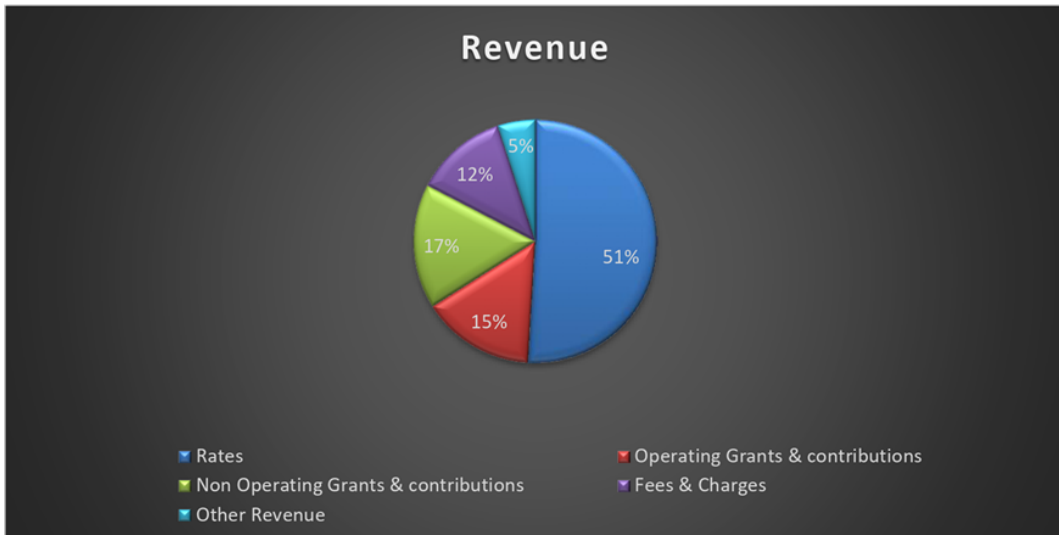
Net Cash from operating activities at year ended 30 June 2022 was \$3,395,770 – see Note 18 of the Annual Financial Report. This was a significant increase of \$2,394,046 from the year ended 30 June 2021. The movement reported at 30 June 2022 was largely the result of timing relating to cash flows tied to payments for major projects.

REVENUE

The Shire of Coolgardie had a Total Operating Revenue of \$16.54m (including operating and capital grants) for the 2021/22 financial year.

A total of 17% of the Shire’s revenue for 2021/22 was Non-Operating Grants which helped to fund several key capital projects. Operating Grants and Contributions account for 15% of revenue, while Rates (51%) and Fees & Charges (12%) are also significant contributing factors to the total revenue figure.

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



The revenue generated by the Shire is spent providing infrastructure and services for the community. The Shire provides many services including maintaining and improving roads, parks and gardens, leisure services and other community projects.

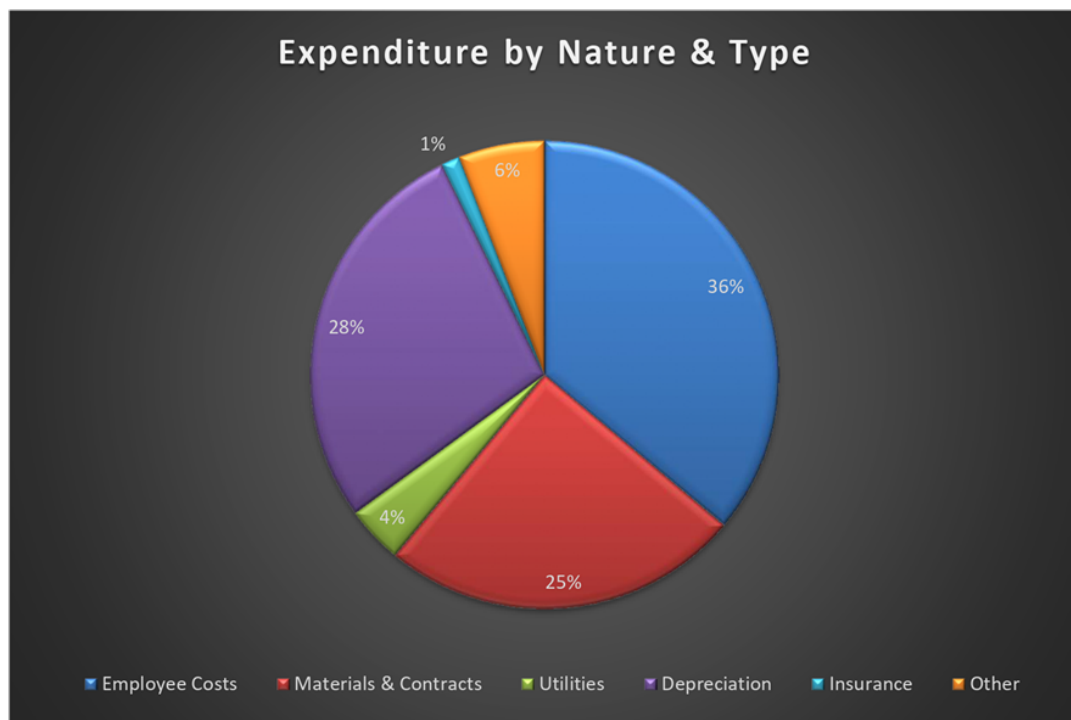
A significant amount of the Shire’s resources (50%) is spent on maintaining road infrastructure and the provision of recreation services.

EXPENDITURE

When comparing the breakdown of these costs by nature and type, a significant 28% of all operating expenditure is attributed to depreciation charges.

Depreciation is a non-cash item and is the result of the Shire having in excess of \$194m worth of assets, of which 77% is attributed to the Shire’s Road network and other related infrastructure whilst a further 20% relates to Property, Plant & Equipment.

Other significant expenditure includes Employee Costs (36%), Materials & Contracts (25%), with Utilities (4%), Insurance (1%) and Other Expenditure (6%) making up the balance.



CAPITAL WORKS PROJECTS

In addition to the normal operating activities, some significant capital works projects were undertaken during the 2021/22 financial year to the value of \$10.98m. Some of this year's capital works highlights include;

Transport	
Carins Road	\$505,203
Coolgardie North Road	\$232,998
Cave Hill Road	\$205,652
Jaurdi Hills Road	\$158,621
Plant Replacement Program	\$223,232
Land & Buildings	
Kambalda Workers Accommodation Facility	\$1,875,516
Coolgardie Cultural & Community Hub	\$1,100,964
Coolgardie Storm Repairs (Insurance)	\$175,258
Recreation & Culture	
Coolgardie Pool Refurbishment	\$95,314
Kambalda East Nature Playground	\$79,566
Community Amenities	
Coolgardie Class III Facility	\$3,632,456
Kambalda Aerodrome	\$1,858,393
Coolgardie Truck Bay	\$176,540
Goldfields Records Facility	\$150,000

RESERVE FUNDS

As of 30 June 2022, the balance in the Reserve Accounts was \$237,872 as listed below;

RESERVE	BALANCE
Plant Reserve	\$70,950
Sewerage Reserve	\$55,103
Aged Accommodation Reserve	\$30,005
Infrastructure Reserve	\$81,814
TOTAL	\$237,872

Council utilised its cash reserves to help fund some significant capital projects in the past 24 months and will look to build up these reserves in coming years to help with meeting future requirements as identified in the Shire's key strategic plans.

LOAN LIABILITY

As of 30 June 2022, the outstanding principal on all loans was \$7,725,777.

New borrowings have been utilised to pay for the construction of the Coolgardie Class III Facility, Kambalda Aerodrome Facility and the Kambalda Workers Accommodation Facility. It is expected that revenue generated from the infrastructure constructed will enable the Shire to pay off these borrowings within 5 years.

ANNUAL AUDIT

The annual audit was successfully completed for the 2021/22 financial year and a copy of the report is included within this Annual Report.

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

**SHIRE OF COOLGARDIE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

**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 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Coolgardie at 30 June 2022 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 16TH day of DECEMBER 2022

J. Trail

James Trail
Chief Executive Officer



HIRE OF COOLGARDIE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Grants	26(a),2(a)	8,428,892	8,773,693	8,120,468
Operating grants, subsidies and contributions	2(a)	2,486,138	1,773,424	1,972,255
Fees and charges	25(c),2(a)	2,042,123	1,979,223	1,487,908
Interest earnings	2(a)	42,905	83,250	85,431
Other revenue	2(a)	772,268	611,327	886,697
		13,772,326	13,220,917	12,552,759
Expenses				
Employee costs		(6,222,272)	(5,659,357)	(5,573,938)
Materials and contracts		(4,299,911)	(3,907,911)	(4,337,685)
Utility charges		(680,489)	(600,310)	(670,604)
Depreciation	10(a)	(4,794,347)	(4,682,361)	(4,601,235)
Finance costs	2(b)	(117,580)	(129,375)	(101,692)
Insurance		(220,735)	(282,135)	(336,519)
Other expenditure	2(b)	(896,622)	(818,126)	(1,086,457)
		(17,231,956)	(16,079,575)	(16,708,130)
		(3,459,630)	(2,858,658)	(4,155,371)
Non operating grants, subsidies and contributions	2(a)	2,749,661	8,256,462	2,261,209
Profit on asset disposals	10(c)	9,750	1,500	5,455
Loss on asset disposals	10(c)	(12,974)	(6,000)	(100,603)
Fair value adjustments to financial assets at fair value through profit or loss		4,996	0	3,233
		2,751,433	8,251,962	2,169,294
Net loss for the period	25(b)	(708,197)	5,393,304	(1,986,077)
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	17	(2,737,942)	0	0
Total other comprehensive loss for the period	17	(2,737,942)	0	0
Total comprehensive loss for the period		(3,446,139)	5,393,304	(1,986,077)

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



**SHIRE OF COOLGARDIE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022**

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,904,874	1,336,214
Trade and other receivables	5	1,957,946	1,888,777
Inventories	6	11,033	9,171
Other assets	7	25,206	0
TOTAL CURRENT ASSETS		3,899,059	3,234,162
NON-CURRENT ASSETS			
Trade and other receivables	5	139,238	153,087
Other financial assets	4	97,255	92,259
Property, plant and equipment	8	39,439,425	32,154,594
Infrastructure	9	149,977,213	153,912,458
Right-of-use assets	11(a)	1,360,518	398,717
TOTAL NON-CURRENT ASSETS		191,013,649	186,711,115
TOTAL ASSETS		194,912,708	189,945,277
CURRENT LIABILITIES			
Trade and other payables	12	4,150,456	1,897,743
Other liabilities	13	791,498	555,057
Lease liabilities	11(b)	263,357	92,363
Borrowings	18(c)	1,349,605	300,036
Employee related provisions	15	357,353	363,871
TOTAL CURRENT LIABILITIES		6,912,269	3,209,070
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	1,179,390	360,643
Borrowings	18(c)	6,376,172	2,309,777
Employee related provisions	15	84,149	73,053
Other provisions	16	1,808,612	1,994,479
TOTAL NON-CURRENT LIABILITIES		9,448,323	4,737,952
TOTAL LIABILITIES		16,360,592	7,947,022
NET ASSETS		178,552,116	181,998,255
EQUITY			
Retained surplus		60,801,667	60,682,234
Reserve accounts	29	237,872	1,065,502
Revaluation surplus	17	117,512,577	120,250,519
TOTAL EQUITY		178,552,116	181,998,255

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



SHIRE OF COOLGARDIE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOT. EQUITY \$
Balance as at 1 July 2020		61,929,590	1,804,223	120,250,519	183,984,3
Comprehensive income for the period					
Net loss for the period		(1,986,077)	0	0	(1,986,077)
Total comprehensive loss for the period		(1,986,077)	0	0	(1,986,077)
Transfers from reserves	29	973,352	(973,352)	0	
Transfers to reserves	29	(234,631)	234,631	0	
Balance as at 30 June 2021		60,682,234	1,065,502	120,250,519	181,998,2
Comprehensive income for the period					
Net loss for the period		(708,197)	0	0	(708,197)
Other comprehensive income for the period	17	0	0	(2,737,942)	(2,737,942)
Total comprehensive loss for the period		(708,197)	0	(2,737,942)	(3,446,144)
Transfers from reserves	29	877,446	(877,446)	0	
Transfers to reserves	29	(49,816)	49,816	0	
Balance as at 30 June 2022		60,801,667	237,872	117,512,577	178,552,1

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



SHIRE OF COOLGARDIE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		8,468,575	9,073,693	8,492,400
Operating grants, subsidies and contributions		2,561,675	2,273,424	1,567,590
Fees and charges		1,967,540	1,979,223	1,528,793
Interest received		42,905	83,250	85,431
Goods and services tax received		789,343	0	967,677
Other revenue		772,268	611,327	886,697
		<u>14,602,306</u>	<u>14,020,917</u>	<u>13,528,588</u>
Payments				
Employee costs		(6,180,746)	(5,659,357)	(5,438,734)
Materials and contracts		(2,142,181)	(3,907,911)	(3,895,181)
Utility charges		(680,489)	(600,310)	(670,604)
Finance costs		(117,580)	(150,572)	(101,692)
Insurance paid		(220,735)	(282,135)	(336,519)
Goods and services tax paid		(968,183)	0	(997,677)
Other expenditure		(896,622)	(818,126)	(1,086,457)
		<u>(11,206,536)</u>	<u>(11,418,411)</u>	<u>(12,526,864)</u>
Net cash provided by operating activities	18(b)	<u>3,395,770</u>	<u>2,602,506</u>	<u>1,001,724</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(3,609,416)	(12,817,770)	(968,424)
Payments for construction of infrastructure	9(a)	(7,366,528)	(12,382,603)	(3,663,536)
Non-operating grants, subsidies and contributions		3,096,866	7,601,405	2,688,651
Proceeds from sale of property, plant & equipment	10(c)	62,026	4,500	160,836
Net cash provided by (used in) investing activities		<u>(7,817,052)</u>	<u>(17,594,468)</u>	<u>(1,782,473)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	28(a)	(384,036)	(416,743)	(292,694)
Payments for principal portion of lease liabilities	28(c)	(126,022)	(122,529)	(144,785)
Proceeds from new borrowings	28(a)	5,500,000	15,200,000	0
Net cash provided by financing activities		<u>4,989,942</u>	<u>14,660,728</u>	<u>(437,479)</u>
Net increase (decrease) in cash held		<u>568,660</u>	<u>(331,234)</u>	<u>(1,218,228)</u>
Cash and cash equivalents at beginning of year		<u>1,336,214</u>	<u>1,293,889</u>	<u>2,554,442</u>
Cash and cash equivalents at the end of the year	18(a)	<u>1,904,874</u>	<u>962,655</u>	<u>1,336,214</u>

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



SHIRE OF COOLGARDIE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	27(b)	(262,943)	(352,872)	761,646
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Operating grants, subsidies and contributions		2,486,138	1,773,424	1,972,251
Fees and charges		2,042,123	1,979,223	1,487,900
Interest earnings		42,905	83,250	85,430
Other revenue		772,268	611,327	886,690
Profit on asset disposals	10(c)	9,750	1,500	5,460
Fair value adjustments to financial assets at fair value through profit or loss		4,996	0	3,230
		<u>5,358,180</u>	<u>4,448,724</u>	<u>4,440,971</u>
Expenditure from operating activities				
Employee costs		(6,222,272)	(5,659,357)	(5,573,930)
Materials and contracts		(4,299,911)	(3,907,911)	(4,337,680)
Utility charges		(680,489)	(600,310)	(670,600)
Depreciation		(4,794,347)	(4,682,361)	(4,601,230)
Finance costs		(117,580)	(129,375)	(101,690)
Insurance		(220,735)	(282,135)	(336,510)
Other expenditure		(896,622)	(818,126)	(1,086,450)
Loss on asset disposals	10(c)	(12,974)	(6,000)	(100,600)
		<u>(17,244,930)</u>	<u>(16,085,575)</u>	<u>(16,808,730)</u>
Non-cash amounts excluded from operating activities	27(a)	4,810,459	4,665,664	5,131,370
Amount attributable to operating activities		<u>(7,076,291)</u>	<u>(6,971,187)</u>	<u>(7,236,389)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,749,661	8,256,462	2,261,200
Proceeds from disposal of assets	10(c)	62,026	4,500	160,830
Purchase of property, plant and equipment	8(a)	(3,609,416)	(12,817,770)	(968,420)
Purchase and construction of infrastructure	9(a)	(7,366,528)	(12,382,603)	(3,663,530)
		<u>(8,164,257)</u>	<u>(16,939,411)</u>	<u>(2,209,910)</u>
Amount attributable to investing activities		<u>(8,164,257)</u>	<u>(16,939,411)</u>	<u>(2,209,910)</u>
FINANCING ACTIVITIES				
Repayment of borrowings	28(a)	(384,036)	(416,743)	(292,690)
Proceeds from borrowings	28(a)	5,500,000	15,200,000	
Payments for principal portion of lease liabilities	28(c)	(126,022)	(122,529)	(144,780)
Transfers to reserves (restricted assets)	29	(49,816)	(48,397)	(234,630)
Transfers from reserves (restricted assets)	29	877,446	877,446	973,350
Amount attributable to financing activities		<u>5,817,572</u>	<u>15,489,777</u>	<u>301,240</u>
Surplus/(deficit) before imposition of general rates		<u>(9,685,919)</u>	<u>(8,773,693)</u>	<u>(8,383,419)</u>
Total amount raised from general rates	26(a)	8,428,892	8,773,693	8,120,460
Surplus/(deficit) after imposition of general rates	27(b)	<u>(1,257,027)</u>	<u>0</u>	<u>(262,949)</u>

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





Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Coolgardie

To the Councillors of the Shire of Coolgardie

Opinion

I have audited the financial report of the Shire of Coolgardie (Shire) which comprises:

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report 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
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. 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, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality control relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Coolgardie for the year ended 30 June 2022 included in the annual report 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. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Efthalia Samaras
Senior Director Practice Manager Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
17 December 2022

5.1.2 FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2022

Location: N/A
Applicant: N/A
Disclosure of Interest: Nil
Date: 20 December 2022
Author: Martin Whitely, Consultant

SUMMARY

That the Audit Committee,

1. Recommend Council receive the Chief Executive Officer response to the Audit Report for the period ending 30 June 2022 dated 16 December 2022
2. Receive the Audit Management Action Report as attached and recommend the Report be received by Council
3. Recommend Council receive the Audit Management Action Report dated 16 December 2022
4. Recommend Council adopts the Annual Financial Report and OAG Audit Report for the year ended 30 June 2022
5. Recommend to Council that the action report be forwarded to the Minister in accordance with s 7.12A (4) of the Local Government Act 1995.

BACKGROUND

Pursuant to Section 7.9 of the *Local Government Act 1995* ("LGA"), an Auditor is required to examine the accounts and annual financial report submitted by a local government for audit. The Auditor is also required, by 31 December following the financial year to which the accounts and report relate, prepare a report thereon and forward a copy of that report to:

- (a) Mayor or President; and
- (b) The Chief Executive Officer; and
- (c) The Minister.

Furthermore, in accordance with Regulation 10(4) of the *Local Government (Audit) Regulations 1996* ("*Audit Regulations*"), where it is considered appropriate to do so, the Auditor may prepare a Management Report to accompany the Auditor's Report, which is also to be forwarded to the persons specified in Section 7.9 of the LGA.

On finalisation of the Shire's 2022 final audit, the Office of the Auditor General has forwarded the Annual Financials Statements along with the Audit Report and the Audit Findings.

The Audit Committee is required to examine the reports of the auditor after receiving a report from the Chief Executive Officer ("CEO") on the matters reported and:

- Determine if any matters raised require action to be taken by the local government; and
- Ensure that appropriate action is taken in respect of those matters.

The Audit Committee is also required to review a report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and present the report to Council for adoption. A copy of the report is to be forwarded to the Minister prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.

The Audit Committee is requested to consider and recommend adoption of the annual financial report to Council.

COMMENT

Following is the CEO's report to the Audit Committee on matters arising from the audit management report.

Audit Report

1. Fair value of infrastructure assets - frequency of valuations

Finding

During the year, while the Shire revalued land, buildings and some classes of infrastructure assets (parks, ovals and reserves, sewerage and other infrastructure), management did not perform a robust annual fair value assessment of the other classes of infrastructure (roads, footpaths, drainage) as required by AASB 13 *Fair Value Measurement*.

We acknowledge that these infrastructure assets are expected to be valued in FY23.

Rating: Significant

Implication

Without a robust assessment of fair value of the Shire's infrastructure assets there is a risk that the fair value of infrastructure assets may not have been assessed adequately and in compliance with AASB 13 *Fair Value Measurement*, as well as Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 (the Regulations).

Recommendation

The Shire to consider implementing as part of the preparation of financial statements a formal robust process to determine whether indicators exist annually, that would trigger a requirement to perform a formal revaluation of all classes of Infrastructure Assets. Where indicators exist, a robust fair value assessment should be performed capturing the requirements of AASB 13 *Fair Value Measurement*. This process is to ensure that the Shire's infrastructure assets are recorded at fair value in compliance with AASB 13 Fair Value Measurement and the Regulations.

This may entail obtaining relevant input from an independent valuer as to whether or not they consider there are any prevailing market factors which may indicate that the fair value of relevant assets is likely to have been impacted to any significant / material extent from the prior year. Where a fair value assessment has been performed internally the Shire may consider having this assessment peer reviewed by an independent valuer to obtain assurance over the valuation methodology applied, inputs and the reasonableness of the valuation model applied.

Management comment

Noted

Roads, footpaths and drainage asset classes will be revalued in the 2022/23 financial year meaning that by 30 June 2023 all asset classes would have been revalued within a 12 month period.

Responsible person: Robert Hicks, Deputy Chief Executive Officer

Completion date: June 2023

2. Bank reconciliations not prepared on a timely basis

Finding

Bank reconciliations are an essential control in managing the accuracy and completeness of the Local Government's accounting records and financial statements. Bank reconciliations are also a key aspect of internal controls over cash resources.

We reported in our interim management letter in August 2022 that bank reconciliations had not been prepared from 1 July 2021 to 30 April 2022. We subsequently noted that while the July to December 2021 bank reconciliations were prepared and reviewed in August 2022 and September 2022, the January to June 2022 bank reconciliations were prepared and reviewed only on 27 October 2022.

Rating: Significant

Implication

Failure to prepare and independently review bank reconciliations timely, increases the risk of fraud, errors and omissions remaining undetected, which in turn could lead to misstatements to the Shire's financial reporting.

There is further risk of non-compliance with Regulation 5(2)(a) of the *Local Government (Financial Management) Regulations 1996* which requires the CEO to ensure that the resources of the local government are effectively and efficiently managed.

Recommendation

Management should ensure that bank reconciliations are prepared on a monthly basis and reviewed by an independent senior staff member. The purpose of such review is to ensure that the reconciliations are prepared in a timely manner and contain only appropriate and current reconciling items.

Management comment

Agreed.

This has been addressed as an absolute priority to ensure reconciliations are completed & reviewed in a timely manner going forward.

Responsible person: Robert Hicks, Deputy Chief Executive Officer

Completion date: January 2023

3. No evidence of approval of asset disposed

Finding

Disposals are subject to Section 3.58 under the Local Government Act 1995 (the Act). Per Shire Policy, disposals are to be approved as part of Annual budget, or else must be approved by the Council who will decide on the appropriate way to dispose of the asset in line with the Act.

We noted an instance where an asset disposed during the year, was neither included in the Shire budget, nor was Council approval subsequently obtained. There was no formal procedure in place for the approval of asset disposals by the Shire Council.

Rating: Moderate

Implication

There may be an increased risk of theft or misappropriation of assets if assets are disposed without appropriate approvals, resulting in financial loss to the Shire. The Shire may also not be in compliance with the requirements of Section 3.58 of the Act.

Recommendation

We recommend that management develops and implements a policy that requires disposal of fixed assets to be initiated via an asset disposal request form and authorised by a delegated officer or the Council. The authorised form should be the basis for updating the fixed asset register and recording the asset disposal in Synergy.

Management comment

This matter has since been addressed and the procedure for asset disposals amended in the Uniqco Standard Operating Procedures manual to reflect the requirements of Section 3.58 of the Act.

Responsible person: Robert Hicks, Deputy Chief Executive Officer

Completion date: December 2022

4. Documentation of management valuation inputs

During our review of land and buildings valuations, we noted that two non-specialised buildings with a fair value of \$280,000 (revaluation gain of \$151,861) and one specialised building with a fair value of \$200,000 (revaluation gain of \$36,415) were not included in the valuation performed by management's third-party expert. These buildings were subsequently revalued by management. The buildings were valued based on management's best estimate, based on nearby housing valuations. However, management was unable to provide valid supporting documentation for the inputs used in the valuation of these assets.

Rating: Moderate

Implication

Failure to maintain adequate documentation of inputs used in management's valuations of assets, increases the risk that the asset valuations may be materially misstated in the financial report.

Recommendation

Management should maintain adequate supporting documentation for the inputs used, where valuations are performed by management.

Management comment

Noted.

In future where management valuations are required and/or applied, a more robust rationale for the inputs used will be documented.

Responsible person: Robert Hicks, Deputy Chief Executive Officer

Completion date: June 2023

CONSULTATION

RSM

Office Auditor General

External Contractor

STATUTORY ENVIRONMENT**Local Government Act 1995****6.4. Financial report**

- (1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.
- (2) The financial report is to —
 - (a) be prepared and presented in the manner and form prescribed; and
 - (b) contain the prescribed information.
- (3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —
 - (a) the accounts of the local government, balanced up to the last day of the preceding financial year; and
 - (b) the annual financial report of the local government for the preceding financial year.

7.9. Audit to be conducted

- (1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —
 - (a) the mayor or president; and
 - (b) the CEO of the local government; and
 - (c) the Minister.
- (2) Without limiting the generality of subsection (1), where the auditor considers that —
 - (a) there is any error or deficiency in an account or financial report submitted for audit; or
 - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or
 - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.
- (3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —
 - (a) prepare a report thereon; and
 - (b) forward a copy of that report to the Minister,and that direction has effect according to its terms.
- (4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.

7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must —
 - (aa) examine an audit report received by the local government; and
 - (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government must —
 - (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
 - (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

5.54. Acceptance of annual reports

- (1) Subject to subsection (2), the annual report for a financial year is to be accepted* by the local government no later than 31 December after that financial year.

** Absolute majority required.*

- (2) If the auditor's report is not available in time for the annual report for a financial year to be accepted by 31 December after that financial year, the annual report is to be accepted by the local government no later than 2 months after the auditor's report becomes available.

Local Government (Audit) Regulations 1996**10. Report by auditor**

- (1) An auditor's report is to be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit.
- (2) The report is to give the auditor's opinion on —
 - (a) the financial position of the local government; and
 - (b) the results of the operations of the local government.
- (3) The report is to include —
 - (a) any material matters that in the opinion of the auditor indicate significant adverse trends in the financial position or the financial management practices of the local government; and
 - (b) any matters indicating non-compliance with Part 6 of the Act, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls in any other written law; and

- (c) details of whether information and explanations were obtained by the auditor; and
- (d) a report on the conduct of the audit; and
- (e) the opinion of the auditor as to whether or not the following financial ratios included in the annual financial report are supported by verifiable information and reasonable assumptions —
 - (i) the asset consumption ratio; and
 - (ii) the asset renewal funding ratio.

(4A) In subregulation (3)(e) —

asset consumption ratio has the meaning given in the *Local Government (Financial Management) Regulations 1996* regulation 50(2);

asset renewal funding ratio has the meaning given in the *Local Government (Financial Management) Regulations 1996* regulation 50(2).

- (4) Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.

Local Government (Financial Management) Regulations 1996

17A. Assets, valuation of for financial reports etc.

- (1) In this regulation —

carrying amount, in relation to an asset, means the carrying amount of the asset determined in accordance with the AAS;

fair value, in relation to an asset, means the fair value of the asset measured in accordance with the AAS.

- (2) Subject to sub regulation (3), the value of an asset shown in a local government's financial reports must be the fair value of the asset.
- (3) A local government must show in each financial report —
 - (a) for the financial year ending on 30 June 2013, the fair value of all of the assets of the local government that are plant and equipment; and
 - (b) for the financial year ending on 30 June 2014, the fair value of all of the assets of the local government —
 - (i) that are plant and equipment; and
 - (ii) that are —
 - (I) land and buildings; or
 - (II) infrastructure;

and

 - (c) for a financial year ending on or after 30 June 2015, the fair value of all of the assets of the local government.
- (4) A local government must revalue an asset of the local government —
 - (a) whenever the local government is of the opinion that the fair value of the asset is likely to be materially different from its carrying amount; and

- (b) in any event, within a period of at least 3 years but no more than 5 years after the day on which the asset was last valued or revalued.
- (5) An asset is to be excluded from the assets of a local government if the fair value of the asset as at the date of acquisition by the local government is under \$5 000.

[Regulation 17A inserted by Gazette 20 Apr 2012 p. 1699-700; amended by Gazette 21 Jun 2013 p. 2451; 26 Jun 2018 p. 2388.]

17B. CEO to take steps to protect excluded portable and attractive assets

A CEO must take all reasonable steps to prevent the theft or loss of —

- (a) a non-consumable asset that is susceptible to theft or loss due to its portable nature and attractiveness for personal use or resale; and
- (b) an asset referred to in regulation 17A(5).

[Regulation 17B inserted by Gazette 26 Jun 2018 p. 2388.]

POLICY IMPLICATIONS

Investment of Surplus Funds 02

Risk Management 21

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Accountable and effective leaders

High quality corporate governance, accountability and compliance

ATTACHMENTS

1. Management Action Report
2. Annual Financial Report 2022
3. OAG Audit Report 2022
4. Letter to CEO from OAG 2022
5. Auditors Closing Report 2022

VOTING REQUIREMENT

Absolute Majority

OFFICER RECOMMENDATION

That the Audit Committee,

1. Recommend Council receive the Chief Executive Officer response to the Audit Report for the period ending 30 June 2022 dated 16 December 2022
2. Receive the Management Action Report as attached and recommend the Report be received by Council
3. Recommend Council receive the Audit Management Action Report dated 16 December 2022
4. Recommend Council adopts the Annual Financial Report and OAG Audit Report for the year ended 30 June 2022
5. Recommend to Council that the action report be forwarded to the Minister in accordance with s 7.12A (4) of the Local Government Act 1995.

AUDIT COMMITTEE RESOLUTION AND OFFICER RECOMMENDATION #281/2022

Moved: Cr Tracey Rathbone

Seconded: Cr Rose Mitchell

That the Audit Committee **ACCEPT** the alternate recommendation,

That the Audit Committee,

1. **Recommend Council receive the Chief Executive Officer response to the Audit Report for the period ending 30 June 2022 dated 16 December 2022**
2. **Receive the Management Action Report as attached and recommend the Report be received by Council**
3. **Recommend Council receive the Audit Management Action Report dated 16 December 2022**
4. **Recommend Council adopts the Annual Financial Report and OAG Audit Report for the year ended 30 June 2022**
5. **Recommend to Council that the action report be forwarded to the Minister in accordance with s 7.12A (4) of the Local Government Act 1995.**
6. **That the Audit Committee recommend to Council that the bank reconciliations not prepared on a timely basis be addressed as an absolute majority to ensure reconciliations are completed and reviewed in a timely manner going forward.**
7. **That the Audit Committee recommend to Council this be made a KPI to the Chief Executive Officer.**

In Favour: Crs Malcolm Cullen, Tracey Rathbone, Rose Mitchell, Kathie Lindup and Tammee Keast

Against: Nil

CARRIED BY ABSOLUTE MAJORITY 5/0

AUDIT COMMITTEE RESOLUTION AND OFFICER RECOMMENDATION #282/2022

Moved: Cr Tracey Rathbone

Seconded: Cr Tammee Keast

That the Audit Committee,

- 1. Recommend Council receive the Chief Executive Officer response to the Audit Report for the period ending 30 June 2022 dated 16 December 2022**
- 2. Receive the Management Action Report as attached and recommend the Report be received by Council**
- 3. Recommend Council receive the Audit Management Action Report dated 16 December 2022**
- 4. Recommend Council adopts the Annual Financial Report and OAG Audit Report for the year ended 30 June 2022**
- 5. Recommend to Council that the action report be forwarded to the Minister in accordance with s 7.12A (4) of the Local Government Act 1995.**
- 6. That the Audit Committee recommend to Council that the bank reconciliations not prepared on a timely basis be addressed as an absolute priority to ensure reconciliations are completed and reviewed in a timely manner going forward.**
- 7. That the Audit Committee recommend to Council this be made a KPI to the Chief Executive Officer.**

In Favour: Crs Malcolm Cullen, Tracey Rathbone, Rose Mitchell, Kathie Lindup and Tammee Keast

Against: Nil

CARRIED BY ABSOLUTE MAJORITY 5/0

ATTACHMENT

SHIRE OF COOLGARDIE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Fair value of infrastructure assets - frequency of valuations	✓		
2. Bank reconciliations not prepared on a timely basis	✓		
3. No evidence of approval of assets disposed		✓	
4. Documentation of management valuation inputs		✓	

KEY TO RATINGS

The ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

- Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.
- Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
- Minor** - Those findings that are not of primary concern but still warrant action being taken.

ATTACHMENT

SHIRE OF COOLGARDIE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

1. Fair value of infrastructure assets - frequency of valuations

Finding

During the year, while the Shire revalued land, buildings and some classes of infrastructure assets (parks, ovals and reserves, sewerage and other infrastructure), management did not perform a robust annual fair value assessment of the other classes of infrastructure (roads, footpaths, drainage) as required by AASB 13 *Fair Value Measurement*.

We acknowledge that these infrastructure assets are expected to be valued in FY23.

Rating: Significant**Implication**

Without a robust assessment of fair value of the Shire's infrastructure assets there is a risk that the fair value of infrastructure assets may not have been assessed adequately and in compliance with AASB 13 *Fair Value Measurement*, as well as Regulation 17A(4)(b) of the Local Government (Financial Management) Regulations 1996 (the Regulations).

Recommendation

The Shire to consider implementing as part of the preparation of financial statements a formal robust process to determine whether indicators exist annually, that would trigger a requirement to perform a formal revaluation of all classes of Infrastructure Assets. Where indicators exist, a robust fair value assessment should be performed capturing the requirements of AASB 13 *Fair Value Measurement*. This process is to ensure that the Shire's infrastructure assets are recorded at fair value in compliance with AASB 13 Fair Value Measurement and the Regulations.

This may entail obtaining relevant input from an independent valuer as to whether or not they consider there are any prevailing market factors which may indicate that the fair value of relevant assets is likely to have been impacted to any significant / material extent from the prior year. Where a fair value assessment has been performed internally the Shire may consider having this assessment peer reviewed by an independent valuer to obtain assurance over the valuation methodology applied, inputs and the reasonableness of the valuation model applied.

Management comment

Noted

Roads, footpaths and drainage asset classes will be revalued in the 2022/23 financial year meaning that by 30 June 2023 all asset classes would have been revalued within a 12 month period.

Responsible person: Robert Hicks, Deputy Chief Executive Officer
Completion date: June 2023

ATTACHMENT

SHIRE OF COOLGARDIE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

2. Bank reconciliations not prepared on a timely basis**Finding**

Bank reconciliations are an essential control in managing the accuracy and completeness of the Local Government's accounting records and financial statements. Bank reconciliations are also a key aspect of internal controls over cash resources.

We reported in our interim management letter in August 2022 that bank reconciliations had not been prepared from 1 July 2021 to 30 April 2022. We subsequently noted that while the July to December 2021 bank reconciliations were prepared and reviewed in August 2022 and September 2022, the January to June 2022 bank reconciliations were prepared and reviewed only on 27 October 2022.

Rating: Significant**Implication**

Failure to prepare and independently review bank reconciliations timely, increases the risk of fraud, errors and omissions remaining undetected, which in turn could lead to misstatements to the Shire's financial reporting.

There is further risk of non-compliance with Regulation 5(2)(a) of the Local Government (Financial Management) Regulations 1996 which requires the CEO to ensure that the resources of the local government are effectively and efficiently managed.

Recommendation

Management should ensure that bank reconciliations are prepared on a monthly basis and reviewed by an independent senior staff member. The purpose of such review is to ensure that the reconciliations are prepared in a timely manner and contain only appropriate and current reconciling items.

Management comment

Agreed.

This will be addressed as an absolute priority to ensure reconciliations are completed & reviewed in a timely manner going forward.

Responsible person: Robert Hicks, Deputy Chief Executive Officer

Completion date: January 2023

ATTACHMENT

SHIRE OF COOLGARDIE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

3. No evidence of approval of asset disposed**Finding**

Disposals are subject to Section 3.58 under the Local Government Act 1995 (the Act). Per Shire Policy, disposals are to be approved as part of Annual budget, or else must be approved by the Council who will decide on the appropriate way to dispose of the asset in line with the Act.

We noted an instance where an asset disposed during the year, was neither included in the Shire budget, nor was Council approval subsequently obtained. There was no formal procedure in place for the approval of asset disposals by the Shire Council.

Rating: Moderate**Implication**

There may be an increased risk of theft or misappropriation of assets if assets are disposed without appropriate approvals, resulting in financial loss to the Shire. The Shire may also not be in compliance with the requirements of Section 3.58 of the Act.

Recommendation

We recommend that management develops and implements a policy that requires disposal of fixed assets to be initiated via an asset disposal request form and authorised by a delegated officer or the Council. The authorised form should be the basis for updating the fixed asset register and recording the asset disposal in Synergy.

Management comment

This matter has since been addressed and the procedure for asset disposals amended in the Uniqco Standard Operating Procedures manual to reflect the requirements of Section 3.58 of the Act.

Responsible person: Robert Hicks, Deputy Chief Executive Officer
Completion date: December 2022

ATTACHMENT

SHIRE OF COOLGARDIE

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2022

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

4. Documentation of management valuation inputs**Finding**

During our review of land and buildings valuations, we noted that two non-specialised buildings with a fair value of \$280,000 (revaluation gain of \$151,861) and one specialised building with a fair value of \$200,000 (revaluation gain of \$36,415) were not included in the valuation performed by management's third-party expert. These buildings were subsequently revalued by management. The buildings were valued based on management's best estimate, based on nearby housing valuations. However, management was unable to provide valid supporting documentation for the inputs used in the valuation of these assets.

Rating: Moderate**Implication**

Failure to maintain adequate documentation of inputs used in management's valuations of assets, increases the risk that the asset valuations may be materially misstated in the financial report.

Recommendation

Management should maintain adequate supporting documentation for the inputs used, where valuations are performed by management.

Management comment

Noted.

In future where management valuations are required and/or applied, a more robust rationale for the inputs used will be documented.

Responsible person: Robert Hicks, Deputy Chief Executive Officer
Completion date: June 2023

SHIRE OF COOLGARDIE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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COMMUNITY VISION

A connected, progressive & welcoming community

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Irish Mulga Drive, Kambala WA 6442



SHIRE OF COOLGARDIE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Coolgardie at 30 June 2022 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 16TH day of DECEMBER 2022

J. Trail

James Trail
Chief Executive Officer



SHIRE OF COOLGARDIE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Rates	26(a),2(a)	8,428,892	8,773,693	8,120,468
Operating grants, subsidies and contributions	2(a)	2,486,138	1,773,424	1,972,255
Fees and charges	25(c),2(a)	2,042,123	1,979,223	1,487,908
Interest earnings	2(a)	42,905	83,250	85,431
Other revenue	2(a)	772,268	611,327	886,697
		13,772,326	13,220,917	12,552,759
Expenses				
Employee costs		(6,222,272)	(5,659,357)	(5,573,938)
Materials and contracts		(4,299,911)	(3,907,911)	(4,337,685)
Utility charges		(680,489)	(600,310)	(670,604)
Depreciation	10(a)	(4,794,347)	(4,682,361)	(4,601,235)
Finance costs	2(b)	(117,580)	(129,375)	(101,692)
Insurance		(220,735)	(282,135)	(336,519)
Other expenditure	2(b)	(896,622)	(818,126)	(1,086,457)
		(17,231,956)	(16,079,575)	(16,708,130)
		(3,459,630)	(2,858,658)	(4,155,371)
Non operating grants, subsidies and contributions	2(a)	2,749,661	8,256,462	2,261,209
Profit on asset disposals	10(c)	9,750	1,500	5,455
Loss on asset disposals	10(c)	(12,974)	(6,000)	(100,603)
Fair value adjustments to financial assets at fair value through profit or loss		4,996	0	3,233
		2,751,433	8,251,962	2,169,294
Net loss for the period	25(b)	(708,197)	5,393,304	(1,986,077)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	(2,737,942)	0	0
Total other comprehensive loss for the period	17	(2,737,942)	0	0
Total comprehensive loss for the period		(3,446,139)	5,393,304	(1,986,077)

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



SHIRE OF COOLGARDIE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,904,874	1,336,214
Trade and other receivables	5	1,957,946	1,888,777
Inventories	6	11,033	9,171
Other assets	7	25,206	0
TOTAL CURRENT ASSETS		3,899,059	3,234,162
NON-CURRENT ASSETS			
Trade and other receivables	5	139,238	153,087
Other financial assets	4	97,255	92,259
Property, plant and equipment	8	39,439,425	32,154,594
Infrastructure	9	149,977,213	153,912,458
Right-of-use assets	11(a)	1,360,518	398,717
TOTAL NON-CURRENT ASSETS		191,013,649	186,711,115
TOTAL ASSETS		194,912,708	189,945,277
CURRENT LIABILITIES			
Trade and other payables	12	4,150,456	1,897,743
Other liabilities	13	791,498	555,057
Lease liabilities	11(b)	263,357	92,363
Borrowings	18(c)	1,349,605	300,036
Employee related provisions	15	357,353	363,871
TOTAL CURRENT LIABILITIES		6,912,269	3,209,070
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	1,179,390	360,643
Borrowings	18(c)	6,376,172	2,309,777
Employee related provisions	15	84,149	73,053
Other provisions	16	1,808,612	1,994,479
TOTAL NON-CURRENT LIABILITIES		9,448,323	4,737,952
TOTAL LIABILITIES		16,360,592	7,947,022
NET ASSETS		178,552,116	181,998,255
EQUITY			
Retained surplus		60,801,667	60,682,234
Reserve accounts	29	237,872	1,065,502
Revaluation surplus	17	117,512,577	120,250,519
TOTAL EQUITY		178,552,116	181,998,255

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



SHIRE OF COOLGARDIE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOT. EQUI \$
Balance as at 1 July 2020		61,929,590	1,804,223	120,250,519	183,984,3
Comprehensive income for the period					
Net loss for the period		(1,986,077)	0	0	(1,986,07
Total comprehensive loss for the period		(1,986,077)	0	0	(1,986,07
Transfers from reserves	29	973,352	(973,352)	0	
Transfers to reserves	29	(234,631)	234,631	0	
Balance as at 30 June 2021		60,682,234	1,065,502	120,250,519	181,998,2
Comprehensive income for the period					
Net loss for the period		(708,197)	0	0	(708,19
Other comprehensive income for the period	17	0	0	(2,737,942)	(2,737,94
Total comprehensive loss for the period		(708,197)	0	(2,737,942)	(3,446,13
Transfers from reserves	29	877,446	(877,446)	0	
Transfers to reserves	29	(49,816)	49,816	0	
Balance as at 30 June 2022		60,801,667	237,872	117,512,577	178,552,1

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



SHIRE OF COOLGARDIE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		8,468,575	9,073,693	8,492,400
Operating grants, subsidies and contributions		2,561,675	2,273,424	1,567,590
Fees and charges		1,967,540	1,979,223	1,528,793
Interest received		42,905	83,250	85,431
Goods and services tax received		789,343	0	967,677
Other revenue		772,268	611,327	886,697
		14,602,306	14,020,917	13,528,588
Payments				
Employee costs		(6,180,746)	(5,659,357)	(5,438,734)
Materials and contracts		(2,142,181)	(3,907,911)	(3,895,181)
Utility charges		(680,489)	(600,310)	(670,604)
Finance costs		(117,580)	(150,572)	(101,692)
Insurance paid		(220,735)	(282,135)	(336,519)
Goods and services tax paid		(968,183)	0	(997,677)
Other expenditure		(896,622)	(818,126)	(1,086,457)
		(11,206,536)	(11,418,411)	(12,526,864)
Net cash provided by operating activities	18(b)	3,395,770	2,602,506	1,001,724
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(3,609,416)	(12,817,770)	(968,424)
Payments for construction of infrastructure	9(a)	(7,366,528)	(12,382,603)	(3,663,536)
Non-operating grants, subsidies and contributions		3,096,866	7,601,405	2,688,651
Proceeds from sale of property, plant & equipment	10(c)	62,026	4,500	160,836
Net cash provided by (used in) investing activities		(7,817,052)	(17,594,468)	(1,782,473)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	28(a)	(384,036)	(416,743)	(292,694)
Payments for principal portion of lease liabilities	28(c)	(126,022)	(122,529)	(144,785)
Proceeds from new borrowings	28(a)	5,500,000	15,200,000	0
Net cash provided by financing activities		4,989,942	14,660,728	(437,479)
Net increase (decrease) in cash held		568,660	(331,234)	(1,218,228)
Cash and cash equivalents at beginning of year		1,336,214	1,293,889	2,554,442
Cash and cash equivalents at the end of the year	18(a)	1,904,874	962,655	1,336,214

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



SHIRE OF COOLGARDIE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	27(b)	(262,943)	(352,872)	761,64
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Operating grants, subsidies and contributions		2,486,138	1,773,424	1,972,25
Fees and charges		2,042,123	1,979,223	1,487,90
Interest earnings		42,905	83,250	85,43
Other revenue		772,268	611,327	886,65
Profit on asset disposals	10(c)	9,750	1,500	5,45
Fair value adjustments to financial assets at fair value through profit or loss		4,996	0	3,23
		5,358,180	4,448,724	4,440,97
Expenditure from operating activities				
Employee costs		(6,222,272)	(5,659,357)	(5,573,93)
Materials and contracts		(4,299,911)	(3,907,911)	(4,337,68)
Utility charges		(680,489)	(600,310)	(670,60)
Depreciation		(4,794,347)	(4,682,361)	(4,601,23)
Finance costs		(117,580)	(129,375)	(101,69)
Insurance		(220,735)	(282,135)	(336,51)
Other expenditure		(896,622)	(818,126)	(1,086,45)
Loss on asset disposals	10(c)	(12,974)	(6,000)	(100,60)
		(17,244,930)	(16,085,575)	(16,808,73)
Non-cash amounts excluded from operating activities	27(a)	4,810,459	4,665,664	5,131,37
Amount attributable to operating activities		(7,076,291)	(6,971,187)	(7,236,38)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,749,661	8,256,462	2,261,20
Proceeds from disposal of assets	10(c)	62,026	4,500	160,83
Purchase of property, plant and equipment	8(a)	(3,609,416)	(12,817,770)	(968,42)
Purchase and construction of infrastructure	9(a)	(7,366,528)	(12,382,603)	(3,663,53)
		(8,164,257)	(16,939,411)	(2,209,91)
Amount attributable to investing activities		(8,164,257)	(16,939,411)	(2,209,91)
FINANCING ACTIVITIES				
Repayment of borrowings	28(a)	(384,036)	(416,743)	(292,69)
Proceeds from borrowings	28(a)	5,500,000	15,200,000	
Payments for principal portion of lease liabilities	28(c)	(126,022)	(122,529)	(144,78)
Transfers to reserves (restricted assets)	29	(49,816)	(48,397)	(234,63)
Transfers from reserves (restricted assets)	29	877,446	877,446	973,35
Amount attributable to financing activities		5,817,572	15,489,777	301,24
Surplus/(deficit) before imposition of general rates		(9,685,919)	(8,773,693)	(8,383,41)
Total amount raised from general rates	26(a)	8,428,892	8,773,693	8,120,46
Surplus/(deficit) after imposition of general rates	27(b)	(1,257,027)	0	(262,94)

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



**SHIRE OF COOLGARDIE
FOR THE YEAR ENDED 30 JUNE 2022
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**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Local Government Act 1995 and accompanying regulations.

The Local Government Act 1995 requirements

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

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the Shire to measure any vested improvements at zero cost.

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 financial 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.

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.

Judgements and estimates

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

The estimates and associated assumptions are based on historical experience and various other factors 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 balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- estimation uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets

Going concern assumption:

At 30 June 2022, the Shire has a net current liability of \$3,013,210. Notwithstanding, the financial statements have been prepared on a going concern basis. Management is confident that the progress of the various projects is on track and further borrowings and grants will be available to meet the Shire's capital commitments. Further, once the projects start generating revenue, the Shire will be able to meet its debt obligations as and when they fall due.

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Operating grants, subsidies and contributions with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms with transfer of funds based on agreed milestones and reporting	Contract obligation if project not completed	Output method based on project milestones and/or completion date matched to performance obligations
Non operating grants, subsidies and contributions with customers	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Fees and charges - licenses, registrations and approvals	Building, planning, development and animal control	Single point in time	Full payment prior to issue	None	On payment of the license, registration or approval
Fees and charges - waste management collection	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Fees and charges - waste management entry fees	Waste collection at disposal sites	Single point in time	Payment in advance on entry, or on normal trade terms if credit is provided	None	On entry to facility
Fees and charges - airport landing fees	Landing fees at Kambalda aerodrome	Single point in time	Payment in advance on entry, or on normal trade terms if credit is provided	None	On entry to facility
Fees and charges - sale of stock	Kiosk and visitor centre stock	Single point in time	Payment in advance, or on normal trade terms if credit is provided	Refunds provided for faulty goods	Output method based on good sold
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method Over 12 months matched to access right
Other Revenue - private works	Contracted private works	Single point in time	Payment in advance, or on normal trade terms if credit is provided	None	Output method based on works completed

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature or types of goods or services is provided in the table below:

For the year ended 30 June 2022

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	8,428,892	0	8,428,89
Operating grants, subsidies and contributions	2,383,123	0	0	103,015	2,486,13
Fees and charges	1,738,201	0	150,299	153,623	2,042,12
Interest earnings	0	0	42,839	66	42,90
Other revenue	29,608	0	324,964	417,696	772,26
Non-operating grants, subsidies and contributions	0	2,749,661	0	0	2,749,66
Total	4,150,932	2,749,661	8,946,994	674,400	16,521,98

For the year ended 30 June 2021

Nature or type	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	8,120,468	0	0	0	8,120,46
Operating grants, subsidies and contributions	1,910,784	0	0	61,471	1,972,25
Fees and charges	1,314,305	0	69,438	104,165	1,487,90
Interest earnings	0	0	75,666	9,765	85,43
Other revenue	29,108	0	394,559	463,030	886,69
Non-operating grants, subsidies and contributions	0	2,261,209	0	0	2,261,20
Total	11,374,665	2,261,209	539,663	638,431	14,813,96

Note	2022 Actual	2022 Budget	2021 Actual
Interest earnings			
Interest on reserve funds	66	1,500	9,765
Rates instalment and penalty interest (refer Note 25(c))	42,839	78,000	75,666
Other interest earnings	0	3,750	0
	42,905	83,250	85,431
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	60,700	60,700	60,700
- Other services	1,500	40,000	3,300
	62,200	100,700	64,000
Finance costs			
Borrowings	28(a) 93,489	115,831	88,391
Lease liabilities	28(c) 24,091	13,544	13,301
	117,580	129,375	101,692
Other expenditure			
Impairment loss / (reversal) on trade and other receivables	0	500	18,746
Legal expenses (rates recovery)	295,060	102,500	449,554
Provision of health services	300,604	300,000	316,198
Sundry expenses	300,958	415,126	301,959
	896,622	818,126	1,086,457

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
 Term deposits
Total cash and cash equivalents

Note	2022 \$	2021 \$
	1,452,810	270,712
	452,064	1,065,502
18(a)	1,904,874	1,336,214
	1,667,002	270,712
18(a)	237,872	1,065,502
	1,904,874	1,336,214

Held as

- Unrestricted cash and cash equivalents
- Restricted cash and cash equivalents

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 18.

4. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

	2022 \$	2021 \$
	97,255	92,259
	97,255	92,259
	97,255	92,259
	97,255	92,259

Financial assets at fair value through profit and loss

Units in Local Government House Trust

SIGNIFICANT ACCOUNTING POLICIES

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 22.

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

5. TRADE AND OTHER RECEIVABLES

Current

	Note	2022 \$	2021 \$
Rates receivable		1,187,654	1,185,607
Trade and other receivables		436,491	688,216
GST receivable		313,281	134,441
Allowance for credit losses of trade and other receivables	22(b)	(4,351)	(115,273)
Allowance for credit losses of rates receivables	22(b)	(81,982)	(45,643)
Receivable from joint operation		100,000	30,000
Pensioner Rebates		6,853	11,429
		1,957,946	1,888,777

Non-current

Pensioner's rates and ESL deferred		139,238	153,087
		139,238	153,087

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

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

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 22.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire 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 value is considered immaterial.

6. INVENTORIES

Current

	2022 \$	2021 \$
Visitor centre stock	11,033	9,171
	11,033	9,171

The following movements in inventories occurred during the year:

Balance at beginning of year

	9,171	9,171
Additions to inventory	1,862	0
Balance at end of year	11,033	9,171

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.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale (Continued)

Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point.

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7. OTHER ASSETS

Other assets - current

Prepayments

	2022	2021
	\$	\$
	25,206	0
	<u>25,206</u>	<u>0</u>

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.

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

Note	Land \$	Buildings - non- specialised \$	Buildings - specialised \$	Total land and buildings \$	Furniture and equipment \$
Balance at 1 July 2020	1,107,600	1,123,500	28,500,336	30,731,436	345,350
Additions	0	0	732,527	732,527	30,150
Disposals	(35,000)	(220,984)	0	(255,984)	
Depreciation	0	(20,516)	(779,457)	(799,973)	(89,981)
Balance at 30 June 2021	1,072,600	882,000	28,453,406	30,408,006	285,520
Comprises:					
Gross balance amount at 30 June 2021	1,072,600	960,000	31,462,615	33,495,215	811,710
Accumulated depreciation at 30 June 2021	0	(78,000)	(3,009,209)	(3,087,209)	(526,190)
Balance at 30 June 2021	1,072,600	882,000	28,453,406	30,408,006	285,520
Additions	0	18,169	3,333,904	3,352,073	34,110
Disposals	0	0	(65,250)	(65,250)	
Revaluation increments / (decrements) transferred to revaluation surplus	17	1,020,400	419,361	3,384,245	4,824,006
Depreciation	0	(19,530)	(784,248)	(803,778)	(50,560)
Balance at 30 June 2022	2,093,000	1,300,000	34,322,057	37,715,057	269,070
Comprises:					
Gross balance amount at 30 June 2022	2,093,000	1,397,530	38,108,263	41,598,793	845,820
Accumulated depreciation at 30 June 2022	0	(97,530)	(3,786,206)	(3,883,736)	(576,750)
Balance at 30 June 2022	2,093,000	1,300,000	34,322,057	37,715,057	269,070

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation
(i) Fair Value				
Land and buildings				
Land	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2022
Buildings - non-specialised	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2022
Buildings - specialised	2	Market approach using recent observable market data for similar properties	Independent Registered Valuer	June 2022

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

(ii) Cost

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - roads \$	Infrastructure - footpaths \$	Infrastructure - drainage \$	Infrastructure - parks & ovals \$	Infr
Balance at 1 July 2020	129,043,801	2,789,999	1,199,812	4,655,419	
Additions	2,321,240	12,638	58,552	215,708	
Revaluation increments / (decrements) transferred to revaluation surplus	17	0	0	0	
Depreciation	10(a)	(2,642,986)	(85,711)	(33,680)	(201,328)
Transfers		0	0	0	0
Balance at 30 June 2021	128,722,055	2,716,926	1,224,684	4,669,799	
Comprises:					
Gross balance at 30 June 2021	136,544,310	2,969,406	1,321,550	5,267,354	
Accumulated depreciation at 30 June 2021	(7,822,255)	(252,480)	(96,866)	(597,555)	
Balance at 30 June 2021	128,722,055	2,716,926	1,224,684	4,669,799	
Additions	1,378,935	14,224	9,700	91,216	
Revaluation increments / (decrements) transferred to revaluation surplus	17	0	0	(1,708,041)	
Depreciation	10(a)	(2,680,951)	(86,015)	(34,977)	(206,259)
Balance at 30 June 2022	127,420,039	2,645,135	1,199,407	2,846,715	
Comprises:					
Gross balance at 30 June 2022	137,923,245	2,983,630	1,331,250	3,650,529	
Accumulated depreciation at 30 June 2022	(10,503,206)	(338,495)	(131,843)	(803,814)	
Balance at 30 June 2022	127,420,039	2,645,135	1,199,407	2,846,715	

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation
(i) Fair Value				
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018
Infrastructure - parks & ovals	2	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2022
Infrastructure - sewerage	2	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2022
Infrastructure - other	3	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2022
Infrastructure - landfill asset	2	Cost approach using depreciated replacement cost	Management Valuation	June 2021

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

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	20 Actu \$
Buildings - non-specialised	8(a)	19,530	0	20,5
Buildings - specialised	8(a)	784,248	812,541	779,4
Furniture and equipment	8(a)	50,560	87,837	89,9
Plant and equipment	8(a)	229,003	272,256	232,3
Infrastructure - roads	9(a)	2,680,951	2,687,823	2,642,9
Infrastructure - footpaths	9(a)	86,015	86,078	85,7
Infrastructure - drainage	9(a)	34,977	35,243	33,6
Infrastructure - parks & ovals	9(a)	206,259	205,992	201,3
Infrastructure - sewerage	9(a)	38,677	37,925	37,9
Infrastructure - other	9(a)	269,818	225,743	259,1
Infrastructure - landfill asset	9(a)	237,261	47,634	47,6
Right-of-use assets - plant and equipment	11(a)	157,048	183,289	170,4
		4,794,347	4,682,361	4,601,2

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 - Landfill	6.5 years
Infrastructure - Other Infrastructure	2-50 years
Infrastructure - Kerbing	50 years
Right of use (plant and equipment)	3-7 Years

(b) Fully Depreciated Assets in Use

The gross carrying value of assets held by the Shire which are currently in use yet fully depreciated are shown in the table below.

	2022 \$	20 \$
Buildings - specialised	0	3,1
Furniture and equipment	266,983	
Plant and equipment	221,839	
Infrastructure - parks & ovals	0	108,11
Infrastructure - sewerage	0	17,91
Infrastructure - other	0	18,3
	488,822	147,51

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS (Continued)

(c) Disposals of assets

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss	2022 Budget Net Book Value	2022 Budget Sale Proceeds	2022 Budget Profit	2022 Budget Loss	2021 Actual Net Book Value	2021 Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	35,000	0	0	(35,000)
Buildings - non-specialised	0	0	0	0	0	0	0	0	220,984	160,836	5,455	(65,600)
Buildings - specialised	65,250	52,276	0	(12,974)	0	0	0	0	0	0	0	0
Plant and equipment	0	9,750	9,750	0	9,000	4,500	1,500	(6,000)	0	0	0	0
	65,250	62,026	9,750	(12,974)	9,000	4,500	1,500	(6,000)	255,984	160,836	5,455	(100,600)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
Plant and Equipment				
Transport				
Mitsubishi Triton	0	9,750	9,750	0
	0	9,750	9,750	0
Land and Buildings				
Other Property and Services				
Goldfields Records Facility	65,250	52,276	0	(12,974)
	65,250	52,276	0	(12,974)
	65,250	62,026	9,750	(12,974)

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, 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 for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between

mandatory revaluation dates for assets held at fair 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)*. These assets are expensed immediately.

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

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

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates 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 revaluation date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the Shire.

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

Revaluation (continued)

For property, plant and equipment and infrastructure, 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. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, 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 on revaluation

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

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - plant and equipment \$	Right-of-use assets Total \$
Balance at 1 July 2020		536,764	536,764
Additions		32,360	32,360
Depreciation		(170,407)	(170,407)
Balance at 30 June 2021		398,717	398,717
Additions		1,110,001	1,110,001
Revaluation (loss) / reversals transferred to profit or loss		8,848	8,848
Depreciation	10(a)	(157,048)	(157,048)
Balance at 30 June 2022		1,360,518	1,360,518

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2022 Actual \$	2021 Actual \$
Depreciation on right-of-use assets	10(a)	(157,048)	(170,407)
Interest expense on lease liabilities	28(c)	(24,091)	(13,307)
Total amount recognised in the statement of comprehensive income		(181,139)	(183,714)
Total cash outflow from leases		(150,113)	(158,086)
(b) Lease Liabilities			
Current		263,357	92,36
Non-current	28(c)	1,179,390	360,64
		1,442,747	453,00

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 28(c).

Right-of-use assets - valuation measurement

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

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

**SHIRE OF COOLGARDIE
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FOR THE YEAR ENDED 30 JUNE 2022**

11. LEASES (Continued)

(c) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year
1 to 2 years

	2022 Actual \$	2021 Actual \$
	27,203	34,624
	2,010	13,408
	<u>29,213</u>	<u>48,032</u>

The Shire leases houses to staff and aged persons with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The staff houses are not considered investment property as they are leased for use in the supply of services to the community. The aged persons housing are considered a joint operation and are not considered investment property as the primary purpose is provision of community housing.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

Upon entering into each contract as a lessor, the Shire assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 to allocate the consideration under the contract to each component.

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 ATO liabilities
 Bonds and deposits held
 Accrued interest on borrowings
 Accrued salaries and wages
 Accrued expenses

	2022	2021
	\$	\$
	2,619,316	1,254,655
	239,829	211,948
	213,453	176,505
	127,097	116,384
	23,740	21,197
	11,825	0
	915,196	117,054
	4,150,456	1,897,743

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

13. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities
Unspent Grants

	2022	2021
	\$	\$
Contract liabilities	0	110,764
Capital grant/contributions liabilities	791,498	444,000
Unspent Grants	0	293
	791,498	555,057
Reconciliation of changes in contract liabilities		
Opening balance	110,764	4,894
Additions	0	105,870
Revenue from contracts with customers included as a contract liability at the start of the period	(110,764)	0
	0	110,764
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	444,000	0
Additions	791,498	444,000
Revenue from capital grant/contributions held as a liability at the start of the period	(444,000)	0
	791,498	444,000

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance
Additions
Revenue from capital grant/contributions held as a liability at the start of the period

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the Shire's obligations to construct recognisable non-financial assets to identified specifications to be controlled the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as revenue when the obligations in the contract are satisfied.

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

14. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
		\$	\$	\$	\$	\$	\$
Secured							
Debentures		1,349,605	6,376,172	7,725,777	300,036	2,309,777	2,609,813
Total secured borrowings	28(a)	1,349,605	6,376,172	7,725,777	300,036	2,309,777	2,609,813

Secured liabilities and assets pledged as security

Western Australian Treasury Corporation loans and bank loans are secured by a floating charge over the rates of the Shire of Coolgardie.

The Shire of Coolgardie has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

SIGNIFICANT ACCOUNTING POLICIES

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.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 22.

Details of individual borrowings required by regulations are provided at Note 28(a).

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Current provisions

Employee benefit provisions

Annual Leave

Long Service Leave

Non-current provisions

Long Service Leave

	2022	2021
	\$	\$
Annual Leave	244,509	251,341
Long Service Leave	112,844	112,530
	357,353	363,871
Long Service Leave	84,149	73,053
	84,149	73,053
	441,502	436,924

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

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

Note	2022	2021
	\$	\$
Less than 12 months after the reporting date	209,690	264,108
More than 12 months from reporting date	231,812	172,816
	441,502	436,924

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

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

Long-term employee benefits provisions 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 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.

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

16. OTHER PROVISIONS

Note	Provision for remediation costs	Total
	\$	\$
Opening balance at 1 July 2021		
Non-current provisions	1,994,479	1,994,479
	<u>1,994,479</u>	<u>1,994,479</u>
Reduction in provision	(185,867)	(185,867)
Amounts used	0	0
Unused amounts reversed	0	0
Charged to profit or loss		
- unwinding of discount	0	0
Balance at 30 June 2022	<u>1,808,612</u>	<u>1,808,612</u>
Comprises		
Current	0	0
Non-current	1,808,612	1,808,612
	<u>1,808,612</u>	<u>1,808,612</u>

Provision for remediation costs

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

A provision for remediation is recognised when:

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

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

The provision for future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date.

Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

Provisions

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

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

17. REVALUATION SURPLUS

	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	2022 Closing Balance
	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	0	1,020,400	0	1,020,400
Revaluation surplus - Buildings - non-specialised	0	419,361	0	419,361
Revaluation surplus - Buildings - specialised	15,257,193	3,384,245	0	18,641,438
Revaluation surplus - Furniture and equipment	344,808	0	0	344,808
Revaluation surplus - Infrastructure - roads	96,296,313	0	0	96,296,313
Revaluation surplus - Infrastructure - footpaths	1,529,985	0	0	1,529,985
Revaluation surplus - Infrastructure - drainage	522,500	0	0	522,500
Revaluation surplus - Infrastructure - parks & ovals	2,912,938	0	(1,708,041)	1,204,897
Revaluation surplus - Infrastructure - sewerage	2,607,447	0	(555,625)	2,051,822
Revaluation surplus - Infrastructure - other	0	0	(5,484,149)	(5,484,149)
Revaluation surplus - Infrastructure - landfill asset	779,335	185,867	0	965,202
	120,250,519	5,009,873	(7,747,815)	117,512,577

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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18. NOTES TO THE STATEMENT OF CASH FLOWS

(a) 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:

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	3	1,904,874	962,655	1,336,214
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	237,872	236,454	1,065,502
		237,872	236,454	1,065,502
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	29	237,872	236,454	1,065,502
Total restricted financial assets		237,872	236,454	1,065,502

(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities

Net result		(708,197)	5,393,304	(1,986,077)
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		(4,996)	0	(3,233)
Depreciation/amortisation		4,794,347	4,682,361	4,601,235
(Profit)/loss on sale of asset		3,224	4,500	95,148
Adjustments to right of use assets		(3,086)	0	0
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		(55,320)	800,000	(177,866)
(Increase)/decrease in other assets		(25,206)	0	0
(Increase)/decrease in inventories		(1,862)	0	6,179
Increase/(decrease) in trade and other payables		2,252,713	(21,197)	553,507
Increase/(decrease) in employee related provisions		4,578	0	67,877
Increase/(decrease) in other provisions		0	(100,000)	(16,558)
Increase/(decrease) in other liabilities		236,441	(555,057)	550,163
Non-operating grants, subsidies and contributions		(3,096,866)	(7,601,405)	(2,688,651)
Net cash provided by/(used in) operating activities		3,395,770	2,602,506	1,001,724

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit	500,000		500,000
Bank overdraft at balance date	0		0
Credit card limit	55,000		55,000
Credit card balance at balance date	(12,517)		(23,136)
Total amount of credit unused	542,483		531,864

Loan facilities

Loan facilities - current	1,349,605		300,036
Loan facilities - non-current	6,376,172		2,309,777
Total facilities in use at balance date	7,725,777		2,609,813

Unused loan facilities at balance date	0		0
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19. CONTINGENT LIABILITIES & CAPITAL COMMITMENTS

(a) Contingent Liabilities

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

An estimate of the remediation costs has been provided (refer Note 16 - Other Provisions).

Not included in this estimate is the cost of immobilisation that would be done by a technique involving crushing the stockpiled material which requires a soil blending equipment to do so. The Shire is currently unable to estimate the cost of hire of the soil blending equipment with sufficient reliability.

(b) Capital Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2022	2021
	\$	\$
	8,557,527	1,594,645
	0	0
	8,557,527	1,594,645
	8,557,527	0

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration	Note	2022 Actual \$	2022 Budget \$	202 Actual \$
Cr Malcolm Cullen				
President's annual allowance		34,844	34,957	32,80
Meeting attendance fees		24,190	25,342	25,09
ICT expenses		3,500	3,500	3,50
Travel and accommodation expenses		134	1,500	
		62,668	65,299	61,39
Cr Tracey Rathbone				
Deputy President's annual allowance		8,739	8,739	8,20
Meeting attendance fees		16,367	16,367	16,20
ICT expenses		3,500	3,500	3,50
		28,606	28,606	27,90
Cr Sherryl Botting				
Meeting attendance fees		16,367	16,367	16,20
ICT expenses		3,500	3,500	3,50
		19,867	19,867	19,70
Cr Kathie Lindup				
Meeting attendance fees		16,367	16,367	16,20
ICT expenses		3,500	3,500	3,50
		19,867	19,867	19,70
Cr Tammee Keast				
Meeting attendance fees		16,367	16,367	16,20
ICT expenses		3,500	3,500	3,50
		19,867	19,867	19,70
Cr Rose Mitchell				
Meeting attendance fees		12,275	16,367	
ICT expenses		2,625	3,500	
		14,900	19,867	
Cr John Williams				
Meeting attendance fees		5,456	16,367	
ICT expenses		1,167	3,500	
		6,623	19,867	
Cr Darryl Holbrook				
Meeting attendance fees		2,046	0	
ICT expenses		438	0	
		2,484	0	
Cr Norm Karafilis				
Meeting attendance fees		0	0	5,40
ICT expenses		0	0	1,16
		0	0	6,56
Cr Marion Winter				
Meeting attendance fees		0	0	9,45
ICT expenses		0	0	2,04
		0	0	11,49
		174,882	193,240	166,47
Fees, expenses and allowances to be paid or reimbursed to elected council members.		2022 Actual \$	2022 Budget \$	202 Actual \$
President's annual allowance		34,844	34,957	32,80
Deputy President's annual allowance		8,739	8,739	8,20
Meeting attendance fees		109,435	123,544	104,76
ICT expenses		21,730	24,500	20,70
Travel and accommodation expenses		134	1,500	
		174,882	193,240	166,47

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

20. RELATED PARTY TRANSACTIONS (Continued)

(b) Key Management Personnel (KMP) Compensation

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

Short-term employee benefits
 Post-employment benefits
 Employee - other long-term benefits
 Employee - termination benefits

	2022 Actual	2021 Actual
	\$	\$
	881,605	894,200
	132,234	74,049
	17,289	13,385
	0	10,385
	<u>1,031,128</u>	<u>992,019</u>

Short-term employee benefits

These amounts include all salary and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service leave entitlements accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP

(c) 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 guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

Purchase of goods and services
 - Provision of building services
 - Provision of electrical services

	2022 Actual	2021 Actual
	\$	\$
	36,702	51,816
	12,035	44,146
	<u>48,737</u>	<u>95962</u>

(d) 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 council member, are considered key management personnel.

ii. Other Related Parties

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

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

iii. Entities subject to significant influence by the Shire

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

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

21. JOINT ARRANGEMENTS

(a) Goldfields Voluntary Regional Organisation of Councils

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, Ngaanyatjarraku, Ravensthorpe, Wiluna and the City of Kalgoorlie-Boulder (collectively called the Goldfields Voluntary Regional Organisation of Councils - GVROC) for the provision of a regional records facility. The facility is located in Kalgoorlie and the Shire holds 1/10th share of the joint operation.

(b) Department of Housing

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

SIGNIFICANT ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire has joint control with another party to the joint arrangement. All parties to joint arrangements have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. 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 rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	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, term deposits, and Treasury bonds 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
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.01%	1,904,874	452,064	1,451,598	1,212
2021					
Cash and cash equivalents	0.01%	1,336,214	1,065,502	269,500	1,212

Sensitivity

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	14,516	2,695

* 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 28(a).

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 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.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.33%	5.72%	16.07%	4.64%		
Gross carrying amount	834	197,553	257,609	870,896	1,326,892	
Loss allowance	3	11,300	41,398	29,281	81,982	5
30 June 2021						
Rates receivable						
Expected credit loss	0.14%	3.44%	6.76%	1.83%		
Gross carrying amount	3,831	518,467	260,915	555,481	1,338,694	
Loss allowance	5	17,835	17,638	10,165	45,643	5

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Less than 1 year past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	90+ Days Specific Loss Allowance	Total	Note
30 June 2022							
Trade and other receivables							
Expected credit loss	0.00%	1.00%	1.00%	1.00%	100.00%		
Gross carrying amount	246,654	138,943	1,024	149,870	0	536,491	
Loss allowance	715	1,445	10	2,181	0	4,351	5
30 June 2021							
Trade and other receivables							
Expected credit loss	1.00%	3.00%	4.00%	5.00%	100.00%		
Gross carrying amount	333,022	1,313	220	286,161	97,500	718,216	
Loss allowance	3,463	44	8	14,258	97,500	115,273	5

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

The loss allowances for trade receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 45,643	\$ 0	\$ 115,273	\$ 0	\$ 0	\$ 0
Additional Provision / (Unused amount reversed)	36,339	45,643	(110,922)	115,273	0	0
Closing loss allowance at 30 June	81,982	45,643	4,351	115,273	0	0

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and contract assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. 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 18(c).

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
	\$	\$	\$	\$	\$
2022					
Trade and other payables	4,150,456	0	0	4,150,456	4,150,456
Borrowings	1,560,085	5,875,381	900,442	8,335,908	7,725,777
Lease liabilities	337,354	1,312,008	0	1,649,362	1,442,747
	<u>6,047,895</u>	<u>7,187,389</u>	<u>900,442</u>	<u>14,135,726</u>	<u>13,318,980</u>
2021					
Trade and other payables	1,897,743	0	0	1,897,743	1,897,743
Borrowings	363,364	1,360,706	1,217,431	2,941,501	2,609,813
Lease liabilities	158,086	366,786	118,516	643,388	453,006
	<u>2,419,193</u>	<u>1,727,492</u>	<u>1,335,947</u>	<u>5,482,632</u>	<u>4,960,562</u>

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no significant events to report post 30 June 2022 that had a significant effect on the financial report.

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

14. 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) Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost 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).

i) 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.

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretation were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 123 and Editorial Corrections

It is not expected these standards will have an impact on the financial report.

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

25. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

Income excluding grants, subsidies and contributions

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Governance	9,279	0	3,240
General purpose funding	8,779,990	8,888,543	8,630,600
Law, order, public safety	465	17,800	12,500
Health	5,483	5,001	7,000
Education and welfare	3,181	5,100	6,100
Housing	124,915	108,750	130,000
Community amenities	1,447,648	1,456,116	1,064,000
Recreation and culture	242,863	181,320	497,800
Transport	129,721	101,500	74,200
Economic services	463,944	678,936	77,700
Other property and services	93,445	5,927	85,600
	11,300,934	11,448,993	10,589,100

Grants, subsidies and contributions

Governance	23,636	3,200	22,300
General purpose funding	761,163	373,665	550,000
Law, order, public safety	13,522	12,900	26,500
Health	1,818	0	25,000
Education and welfare	346,858	285,489	252,000
Community amenities	3,500	4,500,000	15,800
Recreation and culture	3,615	41,900	1,900
Transport	2,699,217	2,911,007	2,867,600
Economic services	1,375,809	1,881,451	467,100
Other property and services	6,661	20,274	5,000
	5,235,799	10,029,886	4,233,400

Total Income

16,536,733 **21,478,879** **14,822,600**

Expenses

Governance	(2,080,796)	(1,945,487)	(2,229,410)
General purpose funding	(619,616)	(429,814)	(718,150)
Law, order, public safety	(543,518)	(435,456)	(448,620)
Health	(517,572)	(506,415)	(855,710)
Education and welfare	(396,310)	(463,631)	(273,500)
Housing	(229,812)	(200,710)	(303,480)
Community amenities	(2,783,291)	(2,200,228)	(2,516,710)
Recreation and culture	(4,052,128)	(3,840,673)	(3,591,710)
Transport	(4,662,363)	(4,634,312)	(4,483,350)
Economic services	(1,295,086)	(1,393,079)	(1,339,500)
Other property and services	(64,438)	(35,770)	(48,560)
	(17,244,930)	(16,085,575)	(16,808,730)

Total expenses

Net result for the period

(708,197) **5,393,304** **(1,986,070)**

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
(c) Fees and Charges	\$	\$	\$
Governance	160	0	
General purpose funding	31,414	31,600	30,140
Law, order, public safety	465	17,800	12,590
Health	5,200	5,001	7,000
Education and welfare	2,898	5,100	6,000
Housing	120,948	108,750	119,300
Community amenities	1,447,649	1,456,115	1,064,000
Recreation and culture	215,396	181,320	148,200
Transport	119,971	100,000	29,900
Economic services	97,977	73,537	70,400
Other property and services	45	0	
	2,042,123	1,979,223	1,487,900
(d) Total Assets	\$	\$	
Governance	214,700	93,044	
General purpose funding	2,918,765	1,574,418	
Law, order, public safety	109,954	81,934	
Health	214,385	189,606	
Education and welfare	50,000	61,200	
Housing	4,707,739	2,200,005	
Community amenities	11,861,226	7,521,574	
Recreation and culture	30,857,122	33,519,887	
Transport	133,675,223	135,699,145	
Economic services	8,486,335	6,269,669	
Other property and services	1,631,392	1,521,573	
Unallocated	185,867	1,213,222	
	194,912,708	189,945,277	

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

26. RATING INFORMATION (Continued)

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

Rates Write Offs

Rate or Fee Discount Granted	Type	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$	Circumstances in which
Rates	Rate	100.00%	Various	15,033	0	45,262	
				15,033	0	45,262	

Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/Concession	Discount %	Discount \$	2022 Actual \$	2022 Budget \$	2021 Actual \$
Community Groups	Rate	Concession	100.00%	Various	0	2,500	0
Rural pursuit properties	Rate	Concession	50.00%	Various	21,802	12,000	16,442
Bona Fide Prospectors	Rate	Concession	20.00%	Various	4,234	5,000	4,096
					26,036	19,500	20,538
Total discounts/concessions Note 26(a)					41,069	19,500	65,800

Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession
Community Groups	Community groups who lease or own their own premise	Support community groups	Support community group
Bona Fide Prospectors	Property being used for rural pursuits	Support rural pursuits	Support rural pursuits by

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

26. 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	20/08/2021	N/A	N/A	5.00%
Option Two				
First instalment	20/08/2021	N/A	3.00%	5.00%
Second instalment	22/10/2021	10	3.00%	5.00%
Third instalment	23/12/2021	10	3.00%	5.00%
Fourth instalment	25/02/2021	10	3.00%	5.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	25,688	60,000	58,191
Interest on instalment plan	17,151	18,000	17,475
Charges on instalment plan	31,360	30,400	30,144
	74,199	108,400	105,810

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

27. RATE SETTING STATEMENT INFORMATION

	Note	2021/22 (30 June 2022 Carried Forward) \$	2021/22 Budget (30 June 2022 Carried Forward) \$	2020/21 (30 June 2021 Carried 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	10(c)	(9,750)	(1,500)	(5,454)
Less: Fair value adjustments to financial assets at fair value through profit and loss		(4,996)	0	(3,234)
Add: Loss on disposal of assets	10(c)	12,974	6,000	100,600
Add: Depreciation	10(a)	4,794,347	4,682,361	4,601,230
Non-cash movements in current assets and liabilities:				
Accrued interest on borrowings		2,543	(21,197)	(2,564)
Employee benefit provisions		(6,518)	0	71,790
Right of use assets		(3,086)	0	
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		13,849	0	(52,674)
Employee benefit provisions		11,096	0	(11,774)
Other provisions		0	0	433,440
Non-cash amounts excluded from operating activities		4,810,459	4,665,664	5,131,370
(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: Reserve accounts	29	(237,872)	(236,454)	(1,065,500)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	1,349,605	1,695,903	300,030
- Accrued interest borrowings		23,740	0	21,190
- Current portion of lease liabilities	11(b)	263,357	95,920	92,360
- Employee benefit provisions		357,353	337,080	363,870
Total adjustments to net current assets		1,756,183	1,892,449	(288,030)
Net current assets used in the Rate Setting Statement				
Total current assets		3,899,059	2,134,247	3,234,160
Less: Total current liabilities		(6,912,269)	(4,026,696)	(3,209,070)
Less: Total adjustments to net current assets		1,756,183	1,892,449	(288,030)
Net current assets used in the Rate Setting Statement		(1,257,027)	0	(262,940)

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						
		Principal at 1 July 2020	New Loans During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
Kambalda Workers Accommodation		\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,000,000	\$ 0	\$ 2,000,000
Coolgardie Class 3 Waste Facility		0	0	0	0	3,500,000	(84,000)	3,416,000
Tyre Shredder		0	0	0	0	0	0	0
Recycling Facility		0	0	0	0	0	0	0
Coolgardie Aquatic Facilities		168,621	0	(39,480)	129,141	0	(41,212)	87,929
Kambalda Aquatic Facilities		1,732,511	0	(176,264)	1,556,247	0	(180,119)	1,376,128
Kambalda Aquatic Facilities		602,113	0	(56,939)	545,174	0	(57,642)	487,532
Coolgardie Post Office		399,262	0	(20,011)	379,251	0	(21,063)	358,188
Total		2,902,507	0	(292,694)	2,609,813	5,500,000	(384,036)	7,725,777

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending	Budget for year ending
						30 June 2022	30 June 2021
Kambalda Workers Accommodation		Housing	000CFBM8GK	ANZ	1.72%	\$ (5,034)	\$ -
Coolgardie Class 3 Waste Facility		Community amenities	0+00F9PQZI	ANZ	1.97%	(9,469)	(34,900)
Coolgardie Aquatic Facilities		Recreation and culture	112	WATC	4.34%	(5,332)	(5,900)
Kambalda Aquatic Facilities		Recreation and culture	114	WATC	2.17%	(43,946)	(42,700)
Kambalda Aquatic Facilities		Recreation and culture	116	WATC	1.23%	(8,013)	(10,100)
Coolgardie Post Office		Economic services	113	WATC	5.19%	(21,695)	(22,000)
Total						(93,489)	(115,800)
Total Interest Repayments	2(b)					(93,489)	(115,800)

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

28. BORROWING AND LEASE LIABILITIES (Continued)

(b) New Borrowings - 2021/22

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)	
					2022 Actual	2022 Budget	2022 Actual	2022 Budget
Kambalda Workers Accommodation	ANZ	Variable	5	BBSY + 1.30%	2,000,000	9,000,000	(2,000,000)	(9,000,000)
Coolgardie Class 3 Waste Facility	ANZ	Variable	5	BBSY + 1.30%	3,500,000	2,500,000	(3,500,000)	(2,500,000)
Tyre Shredder	N/A	N/A	N/A	N/A	0	1,000,000	0	(1,000,000)
Recycling Facility	N/A	N/A	N/A	N/A	0	2,200,000	0	(2,200,000)
Land Development	N/A	N/A	N/A	N/A	0	500,000	0	(500,000)
					5,500,000	15,200,000	(5,500,000)	(15,200,000)

(c) Lease Liabilities

Purpose	Note	Actual						
		Principal at 1 July 2020	New Leases During 2020-21	Principal Repayments During 2020-21	Principal at 30 June 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
Kambalda Gym Equipment		8,903	0	(8,903)	0	0	0	
Kambalda Gym Equipment		0	0	0	0	123,245	(5,542)	117,703
P351 Hino 700 Series		178,371	0	(22,443)	155,928	6,171	(23,013)	139,086
P355 Hino 500 Series		144,828	0	(14,954)	129,874	0	(15,334)	114,540
P358 Hino 500 Series		141,716	0	(17,361)	124,355	0	(17,803)	106,552
P382 Caterpillar 962M Wheel Loader		0	0	0	0	372,119	(10,643)	361,476
P382 Caterpillar 826K Compactor		0	0	0	0	610,942	(17,473)	593,473
IT Hardware		91,613	0	(68,422)	23,191	0	(23,191)	0
BenQ Whiteboards		0	32,360	(12,702)	19,658	3,286	(13,023)	9,635
Total Lease Liabilities	11(b)	565,431	32,360	(144,785)	453,006	1,115,763	(126,022)	1,442,747

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending	Budget year end
						30 June 2022	30 June 2021
Kambalda Gym Equipment		Recreation and culture	333864-06	De Lage Landen	2.54%	0	
Kambalda Gym Equipment		Recreation and culture	1234-001	De Lage Landen	5.41%	(3,428)	(3,428)
P351 Hino 700 Series		Transport	6320171	Kooya	2.54%	(3,653)	(3,653)
P355 Hino 500 Series		Transport	6344997	Kooya	2.54%	(3,086)	(3,086)
P358 Hino 500 Series		Transport	6374551	Kooya	2.54%	(2,968)	(2,968)
P382 Caterpillar 962M Wheel Loader		Transport	COO01052022-Y	Vestone	6.86%	(3,970)	
P382 Caterpillar 826K Compactor		Transport	COO01052022-Y	Vestone	6.86%	(6,518)	
IT Hardware		Other property and services	45325-003	All Leasing	2.54%	(123)	(123)
BenQ Whiteboards		Other property and services	2073290	BENQ	2.54%	(345)	(345)
Total Interest Repayments	2(b)					(24,091)	(13,500)

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

9. RESERVE ACCOUNTS

	2022	2022	2022	2022	2022	2022	2022	2022
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget
	Opening	Transfer to	Transfer	Closing	Opening	Transfer to	Transfer	Closing
	Balance		(from)	Balance	Balance		(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council								
(a) Land & Buildings	199,449	0	(199,449)	0	199,449	0	(199,449)	0
(b) Plant & Equipment	215,668	9,782	(154,500)	70,950	215,668	4,500	(154,500)	70,950
(c) Sewerage	115,086	40,017	(100,000)	55,103	115,086	40,000	(100,000)	55,103
(d) Landfill	84,798	0	(84,798)	0	84,798	0	(84,798)	0
(e) Recreation	0	0	0	0	0	0	0	0
(f) Environmental	276,162	0	(276,162)	0	276,162	0	(276,162)	0
(g) IT & Communications	0	0	0	0	0	0	0	0
(h) Road	62,537	0	(62,537)	0	62,537	0	(62,537)	0
(i) Aerodrome	0	0	0	0	0	0	0	0
(j) Infrastructure Renewal	81,802	12	0	81,814	81,803	3,897	0	81,814
(k) Aged Accommodation	30,000	5	0	30,005	30,000	0	0	30,005
	1,065,502	49,816	(877,446)	237,872	1,065,503	48,397	(877,446)	237,872

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

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside are:

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

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

30. MAJOR LAND TRANSACTIONS

There were no major land transactions during the 2021/22 financial year.

31. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

During the 2021/22 financial year the Shire commenced construction of a 200 person workers accommodation facility located at Bluebush Road, Kambalda West. The construction of the accommodation will be completed in the 2022/23 financial year and is expected to generate significant cash flows for the Shire.

Current and expected future cash flows

	2021/22	2022/23	2023/24	2024/25	Total
	\$	\$	\$	\$	\$
Cash outflows					
- Development costs	(1,875,516)	(7,300,000)	0	0	(9,175,516)
- Operational costs	0	(4,911,731)	(8,257,752)	(8,268,062)	(21,437,545)
- Finance costs	0	(205,311)	(160,790)	(114,869)	(480,970)
- Loan principal repayments	0	(351,000)	(1,404,000)	(1,404,000)	(3,159,000)
	<u>(1,875,516)</u>	<u>(12,768,042)</u>	<u>(9,822,542)</u>	<u>(9,786,931)</u>	<u>(34,253,031)</u>
Cash inflows					
- Rental income	0	5,651,920	9,730,900	10,120,136	25,502,956
- Loan Proceeds	2,000,000	5,500,000	0	0	7,500,000
	<u>2,000,000</u>	<u>11,151,920</u>	<u>9,730,900</u>	<u>10,120,136</u>	<u>33,002,956</u>
Net cash flows	<u>124,484</u>	<u>(1,616,122)</u>	<u>(91,642)</u>	<u>333,205</u>	<u>(1,250,075)</u>



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Coolgardie

To the Councillors of the Shire of Coolgardie

Opinion

I have audited the financial report of the Shire of Coolgardie (Shire) which comprises:

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2022, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and, accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer of the Shire is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report 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
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my 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 my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. 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, misrepresentations or the override of internal control.

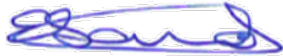
A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.augasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality control relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements*, the Office of the Auditor General maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Coolgardie for the year ended 30 June 2022 included in the annual report 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. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.



Efthalia Samaras
Senior Director Practice Manager Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
17 December 2022



Our Ref: 8645

7th Floor, Albert Facey House
469 Wellington Street, Perth

Mr James Trail
Chief Executive Officer
Shire of Coolgardie
PO Box 138
KAMBALDA WA 6442

Mail to: Perth BC
PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Email: info@audit.wa.gov.au

Email: ceo@coolgardie.wa.gov.au

Dear Mr Trail

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2022

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

Management Control Issues

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment. Other matters identified during the interim audit were reported to you on 2 August 2022.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

Unresolved matters from prior audits

We also draw your attention to the Matters Outstanding from Prior Audits issues set out in the attachment. We would appreciate your attention to these matters before next year's audit.

The date that the entity provided its annual financial report to the Office and date the Office has assessed that a good and complete set of financial statements was provided, have been recorded for purposes of reporting to Parliament. The date recorded for the receipt of your financial statements was 30 September 2022. The date that the Office has recorded for our receipt of a good and complete set of financial statements was 29 November 2022.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Feel free to contact me on 6557 7574 if you would like to discuss these matters further.

Yours sincerely



Renuka Venkatraman
Director
Financial Audit
17 December 2022

Attach



SHIRE OF COOLGARDIE

AUDITOR'S CLOSING REPORT

Year ended 30 June 2022

THE POWER OF BEING UNDERSTOOD
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CONTENTS

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1. EXECUTIVE SUMMARY

The primary purpose of this Auditor’s Closing Report is to brief the Shire of Coolgardie (“the Shire” or “the Local Government”) on the results of our substantially completed audit of financial statements for the year ended 30 June 2022.

This report should be read in conjunction with our Audit Planning Memorandum (APM).

Based on RSM’s recommendation, the Office of the Auditor General (OAG) intends to issue an unmodified auditor’s report on the financial statements for the year ending 30 June 2022. The audit procedures were designed to support our auditor’s opinion and cannot be expected to identify all weaknesses or inefficiencies in your systems and working practices.

Scope and Approach

There have been no changes in the audit scope or approach set out in the APM.

Matters of significance





Under section 24(1) of the Auditor General Act 2006, the Auditor General is required to report on matters arising out of the performance of the Auditor General’s functions that are, in the opinion of the Auditor General, of such significance as to require reporting. We confirm that no such matters came to our attention during our audit work.

Our appreciation

We wish to express our appreciation for the cooperation provided by the Shire during the audit.

AMIT KABRA
 Director – Assurance & Advisory
 RSM Australia

Renuka Venkatraman
 Acting Senior Director – Financial
 Office of Auditor General

OVERALL SUMMARY	
 STATUS OF AUDIT 5 <i>Outstanding matters for audit completion</i>	 KEY AREAS OF AUDIT FOCUS 6 <i>Areas assessed as key risks</i>
 INTERNAL CONTROL OBSERVATIONS 8 <i>Improvements to the design and implementation of internal controls</i>	 IDENTIFIED MISSTATEMENTS 5 <i>Number of adjusted and unadjusted misstatements identified during the audit</i>

2. STATUS OF THE AUDIT

The following items relating to the completion of our audit procedures are outstanding at the date of the release of this report:

Action	Responsibility	Due on/by
1. Receipt of the signed certification of financial report	Management	16 December 2022
2. Receipt of signed management representation letter	Management	16 December 2022
3. Completion of subsequent events procedures to the date of signing the audit report	RSM / Management	15 December 2022
4. Issuing contract auditor's opinion to the Office of the Auditor General	RSM	16 December 2022
5. Issue of signed auditor's report to the Local Government	OAG	Within 5 business days of receiving the signed contractor's audit report from RSM



3. KEY AREAS OF AUDIT FOCUS



In performing our audit, we have identified the following areas which we consider, in our professional judgment, of most significance in the audit of the financial report for the year ended 30 June 2022:

SIGNIFICANT RISKS

1. Management override of controls

Summary of response

Our audit procedures, among other things, included:

- Testing journal entries recorded in the general ledger and adjustments on a sample basis based on data analytics to identify journal entries that exhibit characteristics of audit interest.
- Assessing accounting estimates for evidence of biases.
- Review unusual, significant transactions and related party transactions.
- Conduct an unpredictability test.

Findings

Based on our work, nothing has come to our attention to indicate that there aren't proper processes and controls to manage the risk of management override of controls and that material key estimates and judgments are properly assessed and recognised.

3. KEY AREAS OF AUDIT FOCUS (CONTINUED)

2. Going concern

Summary of response

Our audit procedures, among other things, included:

- Reviewing the council approved budget for FY22-23;
- Reviewing the Long Term Financial Plan covering the period 2022-2036;
- Conducting inquiries with management

Findings

We note that the Shire has a net current liability of \$3,013,210 at 30 June 2022. The Council adopted budget for FY22-23 indicates a net decrease in cash held for the year of \$897,135.

The Long Term Financial Plan indicates that whilst the Shire will return to a net current asset position only in FY26-27, it will generate a cash surplus from FY23-24 after the repayment of borrowing instalments. Our discussions with management suggest that the accommodation and aerodrome projects are on track for completion and revenue is expected to be realised as per plans.

Based on our work, nothing has come to our attention to indicate that the going concern assumption is not appropriate. This has also been disclosed in Note 1 Basis of Preparation of the financial statements.

3. KEY AREAS OF AUDIT FOCUS (CONTINUED)

3. Revenue recognition – Grants, subsidies and contributions, Fees and charges

Summary of response

Our audit procedures, among other things, included:

Control testing:

- Assessing the design, implementation and operating effectiveness of key internal controls operating within the revenue cycle, including application controls.

Substantive testing:

- Performing test of details, on a sample basis, over fees and charges and grants, subsidies and contributions throughout the year and include transactions near year end to ensure they are correctly and completely accounted for in line with the Local Government's revenue recognition policy.
- Performing calculation checks for contract liabilities related to grants, subsidies and contributions and vouching to agreements.
- Reviewing receivables balances on a sample basis and performing subsequent receipt testing.
- Performing testing on journal entries for any management override of internal controls related to revenue recognition.

Findings

Based on our procedures, we are satisfied that revenue, in all material respects, has been accounted for under Australian Accounting Standards, to the extent that they are not inconsistent with the *Local Government Act 1995 (LG Act)* and the *Local Government (Financial Management) Regulations 1996 (Financial Management Regulations)*.

4. Rates revenue

Summary of response

Our audit procedures, among other things, included:

Control testing:

- Assessing the design, implementation and operating effectiveness of key internal controls operating within the revenue cycle, including application controls.

Substantive testing:

- Reviewing rates receivables balances on a sample basis and performing subsequent receipt testing.
- Performing analytical procedures on rates through a detailed comparison with Landgate valuation data and approved rate in the dollar.
- Determining if the disclosures in the notes to the financial report related to revenue recognition policy are appropriate.

Findings

Based on our procedures, we are satisfied that revenue, in all material respects, has been accounted for under Australian Accounting Standards, to the extent that they are not inconsistent with the LG Act and the Financial Management Regulations.

3. KEY AREAS OF AUDIT FOCUS (CONTINUED)

5. Materials and contracts

Summary of response

Our audit procedures, among other things, included:

Control testing:

- Assessing the design, implementation and operating effectiveness of key internal controls operating within the purchasing and procurement cycle, including application controls.

Substantive testing:

- Performing test of details, on a sample basis, over materials and contracts expense. The samples will be selected from transactions occurring throughout the year and include transactions near year end to ensure they are correctly and completely accounted for in the correct period.
- Performing a search for unrecorded liabilities.

Findings

Based on our procedures, we are satisfied that Materials and contracts, in all material respects, have been accounted for under Australian Accounting Standards, to the extent that they are not inconsistent with the LG Act and the Financial Management Regulations.

3. KEY AREAS OF AUDIT FOCUS (CONTINUED)

6. Infrastructure and Property, Plant and Equipment

Summary of response

Our audit procedures, among other things, included:

Control testing:

- Assessing the design, implementation and operating effectiveness of key internal controls operating within the Infrastructure and Property, Plant and Equipment cycle, including application controls.

Substantive testing:

- Performing test of details, on a sample basis, material additions to Infrastructure, Property, Plant and Equipment (which includes works in progress) to ensure they qualify for capitalisation under AASB 116 *Property, plant and equipment*.
- Testing accuracy and completeness of data sets including reviewing useful lives, condition assessments and depreciation rates.
- Performing analytical procedures over the annual depreciation charge.
- With respect to the valuation of land, buildings and other infrastructure by management's expert:
 - Reviewing Management's assessment of valuation reports.
 - Reviewing the valuation reports to ensure valuation method used is in line with accounting standards.
 - On sample basis reviewing inputs used in the valuation report and consider the scope, competency of external valuer, and valuation methodology, including consideration of significant assumptions in the valuation report.
 - Reconciling the valuation per valuer's report to general ledger.
- Reviewing management impairment assessment for any indication of management bias.
- Reviewing the disclosures in the notes to the financial statements is appropriate.

Findings

Based on our procedures, other than the matter noted below, we are satisfied that infrastructure and property, plant and equipment, in all material respects, have been accounted for under Australian Accounting Standards, to the extent that they are not inconsistent with the LG Act and the Financial Management Regulations.

During the year, the Shire has revalued land, buildings and some infrastructure assets (namely – parks, ovals and reserves, sewerage and other infrastructure). The valuation of other classes of infrastructure (namely – roads, footpaths, drainage) is expected to take place in FY23. The value of the classes of infrastructure assets valued in the current year have decreased by 29% compared to the carrying value prior to revaluation, indicating a material change.

As set out in Section 4 - Internal control findings of this report, we observed a significant deficiency in the internal control relating to the frequency of revaluations. Although Regulation 17A(4)(b) of the Financial Management Regulations requires the Shire to revalue land, buildings and infrastructures no more than 5 years after the last valuation, we recommend that the administration consider assessing whether there are trigger events that would indicate material movement in these assets annually. Where indicators exist a robust fair value assessment should be performed capturing the requirements of AASB 13 *Fair Value Measurement*.

3. KEY AREAS OF AUDIT FOCUS (CONTINUED)

Other critical disclosures within the financial statements

RSM has also audited the following critical disclosures in the financial statements by verifying the underlying calculations and auditing the evidence to support the amounts disclosed. Our findings are outlined in the below table.

Description of disclosure	RSM Audit response	Findings
Related party disclosures	Reviewing the disclosures and supporting material to ensure compliance with AASB 124 <i>Related Party Disclosures</i> . Assessing the Local Government's internal controls around the identification and proper disclosure of related party transactions and the Elected Members' and Senior Officers' remuneration.	Our procedures regarding related parties did not identify any significant matters.
Areas subject to accounting estimates	<p>We have considered the areas of the Local Government's financial statements that are subject to estimation uncertainty, few are of sufficient quantum to be susceptible to material misstatement.</p> <p>We determined that the balances listed below include estimates that may be susceptible to material misstatement due to the measurement of the monetary amount.</p> <ul style="list-style-type: none"> ▪ Financial and non-financial assets- assessment of impairment indicators; ▪ Revaluation of Infrastructure and Property, Plant and Equipment; ▪ Landfill rehabilitation provision - discount rates, inflation rates and timing of future cash flows; ▪ Employee benefits provisions – the probability of leave vesting, discount rates, wage inflation rates and timing of future cash flows. <p>Our additional audit work encompassed performing more granular assessments regarding the risk that accounting estimates are materially misstated. In addition, we focused on appropriately responding to the levels of estimation uncertainty, complexity and subjectivity in the accounting estimate.</p>	Our procedures regarding accounting estimates did not identify any significant matters.
Capital and other commitments for expenditure	We checked the underlying calculations and reviewed the evidence to support the amounts disclosed.	Our procedures regarding capital and other commitments for expenditure did not identify any significant matters.

4. INTERNAL CONTROL FINDINGS

Based on our testing, we have included an update on the status of prior year findings as well as the following control weaknesses identified during the preliminary and final audit stages:

Current year – interim audit

The following control weaknesses were identified during the interim audit:

Findings	Rating	Status
1. No bank reconciliations prepared	Significant	Resolved
2. No evidence of independent review of property values input into Synergy Soft	Moderate	Open
3. Inadequate monitoring of portable and attractive assets	Moderate	Open

Current year – final audit

The following control weaknesses were identified during the final audit:

Findings	Rating	Status
1. Fair value of infrastructure assets - Frequency of Valuations	Significant	Open
2. Bank reconciliations not prepared on a timely basis	Significant	Open
3. No evidence of approval of assets disposed	Moderate	Open
4. Documentation of management valuation inputs	Moderate	Open

Current year – Audit Regulation 17 and Financial Management Regulation review

From reviewing Audit Regulation 17 and Financial Management Regulation reports done by Moore Australia, RSM noted that there are approximately 63 improvements identified by each framework element which are policies, audit practices, CEO reviews, Complaint Handling, Council and Audit and Risk Committee, Strategic and Operational Registers, Human Resource Management and Practices, Insurance, Operational and Financial Procedures and Strategic and Operational Plans. This indicates lack of control within the Shire and will give rise to risk of fraud if not rectified on a timely basis.

Prior year

At the date of this report, two recommendations noted in the prior year's audit remain open.

Findings	Rating	Status
1. Insufficient quotes obtained per Shire's Purchasing policy	Significant	Open
2. Inappropriate use of restricted funds	Significant	Resolved
3. Bank reconciliations – long outstanding items	Moderate	Open

5. IDENTIFIED MISSTATEMENTS

Materiality

We have not included misstatements identified that are considered by management or us to be trivial, either taken individually or in aggregate.

Adjusted Misstatements

The following adjustments were posted by management as a result of our audit.

Description	Assets Dr/(Cr) \$	Liabilities Dr/(Cr) \$	Equity Dr/(Cr) \$	Profit and Loss Dr/(Cr) \$
1. Reclassification of current and non-current debt.	-	-	-	-
2. Adjustments on rehab provision incorrectly transferred to revaluation reserve	-	185,867	(185,867)	-
3. Being adjustment on revaluation of Land & Buildings and Other Infrastructure Assets in FY2022.	(2,923,810)	-	2,923,810	-

Unadjusted Misstatements

The following unadjusted amounts have been identified during the conduct of our audit. The administration has determined that these amounts are immaterial and do not require adjustment to the financial report. We concur with the Administration's determination.

Description	Assets Dr/(Cr) \$	Liabilities Dr/(Cr) \$	Equity Dr/(Cr) \$	Profit and Loss Dr/(Cr) \$
Factual				
1. Shire's interest in GVROC net assets and P&L has not been correctly accounted for in the Shire's accounts.	65,530	(65,530)	-	-
2. Rectification of the movement in rehab provision (change in inflation and discount rate) from reserve account to finance cost.	-	-	185,867	(185,867)

Disclosure Deficiencies in the Financial Statements





We did not identify any disclosure deficiencies in the financial statements for the year ended 30 June 2022.






APPENDICES

APPENDIX 1 – REQUIRED COMMUNICATION TO THOSE CHARGED WITH GOVERNANCE

Under Australian Auditing Standards, we are required to communicate the following matters to the Chief Executive Officer and the Council:

Matter	How we addressed this matter	Result
Independence	We have fully satisfied ourselves that we do not have any actual or perceived conflict of interest.	
Subsequent events	Based on our work within the scope of our engagement, nothing came to our attention to indicate the subsequent events are not adequately disclosed or adjusted for within the financial report.	
Compliance with laws and regulations	Based on our work within the scope of our engagement, nothing came to our attention to indicate the key controls around compliance with laws and regulations are ineffective.	
Responsibilities relating to fraud	We did not become aware of any fraud during our audit.	

Matter	How we addressed this matter	Result
External confirmations	There were no instances where management refused or denied us sending a request for external confirmation.	
Contingent liabilities or commitments	Based on our work within the scope of our engagement, nothing came to our attention to indicate the contingent liabilities or commitments are not adequately disclosed within the financial report.	
Going concern	Other than as noted in section 3 above, no events or conditions have been identified during the audit that may cast doubt on the Local Government's ability to continue as a going concern for 12 months from the date of our auditor's report.	

APPENDIX 2 – CHANGES IN ACCOUNTING STANDARDS

Standard or pronouncement	Description	Who does it affect	Effective date
<p>AASB 2020-1 Amendment to Australian Accounting Standards – Classifications of Liabilities as Current or Non-Current</p> <p>AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date</p>	<p>This narrow-scope amendment to AASB 101 Presentation of Financial Statements clarifies that liabilities are classified as either current or non-current depending on the rights that exist at the end of the reporting period; and also clarifies the definition of settlement of liability.</p> <p>For example, a liability must be classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.</p> <p>AASB 2020-6 defers the mandatory effective date of amendments that were originally made in AASB 2020-1 so that the amendments are required to be applied for annual reporting periods beginning on or after 1 January 2023 instead of 1 January 2022.</p>	All entities	Annual reporting periods beginning on or after 1 January 2023
<p>AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments</p>	<p>This amending standard makes narrow-scope amendments to several standards:</p> <ul style="list-style-type: none"> ▪ AASB 1: to simplify its application by a subsidiary that becomes a first-time adopter after its parent concerning the measurement of cumulative translation differences; ▪ AASB 3: updating the reference to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations; ▪ AASB 9: clarifying which fees an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability; ▪ AASB 116: requiring an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use, and the related cost, in profit or loss, instead of deducting the amounts received from the cost of the asset; ▪ AASB 137: specifying the costs that an entity includes when assessing whether a contract will be loss-making; and ▪ AASB 141: Remove the requirement to exclude cash flows from taxation when measuring fair value, thereby aligning the fair value measurement requirements in AASB 141 with those in other Australian Accounting Standards. 	All entities	Annual reporting periods beginning on or after 1 January 2022

APPENDIX 2 – CHANGES IN ACCOUNTING STANDARDS (CONTINUED)

Standard or pronouncement	Description	Who does it affect	Effective date
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates	This amending Standard impacts several standards: <ul style="list-style-type: none"> ▪ AASB 7: clarifying that information about measurement bases for financial instruments is expected to be material to an entity’s financial statements; ▪ AASB 101: requiring entities to disclose their material accounting policy information rather than their significant accounting policies; ▪ AASB 108: clarifying how entities should distinguish changes in accounting policies and changes in accounting estimates. ▪ AASB 134: identifying material accounting policy information as a component of a complete set of financial statements; and ▪ AASB Practice Statement 2, guides how to apply the concept of materiality to accounting policy disclosures. 	All entities	Annual reporting periods beginning on or after 1 January 2023

For more information, visit: www.rsm.global/australia/service/audit-and-assurance-services





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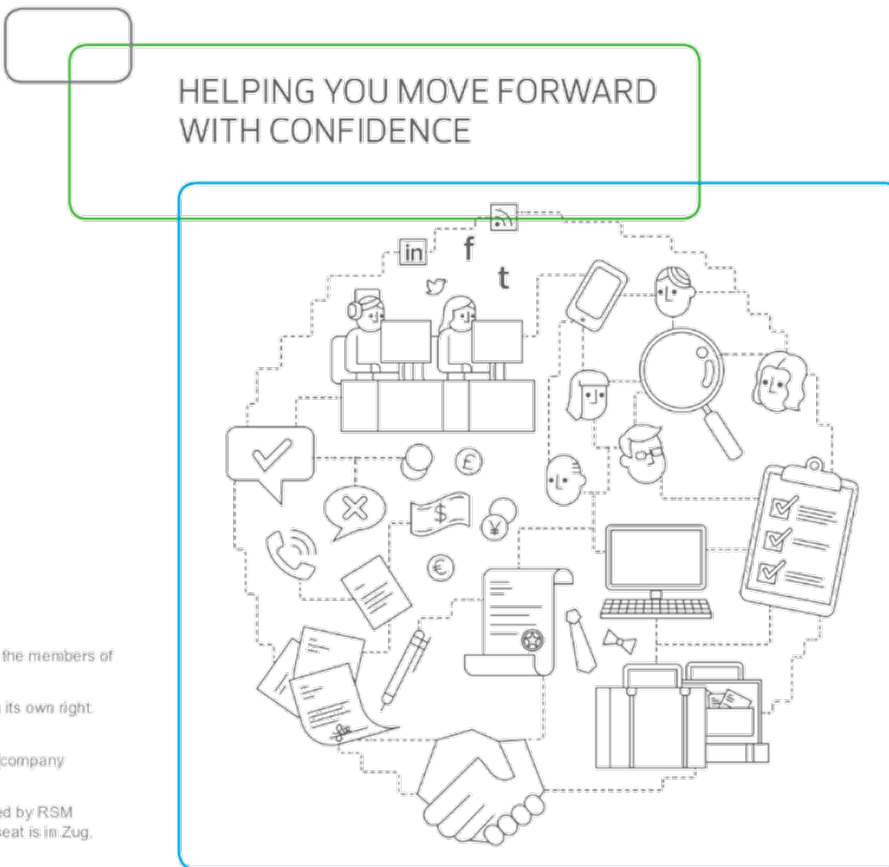
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6 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

6.1 Elected Members

6.2 Council Officers

7 CLOSURE OF MEETING

The Meeting closed at 9.24am.