



Minutes Certification

AUDIT COMMITTEE MEETING

MINUTES of the Audit Committee Meeting of the
Shire of Coolgardie held on 21 December 2021,
Commencing at 11:00am were presented to
Council and confirmed.

James Trail
Chief Executive Officer

Cr Malcolm Cullen
Shire President

Shire President Signed 

Date Signed 22/2/2022



CONFIRMED MINUTES

Audit Committee Meeting

21 December 2021

11 am

Electronic Meeting

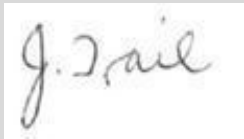
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SHIRE OF COOLGARDIE

NOTICE OF AUDIT COMMITTEE MEETING

Dear Elected Member

The next Audit Committee Meeting of the Shire of Coolgardie will be held on Tuesday 21 December 2021 commencing at 11 am.

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

CHIEF EXECUTIVE OFFICER

AUDIT COMMITTEE MEETING**21 December 2021**

Welcome to the Audit Committee Meeting of the Shire of Coolgardie.

The dates, times and locations of the Audit Committee Meetings for 2020 are listed hereunder.

<u>Day</u>	<u>Date</u>	<u>Time</u>	<u>Venue</u>
Tuesday	January 2021	NN/A	-
Tuesday	23 February 2021	6.00pm	Kambalda
Tuesday	23 March 2021	6.00pm	Coolgardie
Tuesday	27 April 2021	6.00pm	Kambalda
Tuesday	25 May 2021	6.00pm	Coolgardie
Tuesday	22 June 2021	6.00pm	Kambalda
Tuesday	27 July 2021	6.00pm	Coolgardie
Tuesday	24 August 2021	6.00pm	Kambalda
Tuesday	28 September 2021	6.00pm	Coolgardie
Tuesday	26 October 2021	6.00pm	Kambalda
Tuesday	23 November 2021	6.00pm	Coolgardie
Tuesday	21 December 2021	6.00pm	Kambalda



James Trail
Chief Executive Officer

DISCLAIMER

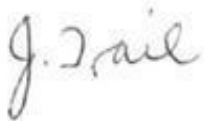
INFORMATION FOR PUBLIC ATTENDING COUNCIL MEETINGS

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.

Order Of Business

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**MINUTES OF SHIRE OF COOLGARDIE
AUDIT COMMITTEE MEETING
HELD AT THE ELECTRONIC MEETING , ID: 849 5969 3787
ON TUESDAY, 21 DECEMBER 2021 AT 11 AM**

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

Shire President, M Cullen declared the meeting open at 11.01am and welcomed fellow Councillors and staff, and thanked them for their attendance.

2 RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

PRESENT:

Cr Tracey Rathbone (Deputy President), Cr Kathie Lindup, Cr Tammee Keast (observer)

ELECTRONIC ATTENDANCE:

Cr Malcolm Cullen (President), Cr Rose Mitchell, Cr Sheryl Botting (observer).

IN ATTENDANCE:

James Trail (Chief Executive Officer), Robert Hicks (Director of Operations), Jackie Pilkington (Executive Assistant, Martin Whitely (Finance Consultant)

APOLOGIES

Nil

LEAVE OF ABSENCE

Nil

3 DECLARATIONS OF INTEREST

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

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

3.3 Declarations of Impartiality Interests – Administration Regulation 34C

Nil

4 REPORTS OF OFFICERS**4.1 Executive Services****4.1.1 ANNUAL REPORT 2020 - 2021**

Location:	Nil
Applicant:	Nil
Disclosure of Interest:	Nil
Date:	9 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 2021 and set the date of the Annual Meeting of Electors

BACKGROUND

The annual Meeting of Electors is to consider the Annual Report for the year ended 30 June 2021. If Council were like minded the meeting could be held in Coolgardie on Tuesday 25 January 2021.

COMMENT

The Annual Report for the year ended 30 June 2021 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:

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

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

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

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

Ratio	Standard	2021	2020	2019	2018
Current Ratio	>= 1.00	0.49	1.01	2.48	3.21
Asset Consumption	>= 0.75	0.93	0.95	0.97	0.75
Asset Renewal	>= 1.05	1.56	1.10	1.11	N/A
Asset Sustainability	>= 1.10	0.97	1.49	0.80	0.27
Debt Service Cover	>= 2.00	1.20	0.66	11.56	3.84
Operating Surplus	>= 0.15	(0.40)	(0.39)	(0.33)	(0.42)
Own Source Revenue Coverage	>= 0.90	0.62	0.62	0.65	0.61

COMMENT ON RATIOS

CURRENT RATIO

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

The ratio has declined significantly from 1.01 on 30th June 2020 to 0.49 on 30th June 2021. This is attributable to the Shire's unrestricted cash position as of 30 June 2021 being a negative balance of \$400,729. Review of the Shire's cash and cash equivalents account revealed that the Shire had accessed restricted funds to subsidise the municipal funds.

The negative unrestricted cash position was the result of the Shire effectively being in overdraft on 30 June 2021, but at the time the Shire had not initiated the overdraft facility on 30 June 2021. This position was the result of grant funding received during the financial year which had not been fully expended on 30 June 2021.

Management is comfortable the unrestricted cash position can be improved as several factors encountered in 2020/21 will not have as much of an impact in 2021/22, these being;

1. Increased costs attributed to COVID-19 (net cost of \$345k in 2020/21), and
2. 0% rate increase (cost Shire around \$300k as rate base increases on average by 2-4% per annum once taking into consideration mining UV valuations)

Cash flow modelling has been implemented to provide staff and elected members with monthly updates on the Shire's current and project cash flow position.

DEBT SERVICE COVER RATIO

The Debt Service Cover Ratio measures the Shire's ability to service debt from its committed or general purpose funds available. This ratio has been trending above both the Regional and State 5 year averages for a period of time before dropping below the desired level of 2.00 in the 2020/21 financial year.

The reason is a result of the reduction on the Shire's Operating Surplus position during the 2020/21 financial year. As both the operating surplus position improves and/or the principal repayments reduce over the period of the loans this ratio will again rise above the industry standards required.

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

OPERATING SURPLUS RATIO

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

This ratio in 2020/21 decreased from (0.39) to (0.40). The ratio remains below the target level and is heavily weighted around the Shire's ability to increase revenue through rates and fees and charges.

The difference between operating revenue and operating expenditure was \$4,053,679 (2019/20 - \$3,586,213). Consequently, in order to meet the standard and improve the ratio Council needs to have the following strategic conversation with the community;

- Increase revenue generated from non - rating sources such as Kambalda airstrip, Shire Landfill facilities and other commercial activities like proposed village accommodation
- Increase rates revenue through significant rate increases to the community

- Increase rate in the \$ for mining accommodation villages on mining leases
- Reduce levels of service significantly on all operating activities

In order to significantly reduce the operating gap of \$4,053,679 the Shire would have to consider something like reducing the Shire FTEs by 25 estimated to save \$2.49 million and all contractors estimated to save \$680,000. This would mean no community facilities open including recreation centres, pools, libraries and CRC's, no community programmes or activities, no planning, building and health services no ranger services. Furthermore, no projects would get done. This would still leave a gap of \$883,679 requiring an 11% annual rate increase.

Council and management will continue to explore areas to help improve the operating position of the Shire.

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

CONSULTATION

Auditor – RSM

Auditor General

Council 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. Annual Report 2020/2021

VOTING REQUIREMENT

Absolute Majority

AUDIT COMMITTEE RESOLUTION AND OFFICER RECOMMENDATION

RESOLUTION #249/2022

Moved: Cr Tracey Rathbone

Seconded: Cr Kathie Lindup

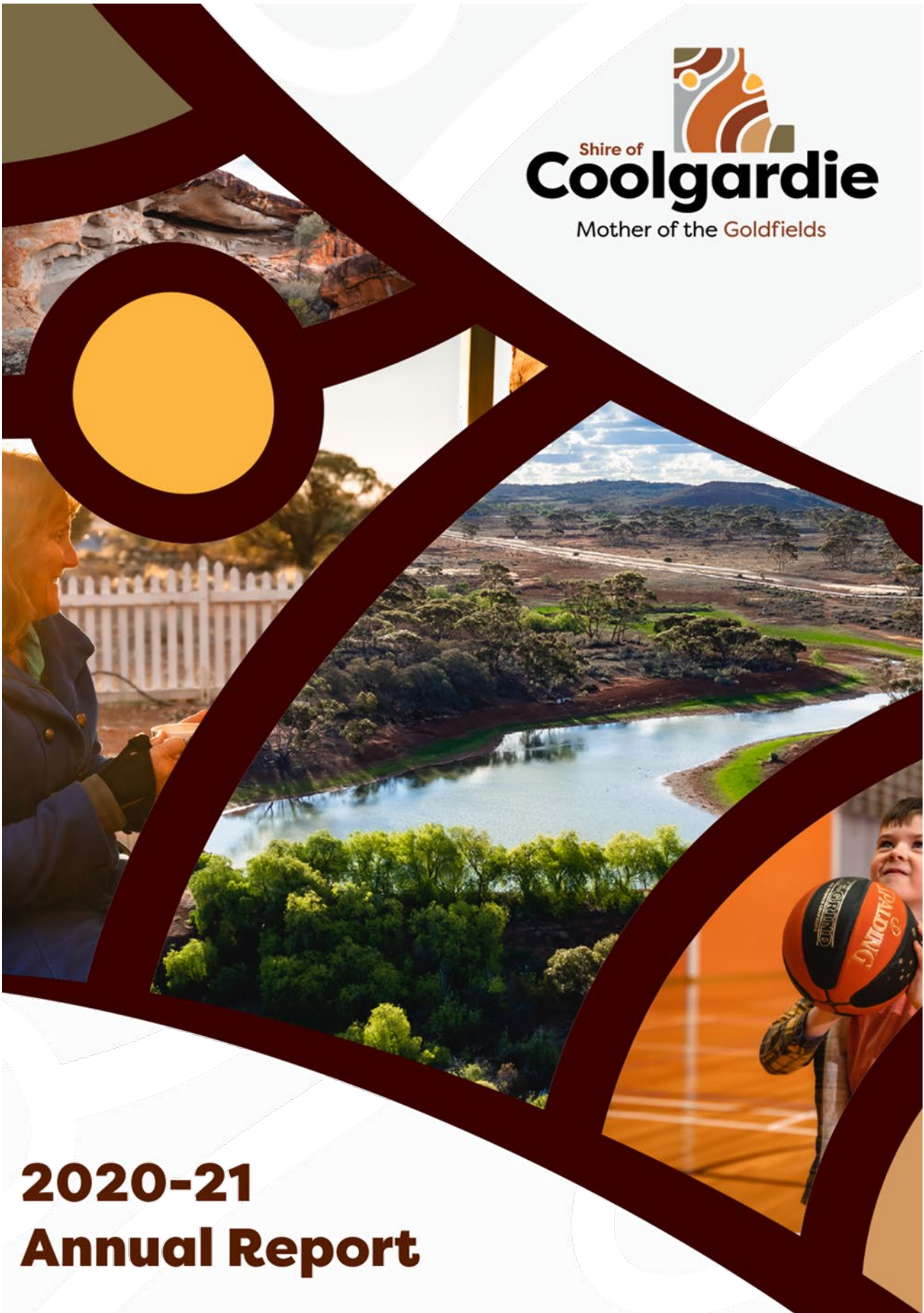
That Audit Committee,

- 1. Recommend to Council to adopt the Draft Annual Report for the year ended 30 June 2021 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 25 January 2022 at 6.30pm at the Kambalda Recreation Centre.**

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

Against: Nil

CARRIED BY ABSOLUTE MAJORITY 4/0



2020-21 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 2020/21 year.

The impact of the Covid 19 Pandemic throughout the year, continued to draw on Shire resources, with over \$196,000 spent on meeting the daily operational requirements by the WA Health Chief Medical Officer. These measures enabled the Shire to continue to invest in the health and safety of all residents within our Shire.

The Shire's Annual Audit was completed successfully for the 2020/21 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.

Our reserve fund account sits with a balance of \$1.06 million invested in restricted bank accounts. The Shire also invested \$973,000 of reserve funds into infrastructure assets during 2020/21. Capital expenditure this year amounted to \$3,663,536 also on infrastructure assets and \$968,424 on property, plant and equipment.

Highlights for this year include :

- Upgrades and renewal on Coolgardie North Road, \$1,678,209
- Provision of primary health and medical services through St John, \$326,000.
- New St John ambulance and community transport vehicle facility, \$124,236.
- Coolgardie Cultural and Community Hub (Post Office precinct) commencement, \$419,422.
- Project works at Coolgardie Landfill. Excavation, roadworks, weighbridge preparation, \$804,420.
- Re-opening of Ben Prior Park mining museum, an exciting tourism project with contributions from Evolution Mining, \$210,375.
- Realignment of Jaurdi Hills Road, \$281,780.

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.

We will continue to ensure our Staff remain safe, healthy and securely employed whilst under the ongoing threat of the Covid 19 Pandemic.

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 will continue to focus on facilitating Local and Regional Recovery by adopting a 2021/22 Budget with the single of purpose of stimulating Local economic development through:

- adopting shovel ready projects with State and Federal Funding.
- progressing Council's capital works ,major projects ,and job creation initiatives.
- assisting and supporting community organisations through community investment.

The Shire's priority projects for 2021/22 include:

- Coolgardie North Road
- Cave Hill Road.
- Carins Road Renewal.
- Coolgardie Landfill Road.
- Sharpe Drive, Kurrawang.
- Coolgardie Micro Grid.
- Coolgardie Landfill Expansion.
- Housing and Workers Accommodation.
- 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 development of the Coolgardie Micro Grid, 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 2020/21 financial year included total operating revenue of \$12,552,759 with operating expenditure of \$16,708,130. Non-operating grants and contributions totalled \$2,261,209 with capital expenditure of \$4,631,960. The Shire continued to increase expenditure on its rural road network, streets and verges with maintenance expenditure of \$953,413 in 2020/21.

The cost to the Shire of dealing with the COVID-19 Pandemic in 2020/21 continued. The expenditure during the financial year on Covid-19 related expenses was \$345,000 – in excess of 4% of the Shire's rates revenue.

The Shire finished the financial year with cash and cash equivalents of \$1,336,214. Unrestricted cash was significantly reduced as a result of grants received in 2020/21 being restricted for capital projects in 2021/22. Restricted cash and cash equivalents totalled \$1,736,943 consisting of \$1,065,502 cash backed reserves. As of 30 June 2021, the Shire's outstanding principle on loan liability is at \$2.6 million down from \$2.9 million as of 30 June 2020.

Rate collection for the 2020/21 financial year saw a continued improvement in the % of rates collected for the year. Rates collection for 2020/21 was 103%. The outstanding rates balance was reduced from \$1.56 million to \$1.26 million. With rates levied of \$8.1 million and rates collected \$8.4 million it is a credit to the internal and external rates officer for this significant improvement. This has had an extremely positive impact on Shire cash flow.

The year ended 30 June 2020 saw the Shire's operating result in a net operating deficit of \$262,943 – see Note 27 (b) of the Annual Financial Report. The operating position was a direct result of \$444,000 worth of grants received in 2020/21 to be used for projects in 2021/22 see Note 14 of the Annual Financial Report. The accounting standards now require grants to be shown as a liability as they represent the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied. The grants are recognised as revenue in the following financial year when the performance obligations of the grant contracts are satisfied. The grants related to the Coolgardie Culture and Community Hub and Coolgardie Insurance Building Works associated with storm damage.

Net Cash from operating activities at year ended 30 June 2020 was \$1,001,724 – see Note 19 of the Annual Financial Report. This was an increase of \$211,662 from the year ended 30 June 2020. This was a significant achievement given the challenges of the previous year negative impact of Covid -19 of \$712,400 on the operating activities of the Shire.

The Operating Surplus Ratio represents the percentage by which the operating surplus (or deficit) differs from the Shire's own source revenue which includes rates. This ratio has increased slightly from (0.39) in 2019/20 to (0.40) in 2020/21.

Operating Revenue minus operating expenditure divided by own source revenue is the measure for the Operating Surplus Ratio. For 2020/21 the difference between operating revenue and operating expenditure was (\$4,155,371) an increase of \$450,215. In order to meet the standard and improve the ratio Council needs to continue to have the following strategic conversation with the community;

1. Increase revenue generated from non - rating sources such as Kambalda airstrip, Shire Landfill facilities and other commercial activities like proposed village accommodation
2. Increase rates revenue through significant rate increases to the community
3. Increase rate in the \$ for mining accommodation villages on mining leases

4. Reduce levels of service on all operating activities

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

Back Row (left to right)

Cr Norm Karafilis (resigned Oct 2020)	Term ends 2021	Mobile 0429 795 139
Cr Sherryl Botting	Term ends 2021	Mobile: 0438 133 217
Cr Tammee Keast	Term ends 2023	Mobile: 0467 980 847
Cr Eugen Winter JP (resigned Feb 2021)	Term ends 2021	Mobile: 0439 815 539

Front Row (left to right)

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

MANAGEMENT TEAM**James Trail**

Chief Executive Officer

Responsible for:

- Financial Oversight
- Governance and Compliance
- Regulatory services

**Robert Hicks**

Director of Operations

Responsible for:

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

**Rebecca Horan**

Manager - Executive Services

Responsible for:

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



Rod Franklin

Commercial Manager

Responsible for:

- Waste and Sewerage Facilities
- Building Infrastructure Maintenance

Community Events 20/21



Teddy Bears Picnic



Australia Day



Australia Day



Australia Day



Clean Up Australia Day



Ben Prior Park Opening

Community Events 20/21



Easter Eggstravaganza



Drumming Workshop



International Womens Day



Kambalda Aquatic Facility Opening



Kambalda Aquatic Facility Opening



R U OK Day

Community Events 20/21



Children's Book Week



Naidoc Week



Seniors Staying Connected



Music Workshop Youth Week



Seniors Christmas Luncheon



Spring Fun Run

Key Facts

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

Area
30,400 km²

Population
3,610

Median Age
33 years
(Source ABS 2016 Census Report)

Length of Roads
1,279 km of roads

Area of Parks and Ovals
14ha

Towns
Coolgardie
Kambalda
Widgiemooltha
Kurrawang

Number of Dwellings
1,745

Number of Electors
1,723

Number of Council Employees
53 (FTE)

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

Distance from Perth City
550km

Distance to Esperance-Port
336km

PERTH



Strategic Community Plan 2018-2028



THE SHIRE OF COOLGARDIE'S COMMUNITY VISION

A connected, progressive and welcoming community

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

Aspiration

ACCOUNTABLE AND EFFECTIVE LEADERS

Goals -

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

Aspiration

A THRIVING LOCAL ECONOMY

Goals -

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

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

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 2020/21 provides the community with an overview of the highlights from the year and details the progress being made against the Shire of Coolgardie's Strategic Community Plan 2018 – 2028.

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

- 0% rate increase
- 0% increase in Fees & Charges
- Rent freeze for all community & business lease agreements
- Maintained level of services during COVID-19

WHERE TO FIND THIS REPORT

Hard copies of the report can be obtained at the Kambalda Community Recreation Facility and Coolgardie Community Recreation Centre or on-line at www.coolgardie.wa.gov.au or by emailing mail@coolgardie.wa.gov.au.

SETTING OUR DIRECTION

INTEGRATED PLANNING

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

THE COMMUNITY STRATEGIC PLAN

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

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

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

ACCOUNTABLE AND EFFECTIVE LEADERS

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

AN INCLUSIVE, SAFE AND VIBRANT COMMUNITY

- Bi-annual Community Satisfaction Survey
- Community Chest Fund

A THRIVING LOCAL ECONOMY

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

EFFECTIVE MANAGEMENT OF INFRASTRUCTURE, HERITAGE AND ENVIRONMENT

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

ACCOUNTABLE AND EFFECTIVE LEADERS

THE CORPORATE BUSINESS PLAN

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

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

COMMUNITY ASSISTANCE FUND

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

The provision of approximately \$30,000 of grants to community groups and service providers, assisted with the delivery of programs that benefited the community and helped them achieve their goals. This year, CAF funding was provided to several local community groups including Coolgardie Primary School's P&C, Kambalda Tee Ball Association, Coolgardie and Kambalda Men's Sheds.

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

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

POLICIES, PROCESSES AND PROCEDURES

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

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 2021, the Shire did not receive any FOI applications.

Report on Official Conduct – Complaints Register.

Pursuant to *Section 4.121 of the Local Government Act 1995*, a complaints register has been maintained. As of 30 June 2021, there were no complaints registered.

Record Keeping Plan Report on the *State Records Act 2000*

In accordance with the provisions of the *State Records Act 2000*, the Shire of Coolgardie has a Record Keeping Plan in place. A further review of the Record Keeping Plan commenced in 2018/19 and was completed in this financial year.

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

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

Disability Access and Inclusion Plan

The *Disability Services Act 1993* ensures that people with disabilities have the same opportunities as other members of the community. The Plan is currently being reviewed to ensure appropriate access and inclusion throughout the Shire for people with disabilities.

PAYMENT TO EMPLOYEES

Set out in bands of \$10,000 is the number of employees of the Shire entitled to an annual salary of \$100,000 or more. The following information is on 30 June 2021.

Report on Employees Remuneration

<i>Salary Range (up to 30 June)</i>	<i>2021</i>	<i>2020</i>	<i>2019</i>	<i>2018</i>	<i>2017</i>	<i>2016</i>
<i>\$10,000 - \$110,000</i>	48	47	45	41	45	53
<i>\$110,000 - \$140,000</i>	2	3	3	3	1	1
<i>\$140,000 and above</i>	3	1	1	1	3	4

Report on Employee Numbers

Salary Range (up to 30 June)	2021	2020	2019	2018	2017	2016
The number of full-time equivalent employees at balance date	53	51	49	45	49	58

AN INCLUSIVE, SAFE AND VIBRANT COMMUNITY**COMMUNITY RESOURCE CENTRE'S**

Funding from the Department of Primary Industries and Regional Development complements the Shire's efforts to provide numerous community-based services, workshops and activities to local residents, visitors and businesses. These Community Resource Centres also provide a central point to access facilities.

The Shire is also able to provide access to Government support through self-service computer and phone access for residents and visitors.

2020/21 Highlights**Kambalda**

- Australia's Biggest Morning Tea was hosted on a weekend attracting a large crowd raising a total of \$1,154.00 in donations for Cancer Council, almost double the \$635.50 raised in 2019.
- The previously postponed official Kambalda Aquatics Facility Pool opening was held in time to open the pool for the 2020/21 season, with community groups and local businesses providing stalls along Barnes Drive and a range of free activities and entertainment on offer.
- With the mining boom and increase in new residents moving to our Shire, two very successful Welcome to Town Morning Tea events were hosted and supported by representatives of local community and sporting groups to welcome newcomers to town. Welcome packs with local information directory, What's On calendar, local school information, membership forms, enrolment forms and merchandise were given out to new residents.
- In October 2020 the Kambalda CRC registered as a Be Connected Network Partner offering free weekly Digital Skills classes and 1:1 support for residents aged 50+. In conjunction with this, special workshops and sessions were also held in partnership with Consumer Protection WA and Paralegal Services from Mara Pirni Healing Place for eSmart week, Scams Awareness week, Get Online week and Safer Internet Day.
- Our local businesses were invited to free a business workshop with business advisor from Kalgoorlie Boulder Chamber of Commerce, and Australian Taxation Office delivering business networking programs and workshops to local businesses. Furthermore, the Business Local Program was delivered in presence of several business owners and managers with focus on the Go Local First campaign encouraging the community to spend locally.
- Another successful Grant workshop for the community was held and hosted by the State Member for Kalgoorlie-Boulder, Director of Compass Project Consultancy Kalgoorlie offering grant writing advice and direction on project planning, reading guidelines and how to find funding.

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- 2020/21 saw a focus on health and mental health related programs and workshops following the stress Covid-19 has placed on the community. In conjunction with Goldfields Women's Health Care Centre a Women's Health Day was brought to the Kambalda community, a first Men's Health event connecting men for Men's Health week offering free basic health checks was held as well as the annual well attended Spring Fun Run for Mental Health month and the annual R U OK? Day hosted for the community with service providers holding information stalls. Fortnightly counselling appointments have additionally been on offer for women 16+ with the Goldfields Women's Health Care Centre at the Kambalda Community Recreation Facility.
- The continued strong partnership with Kambalda Playgroup saw the annual Clean Up Australia Day, Tiny Tots First Aid Course hosted by St Johns Ambulance return and the delivery of a Child Restraints and Road Safety Workshop for parents and caretakers held in partnership with Anglicare WA and Road Safety Advisor at WALGA.
- A fun filled afternoon of Easter Activities as part of the "Easter Eggstravaganza" with Easter activity stations, chocolate giveaways and a special Easter Bunny appearance was hosted at the Kambalda Community Recreation Facility well received by 100+ children and families.
The bi-monthly PINGO continues to be ever popular with themed events for Halloween, Valentine's Day and Christmas attracting a crowd each Friday night.

Coolgardie

The Coolgardie Community Resource Centre delivered a wide range of services, workshops and activities for all ages to our community and visitors.

- Our Bi-monthly Pingo evenings were an enjoyable night out with lots of humour, prizes and great attendances.
- Life Skill and Educational Workshops have been delivered by Centrecare, Food Sensations and local community members. These courses included cooking, craft, life skills, exercise and relaxation.
- Mental Health Week in October 2020 was a week full of free activities for our community to participate in. The activities included Basketball, Zumba, wellness activities, a Bega Big Breakfast and community music workshops and jam sessions with Barefoot Bands at the Coolgardie Railway Station music studio.
- Mums, Bubs and Toddler Funtime weekly sessions has had great engagement with the delivery of both educational mornings and social interaction fun.
- The Coolgardie local businesses sundowner events have included evenings at Warden Finnerty Residence, the Coolgardie Visitors Centre and the Coolgardie Community Recreation Centre. The Business support from KBCCI has been popular with our small business owners.

CRC Activities Attendees: 3185

LIBRARIES

This financial year saw CBCA Book Week event postponed and held in late October with 100 primary students from Kambalda West District Highschool, 20 children from One Tree Day care in attendance enjoying an entertaining Storytime, crafts and engaging in the local authors presentation by Kim Maslin bringing "curious creatures and wild minds together."

In autumn 2021 the Shire libraries celebrated the annual Scribblers Golden Feather Hunt now in its 3rd year in our libraries. The 2-months long festival sparks an interest in literature in children of all ages with feathers being hidden in children's, juniors, and young adult books with spot prizes for grabs and prizes available through the event organizers. The first prize being an iPad drew especially teenagers into the library that would otherwise not use the library at all. 20 new patrons signed up as library members following the feather hunt.

Another success was a Teddy Bear Picnic being held in October 2020 as well as the NAIDOC week activities in November 2020. Such events are promoting library services and are bringing community together each year.

With the Kambalda Community Resource Centre having registered as part of the Be Connected program network, weekly digital skills sessions and 1:1 support to residents aged 50+ offering free courses and activities around phone and computer assistance, have actively digitally connected seniors in our community and brought them up to speed with following their local council on social media and the website. From basic skills to advanced topics such as online shopping, accessing myGov, creating email accounts, video calling and scanning QR codes, seniors have become more confident with new technology. In December 2020 the Kambalda CRC was successful in receiving funding from Good Things Foundation allowing the centre offering a free tablet loan service between February – August 2021 with 10 community members aged 50+ taking up on the offer furthering their digital skills. The 9 tablets are now being utilized during the weekly classes as part of the agreed contingency plan.

Job seekers are provided support through Work Link for the preparation of resumes and job applications and are being 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.

Achievements

- Early Literacy Activities 2020/21 – 36
- Early Literacy Participants – approx. 450
- Better Beginnings Early Literature Packs provided – 39 (by recorded birth in the Shire of Coolgardie)
- New Library memberships for Kambalda Public Library – 70
- Weekly Digital Skills sessions held: 29
- Registered Be Connected digital skills learners - 18

COMMUNITY EVENTS

The annual senior Christmas function was held at the Coolgardie Community Recreation Centre on the 25th of November, hosting more than 120 residents from the Shire of Coolgardie and the Dundas Shire.

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

The Kambalda Community Christmas Tree event returned in December with a slightly different format for 2020 to keep in line with Covid-19 restrictions, with the event located at the Kambalda Community Recreation Facility. Despite the change in venue, the event was still well-supported by the local community. The Kambalda Community Christmas Tree Committee were provided financial and in-kind support from the Shire of Coolgardie for the 2020 event.

Australia Day Breakfast and celebrations were held in both towns of the Coolgardie Shire with our local emergency services assisted with the breakfast cook ups. Australia Day Citizenship Awards were

presented to well deserving recipients in the categories of Community Group or Event, Youth Award, Corporate Citizen Award and Citizen Award.

RECREATION FACILITIES

2020/21 Highlights

Kambalda

- Seniors Have a Go Day was hosted by the Coolgardie Community Recreation Centre in November 2020 and continued to attract seniors to join in the sports and recreational activities including a Warden Finnerty and Coolgardie Museum tour this year. A community bus service has been provided to offer free transport for Kambalda residents to the Coolgardie event this year.
- The partnership with MEEDAC allowed us to continue with the annual job's expo held in February in both Kambalda and Coolgardie. This event saw many local stall holders all providing job opportunities, employee information and training opportunities attended by 150+ community members most of all job seekers.
- The Kambalda Recreation Facility continues to hold a variety of sport and recreation activities for community members of all ages. These local, social inclusive activities provide physical activity for all abilities and ensures that everyone has an interest in the local community hub. More group fitness classes have been on offer with early morning and late-night classes after hours being trialled. Group fitness classes have been revamped offering Dance Tone Shape (DTS), Boxing and Metafit classes throughout the year.

Coolgardie

The Coolgardie Community Resource Centre delivered a wide range of services, workshops and activities for all ages to our community and visitors.

- The Coolgardie Community Recreation Centre continues to hold a variety of sport and recreation activities for all community members. These local, social inclusive activities provide physical activity for all abilities and ensures that everyone has an interest in the local community hub.
- Our Coolgardie Sports Development Officer has initiated new programs that has been delivered both at the schools or afterschool and during the school holidays at the Coolgardie Community Recreation Centre.
- The Coolgardie Cougars Basketball team was run in conjunction with the Coolgardie Police. The playing shirts were designed by the children of Coolgardie and kindly sponsored by Iconic Catering.
- The Coolgardie Community Recreation Centre delivered a six-month Breakfast Club morning session for our school students travelling to Kalgoorlie on the buses. This was run 6.30am – 7.30am Monday to Friday with the staff volunteering their time to deliver the healthy breakfast options.
- YMCA and Centrecare Youth deliver weekly free afterschool sessions in conjunction with the Coolgardie Sports Development Officer at the indoor stadium, Coolgardie Park or Coolgardie Pool.

Our gym members have 24 hour access to our gym and showers.

Sport Development and Youth

The Shire engaged a new Sport Development Officer in October who had just completed Cert III Sports & Recreation traineeship. In January 2021 developed programs for developing popular sports locally.

The Coolgardie Community Recreation Centre engaged a Sports Development Officer in November 2020. The Coolgardie Sports Development Officer has initiated new programs that has been delivered both at the schools or afterschool and during the school holidays at the Coolgardie Community Recreation Centre.

Revamping the Holiday Program and introducing exciting new sports programs for different age groups and varied abilities, has enticed numbers back to the facility.

Group Fitness classes received a relaunch with a set program times, and the Gym experiencing an increased attendance, due to COVID restrictions relaxing and allowing participants to go to gym facilities and exercise.

Achievements

- Kambalda Recreation Activities Participants – 20,210
- Kambalda Group Fitness Participants – 3170
- Kambalda Gym Participants - 9861
- Kambalda School Holiday Program Participants – 230 (January & April 2020)
- Coolgardie Recreation Activities Participants – 3038
- Coolgardie Gym Participants - 2048
- Coolgardie School Holiday Program Participants – 200

CASHLESS DEBIT CARD

The Cashless Debit Card (CDC) trial continued this year with Local Partner Shop Fronts located at the Coolgardie Community Recreation Centre and Kambalda Community Recreation Facility. Shire staff continued to assist participants and merchants with enquiries throughout the year. The Shire of Coolgardie encouraged the extension of the CDC trial, delivery of the program in the Shire, and supports its rollout into other regions.

2020/21 Highlights

- With the implementation of the SafeWA app and manual contact tracing, details for participants requiring Shopfront assistance were recorded individually to protect their privacy, in accordance with the Service Delivery contract between the Shire, Department of Social Services, and Indue.
- Work Link services and financial counselling from Centrecare Kalgoorlie continued to be provided - and offered - to participants to assist Local Partner Shopfronts and participants in both towns, however neither service was utilised this year.
- In addition to the June 2020 announcement extending the CDC trial, the Government also passed an amendment allowing participants to lodge "Exit" applications, provided they can demonstrate reasonable and responsible management not just of the individuals' financial affairs, but their affairs generally. As a result, both Shopfronts recorded an increase in appointments and complexity of service provided, with staff assisting participants with their applications in the months following the announcement.
- Covid-19 saw a hold being placed on the addition of new users to the CDC system, with those made unemployed due to the pandemic instead receiving JobKeeper assistance payments.

Therefore, there were no new CDC participants until May 2021 when JobKeeper started being phased out.

- In February 2021 the Independent Impact Evaluation of the CDC in Ceduna (South Australia), as well as the Eastern Kimberley and Goldfields regions was released and made available on the Department of Social Services website. This evaluation of the CDC was conducted by the "Future of Employment and Skills Research Centre" at the Faculty of the University of Adelaide and was funded by the Department of Social Services. The Shire of Coolgardie actively assisted with both staff and facilities being made available to conduct interviews with participants and stakeholders.
- Monthly Partner catch ups have continued between Department of Social Services (DSS) and the Shire CDC Shopfronts, continuing the great communication and offering first-hand information regarding updates and changes to the program for both participants and Shopfront staff.
- Staff commenced working across both Shopfronts commencing in 2021. Training opportunities and offering better support to CDC trial participants within the Shire has assisted in working closely together on better outcomes both internally and externally.
- The weekly Be Connected program offering free digital skills classes delivered by Shopfront staff, has attracted 3 Cashless Debit Card participants to gain further online skills and assist them in better managing their finances through the Indue web portal more independently. This has been identified as an issue in participants aged 50+ with little to no computer skills.
- Local Partner Shopfront opening hours have remained unchanged following the Local Partner Agreement Extension until 31 December 2022 signed in late June 2021, with operating hours being Monday to Friday 9.00 am – 2.30 pm. The extension was welcomed by the Shire, who continued to provide 2 x PT employees providing valuable support to welfare recipients using the Cashless Debit Card.

Achievements

- Coolgardie Local Partner Shopfront July 2020 – June 2021 - 42 enquiries
- Kambalda Local Partner Shopfront July 2020 – June 2021 - 39 enquiries

AQUATIC FACILITIES**Kambalda Aquatic Facility**

Four (4) Aquatics Pool Operators attended the Regional Leisure Institute of Western Australia (LIWA) conference held in Northam October 2020 as a Health Department requirement; to maintain current accreditations and provide the current information from Industry Providers and Leaders.

Two (2) staff members became qualified Aquatic Trainer's. this has allowed bronze medallion courses to be held in the Shire.

Kambalda Aquatic Facility Grand opening; was held Friday 7th November 2020. Community attendance was overwhelming. Even though the Shire was still in COVID phase, the Shire were able to open to allow 500+ community members through a controlled entry through to view the facility.

With the refurbishment the number of entries to the facility has increase dramatically with more families attending.

Coolgardie Pool

Shire of Coolgardie Council decided to allow free entry into all Aquatic Facilities for another season, which saw locals and broader community welcomed this opportunity, and the numbers of visits increase substantially in the period of the 2020/21 season with a lot of visits by patrons who live outside the Shire boundaries.

Royal Life Saving WA Swim 4 Fruit program, fifteen (15) children travelled to a combined Swim 4 Fruit met in Laverton. This is a first-time any Shire children have participated in this event. The children were able to show case their skills learnt through the program to be displayed with other peers in a fun filled carnival.

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.

A THRIVING LOCAL ECONOMY

ECONOMIC DEVELOPMENT – LOOKING TO THE FUTURE

The Shire of Coolgardie is the most populous local government in the southern Goldfields of Western Australia. 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 \$3.8 billion worth of resources were mined within the Shire in 2020/21, making Coolgardie the third largest local government resource producer, by value, in the State.

POWER, WATER AND WASTE INFRASTRUCTURE REVIEW

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

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

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

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

COOLGARDIE – REGIONAL WASTE FACILITY

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

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

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

REGIONAL WASTE RECYCLING FACILITY

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

BAYLEY STREET UPGRADE

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

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

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

COOLGARDIE INDUSTRIAL LAND RELEASE

The town of Coolgardie has allocated 200 hectares of land towards the development of an industrial estate which will suit a range of industries including downstream processing. The lots will range between 2,500m² to 6+ hectare sites and be complemented by access to underground power, water, and telecommunications.

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

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

RESIDENTIAL LAND DEVELOPMENT

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

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

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

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

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

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

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

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

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

BEN PRIOR PARK

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

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

GRANT/SPONSORSHIP FUNDING SECURED – 2020/21 - \$1,427,415.00

Organisation	Funding	Project	Amount
Gold Fields St Ives Foundation	Sponsorship	Meals on Wheels - Kambalda	\$27500
Goldfields St Ives	Sponsorship	International Women's Day	\$5000
Goldfields St Ives	Sponsorship	Women's Counselling	\$16,995
Department of Infrastructure, Transport, Regional Development and Communications	Grant	HSVPP -Bayley Street	\$917,844

Australia Day Council of WA	Grant	Australia Day	\$21,000
DPIRD	Grant	Traineeships x2	\$70,000
Department of Communities	Grant	Seniors Staying Connected	\$15,000
Evolution Mining	Sponsorship	Ben Prior Park restoration	\$163075.72
Northern Star	Sponsorship	Meals on Wheels - Coolgardie	\$20,000 approx. in kind
Heritage Council	Grant	Heritage	\$22,000
Department of Infrastructure, Transport, Regional Development and Communications	Grant	Driver RE	\$149,000

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.

2020/21 Highlights

- Signage audit and all signs rebranded and replaced
- (E-Newsletter) delivered monthly had a redesign
- New communication initiative - Implementation of a 'What's On' monthly calendar listing each towns event
- New communication initiative - The Shire was added to local community Facebook noticeboards to further share information – this has proven to be successful with higher engagement received on Facebook listed events
- Facebook followers increased by 50%
- Website users increased by 39%
- Facebook posts have reduced as per consultancy recommendations and when placed against our increase in Facebook followers by 50% shows the quality of postings is higher.
- Creation of 'Property Pride' campaign to promote and reward residents with clean and tidy yards. Strategic campaign to encourage yard clean ups leading up to the bushfire season

Facebook	2018/19	2020/21	2020/21
Followers	375	1,594	2400
Posts	64	650	396
Shire President Videos	Nil	14	6
Website	2018/19	2020/21	2020/21
Website Users	14,493	21,670	29,870

PARTNERSHIPS ESTABLISHED**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 wellbeing of this community has some unique aspects to it – isolation to larger regional areas, mining industry rosters impacting family time, lack of family support. There was a need for targeted mental health support to women and children within the community.

In October 2020, after identifying this need, the Shire of Coolgardie signed a Memorandum of Understanding (MOU) with GWHCC to support the Shire's residents in accessing (predominately) female counselling services within their community on a fortnightly basis.

The purpose and aim of this MOU was also to identify needs within the community and work together to support the Shire of Coolgardie's Health Care Model.

This partnership was also supported by mining stakeholder, Goldfields St Ives, who funded 50% of this model to establish and sustain this service to residents.

Central Regional Tafe

The Shire of Coolgardie signed a Memorandum of Understanding (MOU) with Central Regional Tafe (CRT) to support residents in accessing training and Tafe courses within their community. Another purpose of this MOU was to partner in the development of traineeship and VET career pathways for Year 11 and 12 students at the local district high school.

The Shire, with CRT and Kambalda West District High School continue to work together to support students through the provision of education, training and employment.

Tafe courses were also made available at the Kambalda Recreation Facility for residents for the first time which included a free accredited business course.

Kambalda West District High School

For the first time in ten years, Kambalda West District High School offered Year 11 & 12 to students. Previously, students after Year 10 had to travel 45 minutes on the bus to the closest high school to finish their schooling.

The Shire found an increase in the disengaged youth rate due to these circumstances. The long travel meant for a long day, students lacked confidence to go to a larger school and many dropped out.

To support Kambalda West DHS and its students, a Memorandum of Understanding (MOU) was signed between the school and the Shire of Coolgardie.

The purpose and aim of this MOU 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 enhanced the development of VET and general studies work placement opportunities, supported by Central

Regional TAFE (CRT) courses or general studies. The Shire and high school are continuing to work together to support the KWDHS in VET pathways for Y11 and 12 students.

Kalgoorlie-Boulder Volunteer Centre

The Shire of Coolgardie initiated a 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. The CEO initiated this project in Kambalda with funding support from Goldfields St Ives and in Coolgardie with funding support from Northern Star Resources.

This service has continued and grown in the 20/21 financial year. Client numbers have increased and this twice a week service delivered over 6000 meals in 12 months.

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.

Involvement of volunteers and service providers helped deliver the meals as a part of this program and the collaborative approach makes this even more sustainable moving forward.

Seniors Staying Connected

Shire of Coolgardie staff, through the wellness checks and Meals on Wheels service, identified a social impact on our senior residents since COVID19. Majority of residents were feeling socially isolated and with this decrease in mental stimulation, this resulted in low self-esteem, slight depression and a lack of motivation.

The Shire of Coolgardie's Seniors Staying Connected program has been designed to resolve the impacts of social isolation on our seniors caused by COVID-19 restrictions.

The initiative aligned with the age-friendly community principal of "promoting the inclusion and contribution of older people in all areas of community life" by introducing seniors to a range of facilities and sporting areas around the Kambalda township

The objective of the Seniors Staying Connected program was to encourage seniors back into community life through a series of free activities to be inclusive to all. The activities encouraged seniors to be active, healthy and to re-establish their social connections with others.

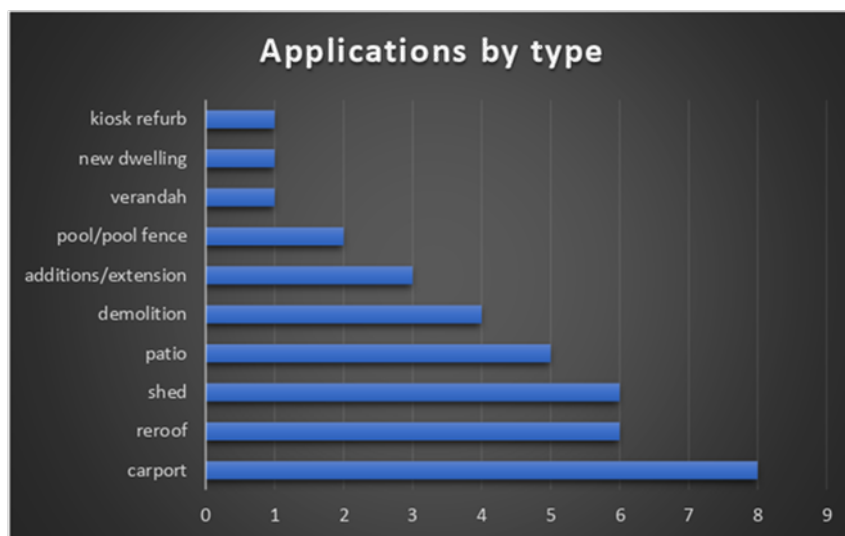
The benefit of the program is to give back to our seniors during an uncertain time in their lives in appreciation for their contribution to our communities.

EFFECTIVE MANAGEMENT OF INFRASTRUCTURE, HERITAGE AND ENVIRONMENT

REGULATORY SERVICES

Building

A total of 37 building permits were issued by the Shire of Coolgardie in 2020/21, and the total value of these approvals issued was \$3,004,163.64. These numbers were less than the previous year, as the number of applications for storm repairs for both Coolgardie and Kambalda have decreased considerably, however those applications are still coming in. One significant project was the expansion of a mine site camp within the Shire.



Environmental Health

The Shire of Coolgardie continued to engage the services of a contract Environmental Health professional (EHO) during 2020/21. 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 premises, COVID advice and recommendations, effluent disposal system approvals, and asbestos & mosquito issues.

WASTE SERVICES

2020/21 saw some changes from long term plans come to fruition resulting in better services and efficiencies to the Shire of Coolgardie. This included a major review of the Shire Landfill facilities. The Shire Wheelie Bin weekly service continues to operate efficiently and with minimal issues other than the occasional stolen or damaged wheelie bin.

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

Coolgardie Wastewater Treatment Plant

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

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

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

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

Significant improvements and efficiencies have been achieved with the new service provider. The Shire budget for 2020/21 for the sewerage system in Coolgardie was \$328,620 with an actual cost for the financial year of \$302,900.

It is estimated that the reuse of water from the sewerage plant saves more than \$40,000 annually on water charges from Water Corp. The treated water from this service is used to reticulate many of the green spaces in the Coolgardie town site. Given the reuse of water generates annual savings, the Council has resolved an annual transfer of \$40,000 to the sewerage reserve.

Kambalda Refuse Site Transfer Station

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

The Transfer Station was completed and operational during the 2020/21 financial year. All residential waste and commercial waste has commenced being transferred to Coolgardie. The Transfer Station is open 7 days a week and operating efficiently.

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

Coolgardie Landfill

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

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

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

Feasibility Studies – Expansion of Coolgardie Landfill Site

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

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

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

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

PLANNING

The Shire of Coolgardie's statutory planning service provides a wide range of planning advice in the area of land zoning, residential standards and heritage requirements..

2020/21 Highlights

- Development
 - Processed a significant number of mining tenement enquiries and clearing permit notifications
 - This year 21 planning applications were processed, most of the development in the Shire has been residential expansion such as sheds and patios.
 - Customer service and advice - Preparation of planning customer information sheets and checklists accessible via the website.
 - The Shire has been updating the development compliance framework and operational policy to standards the approach in dealing with unauthorised development.
- Land changes. The Shire has been identity reserve purpose alignment and coordinating actions under the *Land Administration Act 1997* in the area of:-
 - Proposed road dedication
 - Reserve purpose changes
 - Clearing permits on several significant roads

ROAD WORKS

The annual road construction program for 2020/21 resulted in expenditure of \$2,321,240.40

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 2020/21, there were no Blackspot projects undertaken within the Shire.

Roads to Recovery Program

The Federal Government's Roads to Recovery Program supports the maintenance of local road infrastructure assets, which improves safety, economic and social outcomes. Reseal work was carried out on various streets and roads within the townsites of Coolgardie and Kambalda. The total spent on these projects in 2020/21 was approximately \$338,620.81.

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 2020/21 was \$1,678,209.83, an increase of \$980,000 on the previous financial year.

Significant road projects within the Shire during 2020/21 include:

Coolgardie North Road – the tender for this project was awarded to Gencon Civil, and included works such as gravel sheeting, road stabilisation and re-seal, drainage and shoulder formation, and signage.

Jaurdi Hills Road (Coolgardie) – This project involved road realignment, drainage, and safety signage.

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 & installation of signage.

Expenditure during 2020/21 in Operations included;

Drainage \$128,967

Footpaths \$ 74,440

Parks & Verges \$1,251,745

THE FINANCIAL YEAR IN SUMMARY

OPERATING SURPLUS

The year ended 30 June 2021 saw the Shire’s operating result in a net operating deficit of \$262,943 – see Note 27 (b) of the Annual Financial Report. The operating position was a direct result of \$444,000 worth grants received in 2020/21 to be used for projects in 2021/22 see Note 14 of the Annual Financial Report. The accounting standards now require grants to be shown as a liability as they represent the Shire’s performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied. The grants are recognised as revenue in the following financial year when the performance obligations of the grant contracts are satisfied. The grants related to the Coolgardie Culture and Community Hub and Coolgardie Insurance Building Works associated with storm damage.

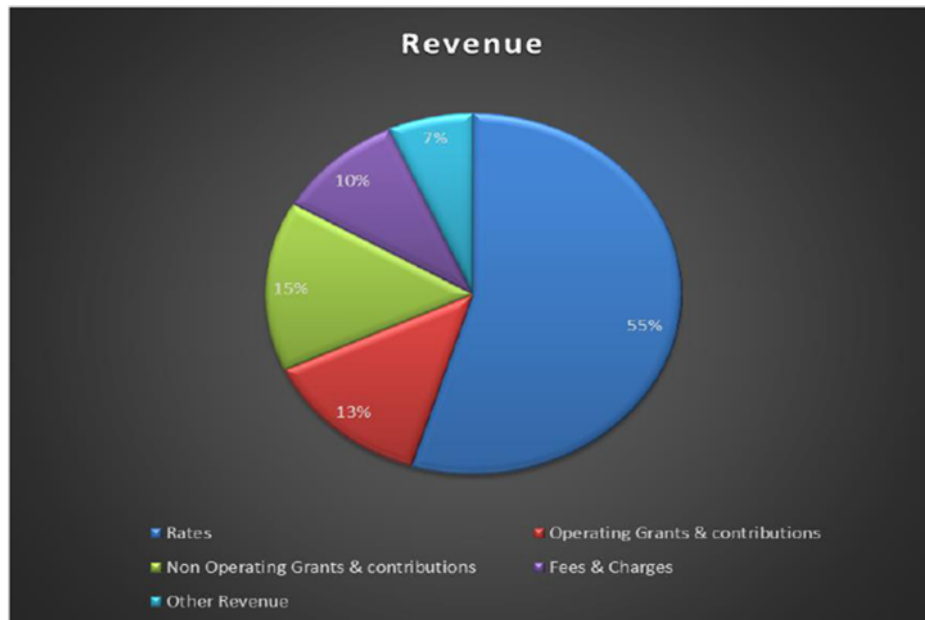
Net Cash from operating activities at year ended 30 June 2021 was \$1,001,724 – see Note 19 of the Annual Financial Report. This was an increase of \$211,662 from the year ended 30 June 2020. This was a significant achievement given the challenges of the previous year negative impact of Covid -19 of \$712,400 on the operating activities of the Shire.

REVENUE

The Shire of Coolgardie had a Total Operating Revenue of \$14.81m (including operating and capital grants) for the 2020/21 financial year.

A total of 15% of the Shire’s revenue for 2020/21 was Non-Operating Grants which helped to fund several key capital projects. Operating Grants and Contributions account for 13% of revenue, while Rates (55%) and Fees & Charges (10%) are also significant contributing factors to the total revenue figure.

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



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

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

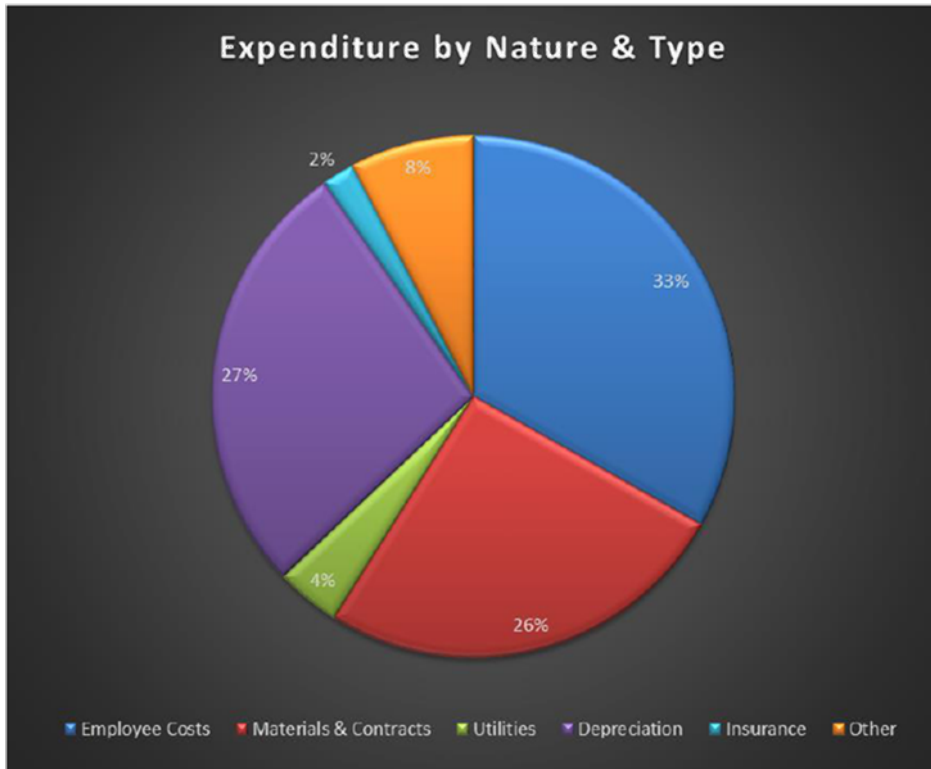
A significant amount of the Shire's resources (54%) is spent on maintaining road infrastructure and the provision of recreation services.

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 \$186m worth of assets, of which 82% is attributed to the Shire's Road network and other related infrastructure whilst a further 18% relates to Property, Plant & Equipment.

Other significant expenditure includes Employee Costs (33%), Materials & Contracts (26%), with Utilities (4%), Insurance (2%) and Other Expenditure (7%) making up the balance.



CAPITAL WORKS PROJECTS

In addition to the normal operating activities, some significant capital works projects were undertaken during the 2020/21 financial year to the value of \$4.63m. Some of this year's capital works highlights include;

Transport	
Coolgardie North Road	\$1,678,209
Jaurdi Hills Road	\$281,780
Land & Buildings	
Coolgardie Cultural & Community Hub	\$419,422
Recreation & Culture	
St John's Shed	\$124,236
Ben Prior Park	\$210,375
Community Amenities	
Coolgardie Refuse Site	\$804,420

RESERVE FUNDS

As of 30 June 2021, the balance in the Reserve Accounts was \$1,065,502 as listed below;

RESERVE	BALANCE
Plant Reserve	215,668
Land & Building Reserve	199,449
Landfill Reserve	84,798
Sewerage Reserve	115,086
Environmental Reserve	276,162
Community & Recreation Reserve	
Aged Accommodation Reserve	30,000
Aerodrome Reserve	
Road Reserve	62,537
Infrastructure Reserve	81,802
TOTAL	\$1,065,502

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

LOAN LIABILITY

As of 30 June 2021, the outstanding principal on all loans was \$2,609,813.

FINANCIAL RATIOS

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

Ratio	Standard	2021	2020	2019	2018
Current Ratio	>= 1.00	0.49	1.01	2.48	3.21
Asset Consumption	>= 1.10	0.93	0.95	0.97	0.75
Asset Renewal	>= 1.05	1.56	1.10	1.11	N/A
Asset Sustainability	>= 1.10	0.97	1.49	0.80	0.27
Debt Service Cover	>= 2.00	1.20	0.66	11.56	3.84
Operating Surplus	>= 0.15	(0.40)	(0.39)	(0.33)	(0.42)
Own Source Revenue Coverage	>= 0.90	0.62	0.62	0.65	0.61

CURRENT RATIO

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

The ratio has declined significantly from 1.01 on 30th June 2020 to 0.49 on 30th June 2021. This is attributable to the Shire's unrestricted cash position as of 30 June 2021 being a negative balance of \$400,729. Review of the Shire's cash and cash equivalents account revealed that the Shire had accessed restricted funds to subsidise the municipal funds.

The negative unrestricted cash position was the result of the Shire effectively being in overdraft on 30 June 2021, but at the time the Shire had not initiated the overdraft facility on 30 June 2021. This position was the result of grant funding received during the financial year which had not been fully expended on 30 June 2021.

Management is comfortable the unrestricted cash position can be improved as several factors encountered in 2020/21 will not have as much of an impact in 2021/22, these being;

1. Increased costs attributed to COVID-19 (net cost of \$345k in 2020/21), and
2. 0% rate increase (cost Shire around \$300k as rate base increases on average by 2-4% per annum once taking into consideration mining UV valuations)

Cash flow modelling has been implemented to provide staff and elected members with monthly updates on the Shire's current and project cash flow position.

DEBT SERVICE COVER RATIO

The Debt Service Cover Ratio measures the Shire's ability to service debt from its committed or general purpose funds available. This ratio has been trending above both the Regional and State 5 year averages for a period of time before dropping below the desired level of 2.00 in the 2020/21 financial year.

The reason is a result of the reduction on the Shire's Operating Surplus position during the 2020/21 financial year. As both the operating surplus position improves and/or the principal repayments reduce over the period of the loans this ratio will again rise above the industry standards required.

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

OPERATING SURPLUS RATIO

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

This ratio in 2020/21 decreased from (0.39) to (0.40). The ratio remains below the target level and is heavily weighted around the Shire's ability to increase revenue through rates and fees and charges.

The difference between operating revenue and operating expenditure was \$4,053,679 (2019/20 - \$3,586,213). Consequently, in order to meet the standard and improve the ratio Council needs to have the following strategic conversation with the community;

- Increase revenue generated from non - rating sources such as Kambalda airstrip, Shire Landfill facilities and other commercial activities like proposed village accommodation
- Increase rates revenue through significant rate increases to the community
- Increase rate in the \$ for mining accommodation villages on mining leases
- Reduce levels of service significantly on all operating activities

In order to significantly reduce the operating gap of \$4,053,679 the Shire would have to consider something like reducing the Shire FTEs by 25 estimated to save \$2.49 million and all contractors estimated to save \$680,000. This would mean no community facilities open including recreation centres, pools, libraries and CRC's, no community programmes or activities, no planning, building and health services no ranger services. Furthermore, no projects would get done. This would still leave a gap of \$883,679 requiring an 11% annual rate increase.

Council and management will continue to explore areas to help improve the operating position of the Shire.

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

ANNUAL AUDIT

The annual audit was successfully completed for the 2020/21 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 2021

*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 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Coolgardie at 30 June 2021 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 2021



James Trail
Chief Executive Officer



SHIRE OF COOLGARDIE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	26(a)	8,120,468	8,321,468	7,147,278
Operating grants, subsidies and contributions	2(a)	1,972,255	1,290,518	2,153,047
Fees and charges	2(a)	1,487,908	1,326,426	1,417,917
Interest earnings	2(a)	85,431	120,000	181,800
Other revenue	2(a)	886,697	338,000	577,797
		<u>12,552,759</u>	<u>11,396,412</u>	<u>11,477,839</u>
Expenses				
Employee costs		(5,573,938)	(4,761,042)	(4,824,233)
Materials and contracts		(4,337,685)	(3,600,978)	(4,252,615)
Utility charges		(670,604)	(604,390)	(662,610)
Depreciation on non-current assets	10(d)	(4,601,235)	(4,349,263)	(4,419,623)
Interest expenses	2(b)	(101,692)	(112,451)	(118,943)
Insurance expenses		(336,519)	(278,747)	(270,704)
Other expenditure	2(b)	(1,086,457)	(613,069)	(634,267)
		<u>(16,708,130)</u>	<u>(14,319,940)</u>	<u>(15,182,995)</u>
		<u>(4,155,371)</u>	<u>(2,923,528)</u>	<u>(3,705,156)</u>
Non-operating grants, subsidies and contributions	2(a)	2,261,209	5,625,523	2,826,984
Profit on asset disposals	10(a)	5,455	11,000	27,324
(Loss) on asset disposals	10(a)	(100,603)	(80,000)	(16,233)
Fair value adjustments to financial assets at fair value through profit or loss		3,233	0	1,440
		<u>2,169,294</u>	<u>5,556,523</u>	<u>2,839,515</u>
Net result for the period		(1,986,077)	2,632,995	(865,641)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(1,986,077)	2,632,995	(865,641)

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



SHIRE OF COOLGARDIE
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Governance	2(a)	22,365	3,200	19,593
General purpose funding		9,180,673	8,832,413	8,147,787
Law, order, public safety		39,114	28,930	73,832
Health		32,076	3,001	24,718
Education and welfare		258,138	217,244	225,462
Housing		124,608	105,701	96,072
Community amenities		1,079,826	1,048,924	1,039,189
Recreation and culture		497,867	65,620	451,250
Transport		957,399	876,964	1,033,837
Economic services		270,082	201,520	330,484
Other property and services		90,611	12,895	35,615
		<u>12,552,759</u>	<u>11,396,412</u>	<u>11,477,839</u>
Expenses				
Governance	2(b)	(2,229,412)	(1,698,407)	(1,869,522)
General purpose funding		(718,152)	(421,850)	(500,463)
Law, order, public safety		(448,623)	(382,336)	(482,778)
Health		(855,712)	(763,125)	(1,120,820)
Education and welfare		(273,506)	(315,815)	(304,269)
Housing		(202,878)	(219,814)	(241,851)
Community amenities		(2,516,712)	(1,786,922)	(1,923,004)
Recreation and culture		(3,526,135)	(2,982,742)	(3,029,598)
Transport		(4,483,352)	(4,592,255)	(4,364,388)
Economic services		(1,316,624)	(1,061,347)	(1,223,524)
Other property and services		(35,332)	17,124	(3,835)
		<u>(16,606,438)</u>	<u>(14,207,489)</u>	<u>(15,064,052)</u>
Finance Costs				
Recreation and culture	2(b)	(65,576)	(67,102)	(79,301)
Economic services		(22,881)	(23,225)	(24,016)
Other property and services		(13,235)	(22,124)	(15,626)
		<u>(101,692)</u>	<u>(112,451)</u>	<u>(118,943)</u>
		<u>(4,155,371)</u>	<u>(2,923,528)</u>	<u>(3,705,156)</u>
Non-operating grants, subsidies and contributions	2(a)	2,261,209	5,625,523	2,826,984
Profit on disposal of assets	10(a)	5,455	11,000	27,324
(Loss) on disposal of assets	10(a)	(100,603)	(80,000)	(16,233)
Fair value adjustments to financial assets at fair value through profit or loss		3,233	0	1,440
		<u>2,169,294</u>	<u>5,556,523</u>	<u>2,839,515</u>
Net result for the period		<u>(1,986,077)</u>	<u>2,632,995</u>	<u>(865,641)</u>
Total other comprehensive income for the period		<u>0</u>	<u>0</u>	<u>0</u>
Total comprehensive income for the period		<u>(1,986,077)</u>	<u>2,632,995</u>	<u>(865,641)</u>

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



SHIRE OF COOLGARDIE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021	2020
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	1,336,214	2,554,442
Trade and other receivables	6	1,888,777	1,763,583
Inventories	7	9,171	15,350
TOTAL CURRENT ASSETS		3,234,162	4,333,375
NON-CURRENT ASSETS			
Trade and other receivables	6	153,087	100,415
Other financial assets	5	92,259	89,026
Property, plant and equipment	8(a)	32,154,594	32,564,481
Infrastructure	9(a)	153,912,458	152,344,201
Right-of-use assets	11(a)	398,717	536,764
TOTAL NON-CURRENT ASSETS		186,711,115	185,634,887
TOTAL ASSETS		189,945,277	189,968,262
CURRENT LIABILITIES			
Trade and other payables	13	1,897,743	1,344,236
Other liabilities	14	555,057	4,894
Lease liabilities	15(a)	92,363	132,083
Borrowings	16(a)	300,036	292,693
Employee related provisions	17	363,871	284,222
Other provisions	18	0	450,000
TOTAL CURRENT LIABILITIES		3,209,070	2,508,128
NON-CURRENT LIABILITIES			
Lease liabilities	15(a)	360,643	433,348
Borrowings	16(a)	2,309,777	2,609,814
Employee related provisions	17	73,053	84,825
Other provisions	18	1,994,479	347,815
TOTAL NON-CURRENT LIABILITIES		4,737,952	3,475,802
TOTAL LIABILITIES		7,947,022	5,983,930
NET ASSETS		181,998,255	183,984,332
EQUITY			
Retained surplus		60,682,234	61,929,590
Reserves - cash backed	4	1,065,502	1,804,223
Revaluation surplus	12	120,250,519	120,250,519
TOTAL EQUITY		181,998,255	183,984,332

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 2021

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		61,332,365	3,267,089	120,250,519	184,849,973
Comprehensive income					
Net result for the period		(865,641)	0	0	(865,641)
Total comprehensive income		(865,641)	0	0	(865,641)
Transfers from reserves	4	2,825,710	(2,825,710)	0	0
Transfers to reserves	4	(1,362,844)	1,362,844	0	0
Balance as at 30 June 2020		61,929,590	1,804,223	120,250,519	183,984,332
Restated balance at 1 July 2020		61,929,590	1,804,223	120,250,519	183,984,332
Comprehensive income					
Net result for the period		(1,986,077)	0	0	(1,986,077)
Total comprehensive income		(1,986,077)	0	0	(1,986,077)
Transfers from reserves	4	973,352	(973,352)	0	0
Transfers to reserves	4	(234,631)	234,631	0	0
Balance as at 30 June 2021		60,682,234	1,065,502	120,250,519	181,998,255

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 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		8,492,400	9,021,468	7,094,707
Operating grants, subsidies and contributions		1,567,590	1,330,930	2,397,503
Fees and charges		1,528,793	1,326,426	1,417,917
Interest received		85,431	120,000	181,800
Goods and services tax received		967,677	1,000,000	1,367,790
Other revenue		886,697	338,000	570,097
		<u>13,528,588</u>	<u>13,136,824</u>	<u>13,029,814</u>
Payments				
Employee costs		(5,438,734)	(4,761,042)	(4,897,651)
Materials and contracts		(3,895,181)	(3,400,978)	(4,357,827)
Utility charges		(670,604)	(604,390)	(662,610)
Interest expenses		(101,692)	(112,451)	(116,252)
Insurance paid		(336,519)	(278,747)	(270,704)
Goods and services tax paid		(997,677)	(1,000,000)	(1,300,441)
Other expenditure		(1,086,457)	(613,069)	(634,267)
		<u>(12,526,864)</u>	<u>(10,770,677)</u>	<u>(12,239,752)</u>
Net cash provided by (used in) operating activities	19	<u>1,001,724</u>	<u>2,366,147</u>	<u>790,062</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(968,424)	(2,890,002)	(981,481)
Payments for construction of infrastructure	9(a)	(3,663,536)	(6,517,570)	(7,478,985)
Non-operating grants, subsidies and contributions		2,688,651	5,625,523	2,826,984
Proceeds from sale of property, plant & equipment	10(a)	160,836	197,273	78,268
Net cash provided by (used in) investment activities		<u>(1,782,473)</u>	<u>(3,584,776)</u>	<u>(5,555,214)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(292,694)	(292,693)	(1,179,321)
Payments for principal portion of lease liabilities	15(b)	(144,785)	(67,265)	(137,599)
Proceeds from new borrowings	16(b)	0	0	602,113
Net cash provided by (used in) financing activities		<u>(437,479)</u>	<u>(359,958)</u>	<u>(714,807)</u>
Net increase (decrease) in cash held		<u>(1,218,228)</u>	<u>(1,578,587)</u>	<u>(5,479,959)</u>
Cash at beginning of year		2,554,442	2,554,441	8,034,401
Cash and cash equivalents at the end of the year	19	<u>1,336,214</u>	<u>975,854</u>	<u>2,554,442</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 2021

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES			
Net current assets at start of financial year - surplus/(deficit)	27 (b) 761,644	1,317,515	5,377,601
	761,644	1,317,515	5,377,601
Revenue from operating activities (excluding rates)			
Governance	25,598	3,200	21,033
General purpose funding	1,060,205	510,945	980,860
Law, order, public safety	39,114	28,930	73,832
Health	32,076	3,001	24,718
Education and welfare	258,138	217,244	225,462
Housing	130,063	105,701	96,072
Community amenities	1,079,826	1,048,924	1,039,189
Recreation and culture	497,867	65,620	451,250
Transport	957,399	887,964	1,061,161
Economic services	270,082	201,520	330,484
Other property and services	90,611	12,895	35,615
	4,440,979	3,085,944	4,339,676
Expenditure from operating activities			
Governance	(2,229,412)	(1,698,407)	(1,869,522)
General purpose funding	(718,152)	(421,850)	(500,463)
Law, order, public safety	(448,623)	(382,336)	(482,778)
Health	(855,712)	(763,125)	(1,120,820)
Education and welfare	(273,506)	(315,815)	(304,269)
Housing	(303,481)	(299,814)	(241,851)
Community amenities	(2,516,712)	(1,786,922)	(1,923,004)
Recreation and culture	(3,591,711)	(3,049,844)	(3,108,899)
Transport	(4,483,352)	(4,592,255)	(4,380,621)
Economic services	(1,339,505)	(1,084,572)	(1,247,540)
Other property and services	(48,567)	(5,000)	(19,461)
	(16,808,733)	(14,399,940)	(15,199,228)
Non-cash amounts excluded from operating activities	27(a) 5,131,372	4,404,461	3,883,823
Amount attributable to operating activities	(6,474,738)	(5,592,020)	(1,598,128)
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	2(a) 2,261,209	5,625,523	2,826,984
Proceeds from disposal of assets	10(a) 160,836	197,273	78,268
Purchase of property, plant and equipment	8(a) (968,424)	(2,890,002)	(981,481)
Purchase and construction of infrastructure	9(a) (3,663,536)	(6,517,570)	(7,478,985)
	(2,209,915)	(3,584,776)	(5,555,214)
Amount attributable to investing activities	(2,209,915)	(3,584,776)	(5,555,214)
FINANCING ACTIVITIES			
Repayment of borrowings	16(b) (292,694)	(292,693)	(1,179,321)
Proceeds from borrowings	16(b) 0	0	602,113
Payments for principal portion of lease liabilities	15(b) (144,785)	(67,265)	(137,599)
Transfers to reserves (restricted assets)	4 (234,631)	(373,043)	(1,362,844)
Transfers from reserves (restricted assets)	4 973,352	1,588,329	2,825,710
Amount attributable to financing activities	301,242	855,328	748,059
Surplus/(deficit) before imposition of general rates	(8,383,411)	(8,321,468)	(6,405,283)
Total amount raised from general rates	26(a) 8,120,468	8,321,468	7,166,927
Surplus/(deficit) after imposition of general rates	27(b) (262,943)	0	761,644

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Coolgardie

To the Councillors of the Shire of Coolgardie

Report on the audit of the annual financial report

Opinion

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

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

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

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 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 section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for 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 and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

Auditor's responsibility for the audit of the financial report

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.

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries' standard for the past 3 years. The financial ratios are reported at Note 32 to the financial report.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) For approximately 17% of purchase transactions sampled, there was inadequate or no evidence that a sufficient number of quotations were obtained to test the market, and no documentation to explain why other quotes were not sought. This practice increases the likelihood of not receiving value for money in procurement and the risk of fraud or favouritism of suppliers.
 - b) The unrestricted cash position of the Shire was a negative balance of \$400,729 at 30 June 2021. Review of the Shire's cash and cash equivalents account revealed that the Shire had accessed monies in reserve accounts to fund its operations. This is a breach of section 6.11(2)(a) of the *Local Government Act 1995*, which requires the Shire to give one month's local public notice if the money in a reserve account is proposed to be used for another purpose.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.

- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other matter

The financial ratios for 2019 in Note 32 of the financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2019. The auditor expressed an unmodified opinion on the financial report for that year.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

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 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
17 December 2021

4.1.2 FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2021

Location: N/A
Applicant: N/A
Disclosure of Interest: Nil
Date: 9 December 2021
Author: James Trail, Chief Executive Officer

SUMMARY

That the Audit Committee,

1. Recommend Council receive the Chief Executive Officer response to the Audit Report for the period ending 30th June 2021 dated 17 December 2021
2. Receive the Management Action Report as attached and recommend the Report be received by Council
3. Recommend Council receive the Audit Management Report dated 17th December 2021
4. Recommend Council adopts the Annual Financial Report and OAG Audit Report for the year ended 30 June 2021
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 2020/21 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**Insufficient quotes obtained per Shire's purchasing policy****Finding**

We tested a sample of 30 purchases made during the period 1 July 2020 to 31 March 2021 and noted 5 (16.67%) instances where there was insufficient documentation to indicate that the requisite number of quotations had been obtained and evaluated and no documentation to explain why other quotes were not sought.

Section 4 of the Procurement Policy of the Shire requires that purchases within prescribed price ranges meet certain conditions in order to comply with the *Local Government Act 1995* and accompanying regulations.

Rating: Significant**Implication**

If quotes are not obtained when required, purchases may not reflect the best value for money as stated in Policy 4 *Value for Money* of the Shire's purchasing policy and increases the risk of fraud or favouritism of suppliers. In addition, the Shire is not complying with the requirements of its purchasing policy and relevant Local Government laws and regulations.

Recommendation

The requirement for full compliance with the Shire's Procurement Policy must be communicated to all staff and be closely monitored by management.

If instances arise where the Shire is unable to obtain the requisite number of quotations, the reasons should be recorded and attached to the purchase order at the time of the purchase being made.

Management comment:

Agreed.

All staff with delegated authority are aware that purchase orders need to be raised prior to obtaining the good or service. This is an area that has been identified by management previously and is continually being reviewed to ensure compliance with the Shire's Procurement Policy.

CEO has spoken with management and emphasised the importance of adhering to the Shire's Procurement Policy, including the requirement to document when multiple quotations have been requested, but not supplied.

Additional training to be provided to existing and future staff to reiterate the need to comply with the Shire's Procurement Policy,

Responsible position: Chief Executive Officer and Director Operations

Completion Date: Ongoing

2. Negative unrestricted cash position at year-end**Finding:**

We noted that Shire's unrestricted cash position as of 30 June 2021 was a negative balance of \$400,729. Review of the Shire's cash and cash equivalents account revealed that the Shire had accessed restricted funds to subsidise the municipal funds.

Rating: Significant**Implication:**

The use of restricted cash to fund operations, exposes the Shire to the risk of non-conformation with its obligations relating to the restricted cash. The Shire also runs the risk of breaching section 6.11 of the *Local Government Act 1995* in circumstances when reserve funds are not managed properly.

Recommendation:

The Shire should manage its cashflow in accordance with the Local Government Act 1995. Any transfers of reserve funds should only be made in accordance with section 6.11 of the *Local Government Act 1995* and only when there are available funds after giving due consideration to the expected timing and flow of the Shire's receipts and payments.

Management comment:

The negative unrestricted cash position was the result of the Shire effectively being in overdraft at 30 June 2021, but at the time the Shire had not initiated the overdraft facility at 30 June 2021. This position was the result of grant funding received during the financial year which had not been fully expended at 30 June 2021.

Management is comfortable the unrestricted cash position can be improved as several factors encountered in 2020/21 will not have as much of an impact in 2021/22, these being;

- 1. Increased costs attributed to COVID-19 (net cost of \$345k in 2020/21), and*
- 2. 0% rate increase (cost Shire around \$300k as rate base increases on average by 2-4% per annum once taking into consideration mining UV valuations)*

Cash flow modelling has been implemented to provide staff and elected members with monthly updates on the Shire's current and project cash flow position.

Responsible position: Director Operations

Completion Date: December 2021 / Ongoing

3. Bank reconciliations – long outstanding items**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.

During our review of bank reconciliations, we noted that there were multiple long outstanding items, such as receipts/payments not posted to the general ledger dating back to the 2019 financial year. The total of these long outstanding items was (\$54,049.94).

These reconciling items remain outstanding at the date of this letter. We understand that the Shire is currently transitioning to a new software system in which reconciling items will be reviewed and cleared regularly.

Rating: Moderate

Implication:

Long outstanding items that are not adequately explained or resolved, increases the risk of fraud, errors and omissions remaining undetected, which in turn could lead to misstatements in the Shire's financial statements. There is a further risk of non-compliance with Regulation 5(1)(d) of the *Local Government (Financial Management) Regulations 1996*, which requires the CEO to ensure proper accounting for revenue received and expenses paid in the municipal or trust funds.

Recommendation:

We recommend that management should review long outstanding items listed on period-end bank reconciliations and adequately explain or resolve any long outstanding items.

Management comment:

Agreed, long outstanding items should not form part of the bank reconciliations.

The Shire are currently in the process of implementing the Altus bank module in Synergy Soft. Part of this process is to review and reconcile all outstanding items. Once this process has been completed then future bank reconciliations will ensure that all items are reconciled in a timely manner.

Responsible position: Director Operations

Completion Date: January 2022

Operating Surplus Ratio – Adverse Trend

Finding:

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

Management comment:

The difference between operating revenue and operating expenditure was \$4,053,679 (2019/20 - \$3,586,213). Consequently, in order to meet the standard and improve the ratio Council needs to have the following strategic conversation with the community;

- *Increase revenue generated from non - rating sources such as Kambalda airstrip, Shire Landfill facilities and other commercial activities like proposed village accommodation*
- *Increase rates revenue through significant rate increases to the community*
- *Increase rate in the \$ for mining accommodation villages on mining leases*
- *Reduce levels of service significantly on all operating activities*

In order to significantly reduce the operating gap of \$4,053,679 the Shire would have to consider something like reducing the Shire FTE's by 25 estimated to save \$2.49 million and all contractors estimated to save \$680,000. This would mean no community facilities open including recreation centres, pools, libraries and CRC's, no community programmes or activities, no planning, building and health services no ranger services. Furthermore no projects would get done. This would still leave a gap of \$883,679 requiring an 11% annual rate increase.

Council and management will continue to explore areas to help improve the operating position of the Shire.

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. Financial Statements Year Ended 30th June 2021
2. OAG Audit Opinion 30th June 2021
3. Management Letter 30 June 2021
4. Audit Management Action List 2020/2021

VOTING REQUIREMENT

Absolute Majority

AUDIT COMMITTEE RESOLUTION AND OFFICER RECOMMENDATION**RESOLUTION #250/2022**

Moved: Cr Rose Mitchell

Seconded: Cr Tracey Rathbone

That the Audit Committee,

1. Recommend Council receive the Chief Executive Officer response to the Audit Report for the period ending 30th June 2021 dated 17 December 2021
2. Receive the Management Action Report as attached and recommend the Report be received by Council
3. Recommend Council receive the Audit Management Report dated 17th December 2021
4. Recommend Council adopts the Annual Financial Report and OAG Audit Report for the year ended 30 June 2021
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.

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

Against: Nil

CARRIED BY ABSOLUTE MAJORITY 4/0

SHIRE OF COOLGARDIE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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COMMUNITY VISION

A connected, progressive & welcoming community

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

SHIRE OF COOLGARDIE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

*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 2021 is based on proper accounts and records to present fairly the financial position of the Shire of Coolgardie at 30 June 2021 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 2021



James Trail
Chief Executive Officer



SHIRE OF COOLGARDIE
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	26(a)	8,120,468	8,321,468	7,147,278
Operating grants, subsidies and contributions	2(a)	1,972,255	1,290,518	2,153,047
Fees and charges	2(a)	1,487,908	1,326,426	1,417,917
Interest earnings	2(a)	85,431	120,000	181,800
Other revenue	2(a)	886,697	338,000	577,797
		12,552,759	11,396,412	11,477,839
Expenses				
Employee costs		(5,573,938)	(4,761,042)	(4,824,233)
Materials and contracts		(4,337,685)	(3,600,978)	(4,252,615)
Utility charges		(670,604)	(604,390)	(662,610)
Depreciation on non-current assets	10(d)	(4,601,235)	(4,349,263)	(4,419,623)
Interest expenses	2(b)	(101,692)	(112,451)	(118,943)
Insurance expenses		(336,519)	(278,747)	(270,704)
Other expenditure	2(b)	(1,086,457)	(613,069)	(634,267)
		(16,708,130)	(14,319,940)	(15,182,995)
		(4,155,371)	(2,923,528)	(3,705,156)
Non-operating grants, subsidies and contributions	2(a)	2,261,209	5,625,523	2,826,984
Profit on asset disposals	10(a)	5,455	11,000	27,324
(Loss) on asset disposals	10(a)	(100,603)	(80,000)	(16,233)
Fair value adjustments to financial assets at fair value through profit or loss		3,233	0	1,440
		2,169,294	5,556,523	2,839,515
Net result for the period		(1,986,077)	2,632,995	(865,641)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(1,986,077)	2,632,995	(865,641)

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



SHIRE OF COOLGARDIE
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
	2(a)			
Governance		22,365	3,200	19,593
General purpose funding		9,180,673	8,832,413	8,147,787
Law, order, public safety		39,114	28,930	73,832
Health		32,076	3,001	24,718
Education and welfare		258,138	217,244	225,462
Housing		124,608	105,701	96,072
Community amenities		1,079,826	1,048,924	1,039,189
Recreation and culture		497,867	65,620	451,250
Transport		957,399	876,964	1,033,837
Economic services		270,082	201,520	330,484
Other property and services		90,611	12,895	35,615
		12,552,759	11,396,412	11,477,839
Expenses				
	2(b)			
Governance		(2,229,412)	(1,698,407)	(1,869,522)
General purpose funding		(718,152)	(421,850)	(500,463)
Law, order, public safety		(448,623)	(382,336)	(482,778)
Health		(855,712)	(763,125)	(1,120,820)
Education and welfare		(273,506)	(315,815)	(304,269)
Housing		(202,878)	(219,814)	(241,851)
Community amenities		(2,516,712)	(1,786,922)	(1,923,004)
Recreation and culture		(3,526,135)	(2,982,742)	(3,029,598)
Transport		(4,483,352)	(4,592,255)	(4,364,388)
Economic services		(1,316,624)	(1,061,347)	(1,223,524)
Other property and services		(35,332)	17,124	(3,835)
		(16,606,438)	(14,207,489)	(15,064,052)
Finance Costs				
	2(b)			
Recreation and culture		(65,576)	(67,102)	(79,301)
Economic services		(22,881)	(23,225)	(24,016)
Other property and services		(13,235)	(22,124)	(15,626)
		(101,692)	(112,451)	(118,943)
		(4,155,371)	(2,923,528)	(3,705,156)
Non-operating grants, subsidies and contributions	2(a)	2,261,209	5,625,523	2,826,984
Profit on disposal of assets	10(a)	5,455	11,000	27,324
(Loss) on disposal of assets	10(a)	(100,603)	(80,000)	(16,233)
Fair value adjustments to financial assets at fair value through profit or loss		3,233	0	1,440
		2,169,294	5,556,523	2,839,515
Net result for the period		(1,986,077)	2,632,995	(865,641)
Total other comprehensive income for the period		0	0	0
Total comprehensive income for the period		(1,986,077)	2,632,995	(865,641)

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



SHIRE OF COOLGARDIE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	1,336,214	2,554,442
Trade and other receivables	6	1,888,777	1,763,583
Inventories	7	9,171	15,350
TOTAL CURRENT ASSETS		3,234,162	4,333,375
NON-CURRENT ASSETS			
Trade and other receivables	6	153,087	100,415
Other financial assets	5	92,259	89,026
Property, plant and equipment	8(a)	32,154,594	32,564,481
Infrastructure	9(a)	153,912,458	152,344,201
Right-of-use assets	11(a)	398,717	536,764
TOTAL NON-CURRENT ASSETS		186,711,115	185,634,887
TOTAL ASSETS		189,945,277	189,968,262
CURRENT LIABILITIES			
Trade and other payables	13	1,897,743	1,344,236
Other liabilities	14	555,057	4,894
Lease liabilities	15(a)	92,363	132,083
Borrowings	16(a)	300,036	292,693
Employee related provisions	17	363,871	284,222
Other provisions	18	0	450,000
TOTAL CURRENT LIABILITIES		3,209,070	2,508,128
NON-CURRENT LIABILITIES			
Lease liabilities	15(a)	360,643	433,348
Borrowings	16(a)	2,309,777	2,609,814
Employee related provisions	17	73,053	84,825
Other provisions	18	1,994,479	347,815
TOTAL NON-CURRENT LIABILITIES		4,737,952	3,475,802
TOTAL LIABILITIES		7,947,022	5,983,930
NET ASSETS		181,998,255	183,984,332
EQUITY			
Retained surplus		60,682,234	61,929,590
Reserves - cash backed	4	1,065,502	1,804,223
Revaluation surplus	12	120,250,519	120,250,519
TOTAL EQUITY		181,998,255	183,984,332

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 2021

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019		61,332,365	3,267,089	120,250,519	184,849,973
Comprehensive income					
Net result for the period		(865,641)	0	0	(865,641)
Total comprehensive income		(865,641)	0	0	(865,641)
Transfers from reserves	4	2,825,710	(2,825,710)	0	0
Transfers to reserves	4	(1,362,844)	1,362,844	0	0
Balance as at 30 June 2020		61,929,590	1,804,223	120,250,519	183,984,332
Restated balance at 1 July 2020		61,929,590	1,804,223	120,250,519	183,984,332
Comprehensive income					
Net result for the period		(1,986,077)	0	0	(1,986,077)
Total comprehensive income		(1,986,077)	0	0	(1,986,077)
Transfers from reserves	4	973,352	(973,352)	0	0
Transfers to reserves	4	(234,631)	234,631	0	0
Balance as at 30 June 2021		60,682,234	1,065,502	120,250,519	181,998,255

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 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		8,492,400	9,021,468	7,094,707
Operating grants, subsidies and contributions		1,567,590	1,330,930	2,397,503
Fees and charges		1,528,793	1,326,426	1,417,917
Interest received		85,431	120,000	181,800
Goods and services tax received		967,677	1,000,000	1,367,790
Other revenue		886,697	338,000	570,097
		13,528,588	13,136,824	13,029,814
Payments				
Employee costs		(5,438,734)	(4,761,042)	(4,897,651)
Materials and contracts		(3,895,181)	(3,400,978)	(4,357,827)
Utility charges		(670,604)	(604,390)	(662,610)
Interest expenses		(101,692)	(112,451)	(116,252)
Insurance paid		(336,519)	(278,747)	(270,704)
Goods and services tax paid		(997,677)	(1,000,000)	(1,300,441)
Other expenditure		(1,086,457)	(613,069)	(634,267)
		(12,526,864)	(10,770,677)	(12,239,752)
Net cash provided by (used in) operating activities	19	1,001,724	2,366,147	790,062
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(968,424)	(2,890,002)	(981,481)
Payments for construction of infrastructure	9(a)	(3,663,536)	(6,517,570)	(7,478,985)
Non-operating grants, subsidies and contributions		2,688,651	5,625,523	2,826,984
Proceeds from sale of property, plant & equipment	10(a)	160,836	197,273	78,268
Net cash provided by (used in) investment activities		(1,782,473)	(3,584,776)	(5,555,214)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(292,694)	(292,693)	(1,179,321)
Payments for principal portion of lease liabilities	15(b)	(144,785)	(67,265)	(137,599)
Proceeds from new borrowings	16(b)	0	0	602,113
Net cash provided by (used in) financing activities		(437,479)	(359,958)	(714,807)
Net increase (decrease) in cash held		(1,218,228)	(1,578,587)	(5,479,959)
Cash at beginning of year		2,554,442	2,554,441	8,034,401
Cash and cash equivalents at the end of the year	19	1,336,214	975,854	2,554,442

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

SHIRE OF COOLGARDIE
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	27 (b)	761,644	1,317,515	5,377,601
		761,644	1,317,515	5,377,601
Revenue from operating activities (excluding rates)				
Governance		25,598	3,200	21,033
General purpose funding		1,060,205	510,945	980,860
Law, order, public safety		39,114	28,930	73,832
Health		32,076	3,001	24,718
Education and welfare		258,138	217,244	225,462
Housing		130,063	105,701	96,072
Community amenities		1,079,826	1,048,924	1,039,189
Recreation and culture		497,867	65,620	451,250
Transport		957,399	887,964	1,061,161
Economic services		270,082	201,520	330,484
Other property and services		90,611	12,895	35,615
		4,440,979	3,085,944	4,339,676
Expenditure from operating activities				
Governance		(2,229,412)	(1,698,407)	(1,869,522)
General purpose funding		(718,152)	(421,850)	(500,463)
Law, order, public safety		(448,623)	(382,336)	(482,778)
Health		(855,712)	(763,125)	(1,120,820)
Education and welfare		(273,506)	(315,815)	(304,269)
Housing		(303,481)	(299,814)	(241,851)
Community amenities		(2,516,712)	(1,786,922)	(1,923,004)
Recreation and culture		(3,591,711)	(3,049,844)	(3,108,899)
Transport		(4,483,352)	(4,592,255)	(4,380,621)
Economic services		(1,339,505)	(1,084,572)	(1,247,540)
Other property and services		(48,567)	(5,000)	(19,461)
		(16,808,733)	(14,399,940)	(15,199,228)
Non-cash amounts excluded from operating activities	27(a)	5,131,372	4,404,461	3,883,823
Amount attributable to operating activities		(6,474,738)	(5,592,020)	(1,598,128)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	2,261,209	5,625,523	2,826,984
Proceeds from disposal of assets	10(a)	160,836	197,273	78,268
Purchase of property, plant and equipment	8(a)	(968,424)	(2,890,002)	(981,481)
Purchase and construction of infrastructure	9(a)	(3,663,536)	(6,517,570)	(7,478,985)
		(2,209,915)	(3,584,776)	(5,555,214)
Amount attributable to investing activities		(2,209,915)	(3,584,776)	(5,555,214)
FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(292,694)	(292,693)	(1,179,321)
Proceeds from borrowings	16(b)	0	0	602,113
Payments for principal portion of lease liabilities	15(b)	(144,785)	(67,265)	(137,599)
Transfers to reserves (restricted assets)	4	(234,631)	(373,043)	(1,362,844)
Transfers from reserves (restricted assets)	4	973,352	1,588,329	2,825,710
Amount attributable to financing activities		301,242	855,328	748,059
Surplus/(deficit) before imposition of general rates		(8,383,411)	(8,321,468)	(6,405,283)
Total amount raised from general rates	26(a)	8,120,468	8,321,468	7,166,927
Surplus/(deficit) after imposition of general rates	27(b)	(262,943)	0	761,644

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

1. BASIS OF PREPARATION

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

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

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

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 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.

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

All monies held in the Trust Fund are excluded from the financial statements.
 There were no funds held in trust at 30 June 2021.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

The adoption of these standards had no material impact on the financial report.

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*

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

CRITICAL ACCOUNTING ESTIMATES

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- Employee expenses
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Right-of-use assets
- Lease liabilities
- Borrowing liabilities
- Provisions

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	22,350	22,000	0
General purpose funding	550,070	269,277	609,379
Law, order, public safety	26,524	16,500	15,052
Health	25,000	0	21,360
Education and welfare	252,023	213,304	216,305
Community amenities	15,808	6,240	5,280
Recreation and culture	0	0	2,455
Transport	883,193	485,996	1,032,181
Economic services	192,287	241,200	247,342
Other property and services	5,000	6,240	3,693
	1,972,255	1,260,757	2,153,047
Non-operating grants, subsidies and contributions			
Health	0	1,000,000	0
Recreation and culture	1,927	0	1,021,461
Transport	1,984,441	1,765,191	965,061
Economic services	274,841	2,860,332	840,462
	2,261,209	5,625,523	2,826,984
Total grants, subsidies and contributions	4,233,464	6,886,280	4,980,031
Fees and charges			
General purpose funding	30,144	19,600	22,197
Law, order, public safety	12,590	17,800	58,781
Health	7,076	3,001	3,358
Education and welfare	6,091	1,200	7,619
Housing	119,337	105,701	96,072
Community amenities	1,064,018	1,042,684	1,033,909
Recreation and culture	148,230	64,120	114,794
Transport	29,932	0	273
Economic services	70,490	67,320	80,914
Other property and services	0	5,000	0
	1,487,908	1,326,426	1,417,917

There were no changes to the amounts of fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

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

Fees and Charges

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2021 Actual \$	2021 Budget \$	2020 Actual \$
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire was recognised during the year for the following nature or types of goods or services:			
Fees and charges	1,461,005	1,306,126	1,388,749
Other revenue	416,533	224,905	352,814
Non-operating grants, subsidies and contributions	2,261,209	5,625,523	2,826,984
	<u>4,138,747</u>	<u>7,156,554</u>	<u>4,568,547</u>
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the Shire is comprised of:			
Revenue from contracts with customers included as a contract liability at the start of the period			
	4,894	0	5,165
Revenue from contracts with customers recognised during the year			
	1,872,644	1,531,031	0
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year			
	2,261,209	5,625,523	2,821,819
	<u>4,138,747</u>	<u>7,156,554</u>	<u>2,826,984</u>
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	6	688,216	166,715
Contract liabilities from contracts with customers	14	(110,764)	(4,894)
Financial assets held from transfers for recognisable financial assets	3	444,000	0
Grant liabilities from transfers for recognisable non financial assets	14	(444,000)	0

Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'. Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met. Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less. Consideration from contracts with customers is included in the transaction price. Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

General rates
Statutory permits and licences
Fines

Other revenue

Reimbursements and recoveries
Other

Interest earnings

Interest on reserve funds
Rates instalment and penalty interest (refer Note 26(c))
Other interest earnings

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	8,120,468	8,321,468	7,147,278
Statutory permits and licences	23,826	17,900	27,389
Fines	3,077	2,400	1,779
	<u>8,147,371</u>	<u>8,341,768</u>	<u>7,176,446</u>
Reimbursements and recoveries	470,164	113,095	224,983
Other	416,533	338,000	352,814
	<u>886,697</u>	<u>451,095</u>	<u>577,797</u>
Interest on reserve funds	9,765	15,000	35,310
Rates instalment and penalty interest (refer Note 26(c))	75,666	90,000	106,988
Other interest earnings	0	15,000	39,502
	<u>85,431</u>	<u>120,000</u>	<u>181,800</u>

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Note	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Auditors remuneration			
- Audit of the Annual Financial Report	60,700	59,500	59,500
- Other services	3,300	12,000	13,686
	64,000	71,500	73,186
Interest expenses (finance costs)			
Borrowings	16(b) 88,391	90,277	102,855
Lease liabilities	15(b) 13,301	22,174	16,088
	101,692	112,451	118,943
Other expenditure			
Impairment loss / (reversal) on trade and other receivables	18,746	0	(10,907)
Legal expenses (rates recovery)	449,554	2,500	212,505
Provision of health services	316,198	300,000	68,468
Sundry expenses	301,959	310,569	364,201
	1,086,457	613,069	634,267

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021
 2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Visitor centre stock	Single point in time	Payment in full on sale	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

3. CASH AND CASH EQUIVALENTS

	NOTE	2021 \$	2020 \$
Cash at bank and on hand		270,712	750,217
Term deposits		1,065,502	1,804,225
Total cash and cash equivalents		1,336,214	2,554,442
Comprises:			
- Unrestricted cash and cash equivalents		(400,729)	636,396
- Restricted cash and cash equivalents		1,736,943	1,918,046
Restrictions			
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents		1,736,943	1,918,046
		1,736,943	1,918,046
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash backed	4	1,065,502	1,804,223
Bonds & Deposits	13	116,384	108,929
Contract liabilities from contracts with customers	14	110,764	4,894
Grants for transfers for recognisable non financial assets	14	444,000	0
Unspent grants, subsidies and contributions	14	293	0
Total restricted assets		1,736,943	1,918,046

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

4. RESERVES - CASH BACKED

	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance	2021 Budget Opening Balance	2021 Budget Transfer to	2021 Budget Transfer (from)	2021 Budget Closing Balance	2020 Actual Opening Balance	2020 Actual Transfer to	2020 Actual Transfer (from)	2020 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Reserves cash backed - Land & Buildings	166,512	161,186	(128,249)	199,449	166,512	0	(166,512)	0	312,769	3,743	(150,000)	166,512
(b) Reserves cash backed - Plant & Equipment	253,226	532	(38,090)	215,668	253,225	22,273	(195,000)	80,498	397,698	83,029	(227,501)	253,226
(c) Reserves cash backed - Sewerage	174,719	40,367	(100,000)	115,086	174,718	40,000	(100,000)	114,718	133,125	41,594	0	174,719
(d) Reserves cash backed - Landfill	201,709	424	(117,335)	84,798	201,709	0	(201,709)	0	468,981	5,386	(272,658)	201,709
(e) Reserves cash backed - Recreation	25,400	53	(25,453)	0	25,400	0	(25,400)	0	371,418	3,982	(350,000)	25,400
(f) Reserves cash backed - Environmental	292,105	615	(16,558)	276,162	292,106	0	(292,106)	0	357,726	4,167	(69,788)	292,105
(g) Reserves cash backed - IT & Communications	10,727	23	(10,750)	0	10,727	0	(10,727)	0	89,654	1,073	(80,000)	10,727
(h) Reserves cash backed - Road	219,134	461	(157,058)	62,537	219,134	120,000	(157,058)	182,076	333,857	3,776	(118,499)	219,134
(i) Reserves cash backed - Aerodrome	19,817	42	(19,859)	0	19,817	0	(19,817)	0	158,000	1,817	(140,000)	19,817
(j) Reserves cash backed - Infrastructure Renewal	440,874	928	(360,000)	81,802	440,876	190,770	(420,000)	211,646	643,861	264,277	(467,264)	440,874
(k) Reserves cash backed - COVID-19	0	0	0	0	0	0	0	0	0	950,000	(950,000)	0
(l) Reserves cash backed - Aged Accommodation	0	30,000	0	30,000	0	0	0	0	0	0	0	0
	1,804,223	234,631	(973,352)	1,065,502	1,804,224	373,043	(1,588,329)	588,938	3,267,089	1,362,844	(2,625,710)	1,804,223

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

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Reserves cash backed - Land & Buildings	Ongoing	To finance purchase or capital improvements to Council buildings and facilitate subdivisions and developments
(b) Reserves cash backed - Plant & Equipment	Ongoing	To be used for the purchase of major and minor plant and equipment
(c) Reserves cash backed - Sewerage	Ongoing	To repair, replace or extend the Coolgardie Sewerage Infrastructure
(d) Reserves cash backed - Landfill	Ongoing	To reinstate landfill sites at the end of their current purpose or to fund improvements at landfill sites
(e) Reserves cash backed - Recreation	Ongoing	To fund capital and maintenance requirements to improve Community and Recreational Facilities
(f) Reserves cash backed - Environmental	Ongoing	Funding of infrastructure and building improvements to meet environmental challenges and to promote efficient use of power & water
(g) Reserves cash backed - IT & Communications	Ongoing	To fund capital and maintenance of Computer and communications hardware and software
(h) Reserves cash backed - Road	Ongoing	For the construction and maintenance of aerodrome facilities
(i) Reserves cash backed - Aerodrome	Ongoing	For the construction and maintenance of Roads and for which contributions have been received for Heavy Haulage Campaigns
(j) Reserves cash backed - Infrastructure Renewal	Ongoing	To meet the needs of renewal funding for future Capital renewal infrastructure generally
(k) Reserves cash backed - COVID-19	Ongoing	To meet the needs of additional costs arising from COVID-19 pandemic
(l) Reserves cash backed - 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 2021

5. OTHER FINANCIAL ASSETS

Non-current assets

Financial assets at fair value through profit and loss

	2021	2020
	\$	\$
	92,259	89,026
	92,259	89,026
	92,259	89,026
	92,259	89,026

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.

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	1,185,607	1,560,356
Trade and other receivables	688,216	166,715
Receivable from joint operation	30,000	0
GST receivable	134,441	166,988
Allowance for impairment of receivables	(160,916)	(142,170)
Emergency Services Levy	0	8,338
Pensioner Rebates	11,429	3,356
	1,888,777	1,763,583

Non-current

Pensioner's rates and ESL deferred	153,087	100,415
	153,087	100,415

	2021	2020
	\$	\$
Rates receivable	1,185,607	1,560,356
Trade and other receivables	688,216	166,715
Receivable from joint operation	30,000	0
GST receivable	134,441	166,988
Allowance for impairment of receivables	(160,916)	(142,170)
Emergency Services Levy	0	8,338
Pensioner Rebates	11,429	3,356
	1,888,777	1,763,583
Pensioner's rates and ESL deferred	153,087	100,415
	153,087	100,415

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 28.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Classification and subsequent measurement

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

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

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

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

7. INVENTORIES

Current

Fuel and materials

	2021	2020
	\$	\$
	9,171	15,350
	9,171	15,350
	15,350	9,299
	(6,179)	0
	0	6,051
	9,171	15,350

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year

Additions to inventory

Balance at end of year

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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.

	Land	Buildings - non-specialised	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	1,107,600	1,149,000	28,512,452	30,769,052	442,770	1,539,560	32,751,382
Additions	0	0	741,763	741,763	12,893	226,825	981,481
(Disposals)	0	0	0	0	0	(67,177)	(67,177)
Depreciation (expense)	0	(25,500)	(753,879)	(779,379)	(110,305)	(211,521)	(1,101,205)
Balance at 30 June 2020	1,107,600	1,123,500	28,500,336	30,731,436	345,358	1,487,687	32,564,481
Comprises:							
Gross balance amount at 30 June 2020	1,107,600	1,200,000	30,730,087	33,037,687	781,563	2,094,938	35,914,188
Accumulated depreciation at 30 June 2020	0	(76,500)	(2,229,751)	(2,306,251)	(436,205)	(607,251)	(3,349,707)
Balance at 30 June 2020	1,107,600	1,123,500	28,500,336	30,731,436	345,358	1,487,687	32,564,481
Additions	0	0	732,527	732,527	30,152	205,745	968,424
(Disposals)	(35,000)	(220,984)	0	(255,984)	0	0	(255,984)
Depreciation (expense)	0	(20,516)	(779,457)	(799,973)	(89,988)	(232,366)	(1,122,327)
Balance at 30 June 2021	1,072,600	882,000	28,453,406	30,408,006	285,522	1,461,066	32,154,594
Comprises:							
Gross balance amount at 30 June 2021	1,072,600	960,000	31,462,615	33,495,215	811,716	2,300,683	36,607,614
Accumulated depreciation at 30 June 2021	0	(78,000)	(3,009,209)	(3,087,209)	(526,194)	(839,617)	(4,453,020)
Balance at 30 June 2021	1,072,600	882,000	28,453,406	30,408,006	285,522	1,461,066	32,154,594

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

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

Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented 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.

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

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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.

	Infrastructure - Roads \$	Infrastructure - Footpaths \$	Infrastructure - Drainage \$	Infrastructure - Parks & Ovals \$	Infrastructure - Sewerage \$	Infrastructure - Landfill Asset \$	Infrastructure - Other \$	Total Infrastructure \$
Balance at 1 July 2019	130,241,819	2,821,011	1,193,110	4,771,531	3,679,575	0	5,310,322	148,017,368
Additions	1,417,065	83,158	39,333	84,071	0	0	5,885,358	7,478,985
Depreciation (expense)	(2,615,083)	(84,170)	(32,631)	(200,183)	(37,824)	0	(182,161)	(3,152,152)
Balance at 30 June 2020	129,043,801	2,789,999	1,199,812	4,655,419	3,641,651	0	11,013,519	152,344,201
Comprises:								
Gross balance at 30 June 2020	134,223,070	2,958,768	1,262,998	5,051,646	3,717,500	0	11,584,464	158,798,446
Accumulated depreciation at 30 June 2020	(5,179,269)	(168,769)	(63,186)	(396,227)	(75,849)	0	(570,945)	(6,452,245)
Balance at 30 June 2020	129,043,801	2,789,999	1,199,812	4,655,419	3,641,651	0	11,013,519	152,344,201
Additions	2,321,240	12,638	58,552	215,708	7,539	0	1,047,859	3,663,536
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	1,213,222	0	1,213,222
Depreciation (expense)	(2,642,986)	(85,711)	(33,680)	(201,328)	(37,986)	(47,834)	(259,176)	(3,308,501)
Transfers	0	0	0	0	0	352,230	(352,230)	0
Balance at 30 June 2021	128,722,055	2,716,926	1,224,684	4,669,799	3,611,204	1,517,818	11,449,972	153,912,458
Comprises:								
Gross balance at 30 June 2021	138,544,310	2,969,406	1,321,550	5,267,354	3,725,039	1,880,098	11,965,448	163,673,205
Accumulated depreciation at 30 June 2021	(7,822,255)	(252,480)	(96,866)	(597,555)	(113,835)	(362,280)	(515,476)	(9,760,747)
Balance at 30 June 2021	128,722,055	2,716,926	1,224,684	4,669,799	3,611,204	1,517,818	11,449,972	153,912,458

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Parks & Ovals	2	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Sewerage	2	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2018	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Landfill Asset	3	Cost approach using depreciated replacement cost	Management Valuation	June 2021	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - Other	2	Cost approach using depreciated replacement cost	Independent Registered Valuer	June 2018	Construction costs and current condition, residual values and remaining useful life assessments

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

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

**SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

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

Revaluation

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

Revaluation (Continued)

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

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the Shire to measure the vested improvements as part of the related right-of-use assets at zero cost.

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. FIXED ASSETS

(a) Disposals of Assets

	2021		2021		2021		2021		2020		2020	
	Actual Net Book Value	Actual Sale Proceeds	2021 Actual Profit	2021 Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss
Land - freehold land	\$ 35,000	\$ 0	\$ 0	\$ (35,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Buildings - non-specialised	220,984	160,836	5,455	(65,603)	255,000	175,000	0	(80,000)	0	0	0	0
Plant and equipment	0	0	0	0	11,273	22,273	11,000	0	67,177	78,268	27,324	(16,233)
	255,984	160,836	5,455	(100,603)	266,273	197,273	11,000	(80,000)	67,177	78,268	27,324	(16,233)

The following assets were disposed of during the year.

	2021 Actual Net Book	2021 Actual Sale	2021 Actual	2021 Actual
Land				
Education & Welfare				
3 Spinifex Street, Kambalda	15,000	0	0	(15,000)
Housing				
11 Sturt Pea Crescent, Kambalda	20,000	0	0	(20,000)
	35,000	0	0	(35,000)
Buildings - non-specialised				
Education & Welfare				
3 Spinifex Street, Kambalda	110,492	44,889	0	(65,603)
Housing				
11 Sturt Pea Crescent, Kambalda	110,492	115,947	5,455	0
	220,984	160,836	5,455	(65,603)

Note: Sale proceeds for the land portion of 3 Spinifex Street, Kambalda and 11 Sturt Pea Crescent, Kambalda were not easily identifiable, hence the entire sale proceeds have been shown under Buildings - non-specialised.

(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.

	2021	2020
	\$	\$
Buildings - specialised	3,130	3,130
Infrastructure - Parks & Ovals	108,100	108,100
Infrastructure - Sewerage	17,900	17,900
Infrastructure - Other	18,370	18,370
	147,500	147,500

(c) Temporarily Idle Assets

Nil

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

10. FIXED ASSETS

(d) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings - non-specialised	20,516	0	25,500
Buildings - specialised	779,457	662,200	753,879
Furniture and equipment	89,988	122,474	110,305
Plant and equipment	232,366	361,263	211,521
Infrastructure - Roads	2,642,986	2,650,000	2,615,083
Infrastructure - Footpaths	85,711	80,000	84,170
Infrastructure - Drainage	33,680	30,720	32,631
Infrastructure - Parks & Ovals	201,328	208,000	200,183
Infrastructure - Sewerage	37,986	38,805	37,924
Infrastructure - Landfill Asset	47,634	0	0
Infrastructure - Other	259,176	124,369	182,161
Right-of-use assets - plant and equipment	170,407	71,432	166,266
	4,601,235	4,349,263	4,419,623

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings - non-specialised	30-50 years
Buildings - specialised	3-50 years
Furniture and equipment	3-40 years
Plant and equipment	5-20 years
Infrastructure - Roads	20-150 years
Infrastructure - Footpaths	30-60 years
Infrastructure - Drainage	75 years
Infrastructure - Parks & Ovals	5-50 years
Infrastructure - Sewerage	10-100 years
Infrastructure - Landfill	6.5 years
Infrastructure - Other Infrastructure	2-50 years
Infrastructure - Kerbing	50 years
Right of use (plant and equipment)	3-7 Years

Depreciation on revaluation

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

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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.	Right-of-use assets - plant and equipment	Right-of-use assets Total
	\$	
Balance at 1 July 2019	703,030	703,030
Depreciation (expense)	(166,266)	(166,266)
Balance at 30 June 2020	536,764	536,764
Additions	32,360	32,360
Depreciation (expense)	(170,407)	(170,407)
Balance at 30 June 2021	398,717	398,717

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

	2021 Actual	2020 Actual
	\$	\$
Depreciation expense on lease liabilities	(170,407)	(166,266)
Interest expense on lease liabilities	(13,301)	(16,088)
Total amount recognised in the statement of comprehensive income	(183,708)	(182,354)
Total cash outflow from leases	(158,086)	(153,687)

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

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

Right-of-use assets - valuation

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

Refer to Note 10 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 shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the Shire anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

11. LEASES (CONTINUED)

(b) 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
2 to 3 years

	2021 Actual	2020 Actual
	\$	\$
	34,624	56,934
	13,408	34,624
	0	13,408
	48,032	104,966

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 Entity 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 2021

12. REVALUATION SURPLUS

	2021 Opening Balance	2021 Revaluation Increment	2021 Revaluation (Decrement)	2021 Closing Balance	2020 Opening Balance	2020 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Buildings - specialised	15,257,193	0	0	15,257,193	15,257,193	15,257,193
Revaluation surplus - Furniture and equipment	344,808	0	0	344,808	344,808	344,808
Revaluation surplus - Infrastructure - Roads	96,296,313	0	0	96,296,313	96,296,313	96,296,313
Revaluation surplus - Infrastructure - Footpaths	1,529,985	0	0	1,529,985	1,529,985	1,529,985
Revaluation surplus - Infrastructure - Drainage	522,500	0	0	522,500	522,500	522,500
Revaluation surplus - Infrastructure - Parks & Ovals	2,912,938	0	0	2,912,938	2,912,938	2,912,938
Revaluation surplus - Infrastructure - Sewerage	2,607,447	0	0	2,607,447	2,607,447	2,607,447
Revaluation surplus - Infrastructure - Landfill Asset	779,335	1,213,222	(1,213,222)	779,335	779,335	779,335
	120,250,519	1,213,222	(1,213,222)	120,250,519	120,250,519	120,250,519

Note: Increment in landfill asset revaluation surplus is from revaluation of landfill asset and decrement is from additional provision to remediation.

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors	1,254,655	934,272
Prepaid rates	211,948	162,093
Accrued salaries and wages	0	7,858
ATO liabilities	176,505	101,320
Bonds and deposits held	116,384	108,929
Accrued Interest on Borrowings	21,197	23,764
Accrued Expenses	117,054	6,000
	1,897,743	1,344,236

	2021	2020
	\$	\$
Sundry creditors	1,254,655	934,272
Prepaid rates	211,948	162,093
Accrued salaries and wages	0	7,858
ATO liabilities	176,505	101,320
Bonds and deposits held	116,384	108,929
Accrued Interest on Borrowings	21,197	23,764
Accrued Expenses	117,054	6,000
	1,897,743	1,344,236

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition

Prepaid rates

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

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

14. OTHER LIABILITIES

Current

Contract liabilities
 Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
 Unspent Grants

	2021	2020
	\$	\$
Contract liabilities	110,764	4,894
Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity	444,000	0
Unspent Grants	293	0
	555,057	4,894

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year

	Contract liabilities	Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity
	\$	\$
Less than 1 year	110,764	444,000
	110,764	444,000

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the the Shire's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

15. LEASE LIABILITIES

15.1 Lease Liabilities

	2021	2020
Current	52,263	133,883
Non-current	201,862	422,268
	453,925	556,151

15.2 Movement of Operating Assets

Asset	Lease Number	Location	Lease Interest Type	Lease Term	Actual	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021	
					Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal	Lease Principal
Harvesting and Culture																					
Cambridge Crm Equipment	33286-08	On Lake Lander	23%	3 yrs	2,802	0	(3,902)	0	(88)	2,819	(3,910)	0	(88)	28,378	(17,478)	2,802	(88)				
Tramper																					
FD3 Hwa 300 5 wheel	8028171	Kaayp	23%	7 yrs	178,321	0	(22,442)	155,879	(4,221)	169,329	(18,185)	37,698	(8,582)	200,209	(21,888)	178,321	(4,221)				
FD3 Hwa 300 5 wheel	8048367	Kaayp	23%	7 yrs	146,308	0	(19,594)	126,714	(2,604)	143,322	(19,438)	83,673	(8,881)	150,413	(14,562)	146,308	(2,604)				
FD3 Hwa 300 5 wheel	8074331	Kaayp	23%	7 yrs	141,718	0	(17,281)	124,437	(3,281)	131,156	(14,231)	77,710	(8,471)	130,687	(18,921)	141,718	(3,281)				
Other property and asset of Harrowa	43025-000	Milwong	23%	3 yrs	91,812	0	(88,422)	22,131	(1,202)	14,473	(14,473)	0	(1,889)	130,242	(88,723)	91,812	(1,202)				
EarO H Harrowa	2873290-01-01-26	Arrowsong	23%	3 yrs	0	22,269	(12,782)	(9,823)	(8,861)	0	0	0	0	0	0	0	0				
					558,431	22,269	(144,729)	432,969	(12,281)	259,214	(87,288)	227,943	(20,174)	760,628	(137,593)	558,431	(12,281)				

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

16. INFORMATION ON BORROWINGS

	2021	2020
Current	300,036	292,693
Non-current	2,309,777	2,609,614
	2,609,813	2,902,307

(a) Repayments - Borrowings

Particulars	Loan Number	Interest Rate	30 June 2021				30 June 2020				30 June 2020					
			Actual Principal 1 July 2020	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	Expected Principal 1 July 2020	Expected Principal repayments	Expected Interest repayments	Expected Principal outstanding	Actual Principal 1 July 2020	Actual New Loans	Actual Principal repayments	Actual Interest repayments	Actual Principal outstanding	
Recreation and culture																
Coolgardie Aquatic Facilities	112	WATC*	4.34%	188,621	(39,480)	(7,330)	129,141	188,621	(39,480)	(8,006)	129,141	206,442	0	(37,621)	(9,263)	168,621
Kambada Aquatic Facilities	114	WATC*	2.17%	1,732,311	(176,296)	(47,122)	1,508,247	1,732,311	(176,296)	(47,533)	1,508,248	1,900,000	0	(172,409)	(53,770)	1,732,311
Kambada Aquatic Facilities	115	WATC*	1.35%	0	0	0	0	0	0	0	930,000	0	(930,000)	(13,808)	0	
Kambada Aquatic Facilities	116	WATC*	1.23%	602,113	(36,939)	(11,058)	545,174	597,634	(36,939)	(11,210)	549,715	0	602,113	0	0	602,113
Economic services																
Coolgardie Post Office	113	WATC*	5.19%	399,262	(20,011)	(22,881)	379,251	399,262	(20,011)	(23,238)	379,251	418,273	0	(19,011)	(24,016)	399,262
				2,902,307	(292,694)	(88,391)	2,609,813	2,609,813	(292,694)	(88,277)	2,605,388	3,479,715	602,113	(1,192,321)	(102,888)	2,902,307

* WA Treasury Corporation

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

16. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(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	(23,136)	(5,428)
Total amount of credit unused	531,864	549,572
Loan facilities		
Loan facilities - current	300,036	292,693
Loan facilities - non-current	2,309,777	2,609,814
Lease liabilities - current	92,363	132,083
Lease liabilities - non-current	360,643	433,348
Total facilities in use at balance date	3,062,819	3,467,938
Unused loan facilities at balance date	Nil	Nil

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset.

Risk

Information regarding exposure to risk can be found at Note 28.

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

17. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2020			
Current provisions	191,337	92,885	284,222
Non-current provisions	0	84,825	84,825
	191,337	177,710	369,047
Additional provision	60,004	7,873	67,877
Balance at 30 June 2021	251,341	185,583	436,924
Comprises			
Current	251,341	112,530	363,871
Non-current	0	73,053	73,053
	251,341	185,583	436,924
Amounts are expected to be settled on the following basis:	2021	2020	
Less than 12 months after the reporting date	\$ 264,108	\$ 176,879	
More than 12 months from reporting date	172,816	192,168	
	436,924	369,047	

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as 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 are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

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

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

Provisions

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

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

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

18. OTHER PROVISIONS

	Provision for remediation costs	Total
	\$	\$
Balance at 30 June 2019		
Current provisions	0	0
Non-current provisions	797,815	797,815
	797,815	797,815
Balance at 30 June 2020		
Current provisions	450,000	450,000
Non-current provisions	347,815	347,815
	797,815	797,815
Additional provision	1,213,222	1,213,222
Amounts used	(16,558)	(16,558)
Balance at 30 June 2021	1,994,479	1,994,479
Comprises		
Non-current	1,994,479	1,994,479
	1,994,479	1,994,479

Provision for remediation costs

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

A provision for remediation is recognised when:

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

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

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

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

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

19. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cash and cash equivalents	1,336,214	975,854	2,554,442
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(1,986,077)	2,632,995	(865,641)
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(3,233)	0	(1,440)
Depreciation on non-current assets	4,601,235	4,349,263	4,419,623
(Profit)/loss on sale of asset	95,148	69,000	(11,091)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(177,866)	760,000	243,928
(Increase)/decrease in inventories	6,179	0	(6,051)
(Increase)/decrease in contract assets	0	(19,588)	(271)
Increase/(decrease) in payables	553,507	200,000	(191,866)
Increase/(decrease) in employee provisions	67,877	0	29,855
Increase/(decrease) in other provisions	(16,558)	0	0
Increase/(decrease) in other liabilities	550,163	0	0
Non-operating grants, subsidies and contributions	(2,688,651)	(5,625,523)	(2,826,984)
Net cash from operating activities	1,001,724	2,366,147	790,062

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	93,044	115,910
General purpose funding	1,574,418	2,379,500
Law, order, public safety	81,934	67,479
Health	189,606	84,618
Education and welfare	61,200	188,502
Housing	2,200,005	2,143,323
Community amenities	7,521,574	6,925,759
Recreation and culture	33,519,887	34,017,501
Transport	135,699,145	136,077,875
Economic services	6,269,669	5,927,758
Other property and services	1,521,573	2,040,037
Unallocated	1,213,222	0
	<u>189,945,277</u>	<u>189,968,262</u>

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

21. CONTINGENT LIABILITIES

Under the licence for the operation of the Kambalda Landfill Facility, the Shire has a legal obligation to restore the site. The immobilisation 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. This will be undertaken as soon as practicable

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

22. CAPITAL COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2021	2020
	\$	\$
	1,594,645	4,304,112
	0	0
	<u>1,594,645</u>	<u>4,304,112</u>
	0	4,304,112
	<u>0</u>	<u>4,304,112</u>

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

23. ELECTED MEMBERS REMUNERATION

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cr Malcolm Cullen			
President's annual allowance	32,800	32,800	32,800
Meeting attendance fees	25,091	25,091	25,091
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	1,500	0
	61,391	62,891	61,391
Cr Tracey Rathbone			
Deputy President's annual allowance	8,200	8,200	8,200
Meeting attendance fees	16,205	16,205	17,080
Annual allowance for ICT expenses	3,500	3,500	2,695
	27,905	27,905	27,975
Cr Sherryl Botting			
Meeting attendance fees	16,205	16,205	16,205
Annual allowance for ICT expenses	3,500	3,500	3,500
	19,705	19,705	19,705
Cr Kathie Lindup			
Meeting attendance fees	16,205	16,205	16,205
Annual allowance for ICT expenses	3,500	3,500	3,500
	19,705	19,705	19,705
Cr Tammee Keast			
Meeting attendance fees	16,205	16,205	12,154
Annual allowance for ICT expenses	3,500	3,500	2,625
	19,705	19,705	14,779
Cr Norm Karafilis			
Meeting attendance fees	5,402	16,205	16,205
Annual allowance for ICT expenses	1,167	3,500	3,500
	6,569	19,705	19,705
Cr Marion Winter			
Meeting attendance fees	9,453	16,205	16,205
Annual allowance for ICT expenses	2,042	3,500	3,500
	11,495	19,705	19,705
	166,475	189,321	182,965
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
President's allowance	32,800	32,800	32,800
Deputy President's allowance	8,200	8,200	8,200
Meeting attendance fees	104,766	122,321	119,145
Annual allowance for ICT expenses	20,709	24,500	22,820
Travel and accommodation expenses	0	1,500	0
	166,475	189,321	182,965

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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24. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

	2021 Actual	2020 Actual
The total of remuneration paid to KMP of the Shire during the year are as follows:	\$	\$
Short-term employee benefits	894,200	751,359
Post-employment benefits	74,049	75,790
Other long-term benefits	13,385	35,057
Termination benefits	10,385	0
	<u>992,019</u>	<u>862,206</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

These amounts represent termination benefits paid to KMP

Transactions with related parties

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

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

	2021 Actual	2020 Actual
The following transactions occurred with related parties:	\$	\$
Purchase of goods and services	95,962	18,348

Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

An associate person of KMP 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 2021

25. 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, Ngaanyatjaraku, Ravensthorpe, Wiluna and the City of Kalgoorlie-Boulder (collectively called the Goldfields Voluntary Regional Organisation of Councils - GVROC) for the provision of a regional records facility. The facility is located in Kalgoorlie and the 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

Interests in joint arrangements

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

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

Interests in joint arrangements (Continued)

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

SHIRE OF COOLGARDIE
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26. RATING INFORMATION

(a) Rates

RATE TYPE Differential general rate / general rate	Rate in \$	Number of Properties	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21	2020/21
			Actual Rateable Value \$	Actual Rate Revenue \$	Actual Interim Rates \$	Actual Back Rates \$	Actual Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate Revenue \$	Budget Back Rate Revenue \$	Budget Total Revenue \$	2019/20 Actual Total Revenue \$	
Gross rental valuations													
Residential	0.07611	1,137	16,661,505	1,268,107	(2,362)	(125)	1,265,620	1,271,809	0	0	1,271,809	1,241,879	
Unimproved valuations													
Mining	0.21716	1,151	23,966,584	5,204,583	15,000	1,923	5,221,506	5,185,832	225,000	0	5,410,832	5,081,333	
Rural	0.11051	30	8,895,307	983,020	0	0	983,020	983,020	0	0	983,020	125,408	
Sub-Total		2,318	49,523,396	7,455,710	12,638	1,798	7,470,146	7,440,661	225,000	0	7,665,661	6,448,620	
Minimum payment													
Gross rental valuations													
Residential	708	656	4,200,969	464,448	0	0	464,448	464,448	0	0	464,448	464,448	
Unimproved valuations													
Mining	437	554	582,920	242,098	0	0	242,098	244,283	0	0	244,283	244,283	
Rural	684	14	13,258	9,576	0	0	9,576	9,576	0	0	9,576	9,576	
Sub-Total		1,224	4,797,147	716,122	0	0	716,122	718,307	0	0	718,307	718,307	
Discounts/concessions (Note 26(b))													
Total amount raised from general rate			3,542	54,320,543	8,171,832	12,638	1,798	8,186,268	8,156,968	225,000	0	8,383,968	7,166,927
								(65,800)				(62,500)	(19,649)
								8,120,468				8,321,468	7,147,278

SIGNIFICANT ACCOUNTING POLICIES

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

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

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2021

26. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$	Circumstances in which Discount is Granted
Rates	100.00%	Various	45,262	0	0	Dead mining tenements, exempt properties & long term dispute
			45,262	0	0	

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
Community Groups	Waiver	100.00%	Various	0	2,500	0
Rural pursuit properties	Concession	50.00%	Various	16,442	17,500	16,223
Bona Fide Prospectors	Concession	20.00%	Various	4,096	2,500	533
Financial hardship	Waiver	100.00%	Various	0	40,000	2,893
				20,538	62,500	19,649
Total discounts/concessions (Note 26(a))				65,800	62,500	19,649

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 and meet the criteria as per Council Policy	Support community groups	Support community groups by reducing the financial cost
Rural pursuit properties	Property being used for rural pursuits	Support rural pursuits	Support rural pursuits by reducing the financial cost
Bona Fide Prospectors	Bona Fide Prospectors	Support bona fide prospectors	Support bona fide prospectors by reducing the financial cost
Financial hardship	Write Off	Rates debts written off	To bring to account uncollectable rates debts

SHIRE OF COOLGARDIE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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	14/08/2020	0	N/A	5.00%
Option Two				
First instalment				
Second instalment				
Option Two				
First instalment	14/08/2020	0	3.00%	5.00%
Second instalment	16/10/2020	10	3.00%	5.00%
Third instalment	18/12/2020	10	3.00%	5.00%
Fourth instalment	19/02/2020	10	3.00%	5.00%

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Interest on unpaid rates	58,191	60,000	80,027
Interest on instalment plan	17,475	30,000	26,961
Charges on instalment plan	30,144	18,400	22,170
	105,810	108,400	129,158

SHIRE OF COOLGARDIE
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27. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2019/20
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(30 June 2020 Carried Forward)
Note	\$	\$	\$
(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(a) (5,455)	(11,000)	(27,324)
Less: Fair value adjustments to financial assets at fair value through profit and loss	(3,233)	0	(1,440)
Movement in accrued interest on borrowings	(2,567)	0	2,691
Movement in employee benefit provisions (current)	71,791	0	(53,972)
Movement in pensioner deferred rates (non-current)	(52,672)	0	0
Movement in employee benefit provisions (non-current)	(11,772)	5,786	(21,988)
Movement in other provisions (non-current)	433,442	0	(450,000)
Movement in contract liabilities (non-current)	0	(19,588)	0
Add: Loss on disposal of assets	10(a) 100,603	80,000	16,233
Add: Depreciation on non-current assets	10(d) 4,601,235	4,349,263	4,419,623
Non cash amounts excluded from operating activities	5,131,372	4,404,461	3,883,823
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserves - cash backed	4 (1,065,502)	(588,938)	(1,804,223)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	16(a) 300,036	298,544	292,693
- Accrued Interest on long term borrowings	13 21,197	0	23,764
- Accrued Salaries & Wages	13 0	0	7,858
- Current portion of lease liabilities	15(a) 92,363	46,346	132,083
- Employee benefit provisions	17(a) 363,871	256,067	284,222
Total adjustments to net current assets	(288,035)	12,019	(1,063,603)
Net current assets used in the Rate Setting Statement			
Total current assets	3,234,162	1,820,278	4,333,375
Less: Total current liabilities	(3,209,070)	(1,832,297)	(2,508,128)
Less: Total adjustments to net current assets	(288,035)	12,019	(1,063,603)
Net current assets used in the Rate Setting Statement	(262,943)	0	761,644

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

28. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	0.01%	1,336,214	1,065,502	269,500	1,212
2020					
Cash and cash equivalents	0.30%	2,554,442	1,804,225	749,005	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.

Impact of a 1% movement in interest rates on profit and loss and equity*

* Holding all other variables constant

	2021	2020
	\$	\$
	2,695	7,490

Borrowings

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

SHIRE OF COOLGARDIE
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28. 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 has historically been able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage 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 2020 or 1 July 2021 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 2021 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
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
30 June 2020					
Rates receivable					
Expected credit loss	0.14%	3.71%	8.45%	1.86%	
Gross carrying amount	171,231	572,650	334,882	582,008	1,660,771
Loss allowance	13	21,245	28,298	10,825	60,381

The loss allowance as at 30 June 2021 and 30 June 2020 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	90+ Days Specific Loss Allowance	Total
30 June 2021						
Trade and other receivables						
Expected credit loss	1.04%	3.32%	3.73%	4.98%	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
30 June 2020						
Trade and other receivables						
Expected credit loss	1.18%	4.28%	4.48%	4.48%	100.00%	
Gross carrying amount	51,333	6,975	5,580	23,189	79,638	166,715
Loss allowance	563	299	250	1,039	79,638	81,789

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FOR THE YEAR ENDED 30 JUNE 2021

28. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 16(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
	\$	\$	\$	\$	\$
2021					
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>
2020					
Payables	1,344,236	0	0	1,344,236	1,344,236
Borrowings	363,364	1,407,081	1,534,420	3,304,865	2,902,507
Lease liabilities	144,718	346,734	118,516	609,968	565,431
	<u>1,852,318</u>	<u>1,753,815</u>	<u>1,652,936</u>	<u>5,259,069</u>	<u>4,812,174</u>

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

29. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no significant events to report post 30 June 2021 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 2021**

30. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

SHIRE OF COOLGARDIE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

31. ACTIVITIES/PROGRAMS

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

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 2021

32. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	0.49	1.01	2.48
Asset consumption ratio	0.93	0.95	0.97
Asset renewal funding ratio	1.56	1.10	1.11
Asset sustainability ratio	0.97	1.49	0.79
Debt service cover ratio	1.20	0.66	11.56
Operating surplus ratio	(0.40)	(0.39)	(0.33)
Own source revenue coverage ratio	0.63	0.62	0.65

The above ratios are calculated as follows:

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



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 Shire of Coolgardie

To the Councillors of the Shire of Coolgardie

Report on the audit of the annual financial report

Opinion

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

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

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

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2021 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 section below. I am independent of the Shire in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for 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 and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

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

Auditor's responsibility for the audit of the financial report

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.

Report on other legal and regulatory requirements

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

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the Shire:
 - a) The Operating Surplus Ratio has been below the Department of Local Government, Sport and Cultural Industries' standard for the past 3 years. The financial ratios are reported at Note 32 to the financial report.
- (ii) The following material matters indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law were identified during the course of my audit:
 - a) For approximately 17% of purchase transactions sampled, there was inadequate or no evidence that a sufficient number of quotations were obtained to test the market, and no documentation to explain why other quotes were not sought. This practice increases the likelihood of not receiving value for money in procurement and the risk of fraud or favouritism of suppliers.
 - b) The unrestricted cash position of the Shire was a negative balance of \$400,729 at 30 June 2021. Review of the Shire's cash and cash equivalents account revealed that the Shire had accessed monies in reserve accounts to fund its operations. This is a breach of section 6.11(2)(a) of the *Local Government Act 1995*, which requires the Shire to give one month's local public notice if the money in a reserve account is proposed to be used for another purpose.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.

- (v) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other matter

The financial ratios for 2019 in Note 32 of the financial report were audited by another auditor when performing their audit of the Shire for the year ending 30 June 2019. The auditor expressed an unmodified opinion on the financial report for that year.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

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 2021 included on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
17 December 2021

ATTACHMENT

SHIRE OF COOLGARDIE

PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Insufficient quotes obtained per Shire's purchasing policy	✓		
2. Negative unrestricted cash position at year-end	✓		
3. Bank reconciliations – long outstanding items		✓	

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 may be reported as a matter of non-compliance in the audit report 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 report, 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: 1 JULY 2020 TO 30 JUNE 2021

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

1. Insufficient quotes obtained per Shire's purchasing policy

Finding

We tested a sample of 30 purchases made during the period 1 July 2020 to 31 March 2021, and noted 5 (16.67%) instances where there was insufficient documentation to indicate that the requisite number of quotations had been obtained and evaluated and no documentation to explain why other quotes were not sought.

Section 4 of the Procurement Policy of the Shire requires that purchases within prescribed price ranges meet certain conditions in order to comply with the *Local Government Act 1995* and accompanying regulations.

Rating: Significant

Implication

If quotes are not obtained when required, purchases may not reflect the best value for money as stated in Policy 4 *Value for Money* of the Shire's purchasing policy and increases the risk of fraud or favouritism of suppliers. In addition, the Shire is not complying with the requirements of its purchasing policy and relevant Local Government laws and regulations.

Recommendation

The requirement for full compliance with the Shire's Procurement Policy must be communicated to all staff and be closely monitored by management.

If instances arise where the Shire is unable to obtain the requisite number of quotations, the reasons should be recorded and attached to the purchase order at the time of the purchase being made.

Management comment:

Agreed.

All staff with delegated authority are aware that purchase orders need to be raised prior to obtaining the good or service. This is an area that has been identified by management previously and is continually being reviewed to ensure compliance with the Shire's Procurement Policy.

CEO has spoken with management and emphasised the importance of adhering to the Shire's Procurement Policy, including the requirement to document when multiple quotations have been requested, but not supplied.

Additional training to be provided to existing and future staff to reiterate the need to comply with the Shire's Procurement Policy.

Responsible position: Chief Executive Officer and Director Operations

Completion Date: Ongoing

ATTACHMENT

SHIRE OF COOLGARDIE
PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021
FINDINGS IDENTIFIED DURING THE FINAL AUDIT

2. Negative unrestricted cash position at year-end

Finding:

We noted that Shire's unrestricted cash position as at 30 June 2021 was a negative balance of \$400,729. Review of the Shire's cash and cash equivalents account revealed that the Shire had accessed restricted funds to subsidise the municipal funds.

Rating: Significant

Implication:

The use of restricted cash to fund operations, exposes the Shire to the risk of non-conformation with its obligations relating to the restricted cash. The Shire also runs the risk of breaching section 6.11 of the *Local Government Act 1995* in circumstances when reserve funds are not managed properly.

Recommendation:

The Shire should manage its cashflow in accordance with the Local Government Act 1995. Any transfers of reserve funds should only be made in accordance with section 6.11 of the *Local Government Act 1995* and only when there are available funds after giving due consideration to the expected timing and flow of the Shire's receipts and payments.

Management comment:

The negative unrestricted cash position was the result of the Shire effectively being in overdraft at 30 June 2021, but at the time the Shire had not initiated the overdraft facility at 30 June 2021.

Management is comfortable the unrestricted cash position can be improved as several factors encountered in 2020/21 will not have as much of an impact in 2021/22, these being;

- 1. Increased costs attributed to COVID-19 (net cost of \$345k in 2020/21), and*
- 2. 0% rate increase (cost Shire around \$300k as rate base increases on average by 2-4% per annum once taking into consideration mining UV valuations)*

Cash flow modelling has been implemented to provide staff and elected members with monthly updates on the Shire's current and project cash flow position.

Responsible position: Director Operations

Completion Date: December 2021 / Ongoing

ATTACHMENT

SHIRE OF COOLGARDIE**PERIOD OF AUDIT: 1 JULY 2020 TO 30 JUNE 2021****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****3. Bank reconciliations – long outstanding items****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.

During our review of bank reconciliations, we noted that there were multiple long outstanding items, such as receipts/payments not posted to the general ledger dating back to the 2019 financial year. The total of these long outstanding items was (\$54,049.94).

These reconciling items remain outstanding at the date of this letter. We understand that the Shire is currently transitioning to a new software system in which reconciling items will be reviewed and cleared regularly.

Rating: Moderate**Implication:**

Long outstanding items that are not adequately explained or resolved, increases the risk of fraud, errors and omissions remaining undetected, which in turn could lead to misstatements in the Shire's financial statements. There is a further risk of non-compliance with Regulation 5(1)(d) of the *Local Government (Financial Management) Regulations 1996*, which requires the CEO to ensure proper accounting for revenue received and expenses paid in the municipal or trust funds.

Recommendation:

We recommend that management should review long outstanding items listed on period-end bank reconciliations and adequately explain or resolve any long outstanding items.

Management comment:

Agreed, long outstanding items should not form part of the bank reconciliations.

The Shire are currently in the process of implementing the Altus bank module in Synergy Soft. Part of this process is to review and reconcile all outstanding items. Once this process has been completed then future bank reconciliations will ensure that all items are reconciled in a timely manner.

Responsible position: Director Operations

Completion Date: January 2022

**Shire of Coolgardie
2020/21 Audit Management Report
Action List**

Matter Raised	Area of Concern	Action Taken / Proposed Action	Measurement of Success
<p>There is a significant adverse trend in the financial position of the Shire</p>	<p>The Operating Surplus Ratio has been below the industry benchmark for the past 3 years.</p>	<p>The difference between operating revenue and operating expenditure was \$4,053,679 (2019/20 - \$3,586,213). Consequently, in order to meet the standard and improve the ratio Council needs to have the following strategic conversation with the community;</p> <ul style="list-style-type: none"> • Increase revenue generated from non-rating sources such as Kambalda airstrip, Shire Landfill facilities and other commercial activities like proposed village accommodation • Increase rates revenue through significant rate increases to the community • Increase rate in the \$ for mining accommodation villages on mining leases • Reduce levels of service significantly on all operating activities • In order to significantly reduce the operating gap 	<p>A steady improvement in the ratio over a period of time is a reasonable measure of success.</p> <p>Council have an expectation of meeting the benchmark within a 5 year period as highlighted in the Shire's Long Term Financial Plan.</p> <p>This will only be achieved if the Council continues to provide strategic direction to the CEO to implement commercial activities such as Kambalda airstrip, Shire Landfill facilities and other commercial activities like proposed village accommodation.</p>

		<p>of \$4,053,679 the Shire would have to consider something like reducing the Shire FTE's by 25 estimated to save \$2.49 million and all contractors estimated to save \$680,000. This would mean no community facilities open including recreation centres, pools, libraries and CRC's, no community programmes or activities, no planning, building and health services no ranger services. Furthermore no projects would get done. This would still leave a gap of \$883,679 requiring an 11% annual rate increase.</p> <p>Council and management will continue to explore areas to help improve the operating position of the Shire.</p>	
Purchasing Policy	<p>Sample testing of 30 purchases made during the period 1 July 2020 to 31 March 2021, and noted 5 (16.67%) instances where there was insufficient documentation to indicate that the requisite number of quotations had been obtained and evaluated and no documentation to explain why other quotes were not sought.</p>	<p>This is an area that has been identified by management previously and is continually being reviewed to ensure compliance with the Shire's Procurement Policy.</p> <p>CEO has spoken with management and emphasised the importance of adhering to the Shire's Procurement Policy, including the requirement to document when multiple quotations have been requested, but not supplied.</p>	<p>Adherence with the Shire's Procurement Policy.</p>

		Additional training to be provided to existing and future staff to reiterate the need to comply with the Shire's Procurement Policy.	
Bank Reconciliations	<p>During our review of bank reconciliations, we noted that there were multiple long outstanding items, such as receipts/payments not posted to the general ledger dating back to the 2019 financial year. The total of these long outstanding items was (\$54,049.94).</p> <p>These reconciling items remain outstanding at the date of this letter. We understand that the Shire is currently transitioning to a new software system in which reconciling items will be reviewed and cleared regularly.</p>	<p>Agreed that long outstanding items should not form part of the bank reconciliations.</p> <p>The Shire are currently in the process of implementing the Altus bank module in Synergy Soft. Part of this process is to review and reconcile all outstanding items.</p> <p>Once this process has been completed then future bank reconciliations will ensure that all items are reconciled in a timely manner.</p>	<p>No outstanding receipts or payments to remain unreconciled for a period greater than 3 months.</p> <p>Unpresented cheques not to exceed 12 months from date of issue.</p>
Negative unrestricted cash position at year-end	<p>Noted that Shire's unrestricted cash position as at 30 June 2021 was a negative balance of \$400,729. Review of the Shire's cash and cash equivalents account revealed that the Shire had accessed restricted funds to subsidise the municipal funds</p>	<p>The negative unrestricted cash position was the result of the Shire effectively being in overdraft at 30 June 2021, but at the time the Shire had not initiated the overdraft facility at 30 June 2021. This position was the result of grant funding received during the financial year which had not been fully expended at 30 June 2021.</p> <p>Management is comfortable the unrestricted cash position can be improved as several factors encountered in 2020/21 will not have as much of an impact in 2021/22, these being;</p>	<p>Positive unrestricted cash position at 30 June 2022.</p> <p>Improved unrestricted cash position & increase funds held in reserves forecast at 30 June 2023 and beyond as per LTFP.</p>

		<ol style="list-style-type: none"> 1. Increased costs attributed to COVID-19 (net cost of \$345k in 2020/21), and 2. 0% rate increase (cost Shire around \$300k as rate base increases on average by 2-4% per annum once taking into consideration mining UV valuations) <p>Cash flow modelling has been implemented to provide staff and elected members with monthly updates on the Shire's current and project cash flow position.</p>	
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5 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF MEETING

Nil

5.1 Elected Members

Nil

5.2 Council Officers

Nil

6 CLOSURE OF MEETING

The Meeting closed at 11.20 am

The minutes of this meeting were confirmed at the Audit Committee held on 21 December 2021

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CHAIRPERSON