

City of Karratha Annual Report 2021/22



Acknowledgement of Country

Wayiba! Wanthiwa! Tharnardu!

The City of Karratha recognises the ancient and ongoing connection of the Ngarluma people as traditional custodians of this land and their deep historical and spiritual connection to the region's country, waterways, rivers, and seas. We acknowledge the significance of the traditional welcoming rituals of Aboriginal and Torres Strait Islander people and pay respect to the Ngarluma people and their Elders, past, present, and emerging. We also acknowledge that Indigenous Australians were the first inhabitants of Australia and have unique languages and spiritual relationships with the land. The name "Karratha" is derived from an Aboriginal word meaning "good country" or "soft earth."





Welcome to the 2021/22 City of Karratha Annual Report

Our Annual Report provides an overview of City of Karratha activities as we work to achieve our vision of becoming Australia's most liveable regional city.

Driven by four strategic pillars; Our Community; Our Economy; Our Natural and Built Environment; and Our Leadership, this report showcases our achievements alongside areas where there is still room to grow. This in-depth look at our work across the 2021/22 financial year not only includes the public-facing elements of the work Council does but also encompasses our financial performance and the governance and statutory regulations by which we operate.

Throughout the 2021/22 financial year, The City of Karratha continued to provide a high level of services and amenities for residents while continuing to respond to ever changing COVID-19 restrictions. The City also completed several projects to tackle areas of concern in the community including the launch of the Designated Area Management Agreement.

The year ahead will see the City work hard to deliver best outcomes for residents, from improved connectivity to diversification of the local economy, supporting local employment.



Why we report

Under the Local Government Act 1995, local governments are required to produce an Annual Report by 31 December each year. This document provides a snapshot of performance at the City of Karratha alongside an overview of the City's vision for the future.

This report recognises the City's major successes and growth, while also assessing areas that warrant further development, providing a timely opportunity for reflection and improvement.

The City of Karratha Annual Report is a public document that provides the disclosure requirements outlined in the State Government of Western Australia *Local Government Act 1995*.

An electronic version of this report is available on the City of Karratha website: karratha.wa.gov.au



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Mayor's Report

The 21/22 Financial year saw Council continue to help the community through the COVID-19 pandemic while rolling out projects to improve facilities around the City.



Throughout the financial year, we continued to feel the sting of the pandemic, with ever changing restrictions. Given this, we continued to support our community and encourage local spend on tourism.

Discounts of 20% were offered to residents booking local tours through the Karratha Tourism and Visitor Centre with a total discount value of \$42,643. The 12% commission fee for tour operators taking bookings through the centre were also waived, with a value of \$26,745.

Over the financial year, the City awarded several contracts for projects to revitalise our community.

Highlights of these included \$1.58m for the Karratha Leisureplex Solar Initiative, \$9m for the Kevin Richards Memorial Oval club and change rooms and \$4.3m toward redeveloping the Shakespeare Street Units for service worker accommodation.

Our Council and City staff have accomplished a great deal in 2021/22 despite the challenges posed by the COVID-19 pandemic.

As we start a new financial year, I look forward to advancing our vision of becoming Australia's most liveable regional city and making our city an even better place to live, work, and invest.

Peter Long
Mayor, City of Karratha

CEO's Report

Despite the ongoing impacts of the Coronavirus pandemic, our organisation has found ways to continue to provide high quality services and infrastructure to our local communities as part of our goal to become Australia's most liveable regional City.



Over the past year, we have focused on delivering services and programs that respond to and meet our community's needs while continuing to react to the ongoing challenges of the pandemic.

The 2021/22 Budget capital works program included 117 projects with value of more than \$53 million, with highlights ranging from land and housing developments, to the Karratha Leisureplex solar initiative and the Murujuga National Park Access Road project.

This was achieved while only increasing rates for ratepayers by 0.9 per cent thanks to our responsible economic management and strong financial position.

As our community recovers from the pandemic, we continued to provide support to tourism operators by providing a 20% local discount to residents booking tours through the Karratha Tourism and Visitor Centre. This program lasted from July 1 until 31 December 2021, and came to the value of \$26,909.65.

We continue to face a critical shortage of affordable housing in our community. We must ensure that housing is accessible and affordable if we are to achieve our vision of being the most liveable regional city in Australia.

Given this, we progressed initiatives aimed at improving the availability and affordability of housing including service worker accommodation.

City of Karratha employees are hardworking and passionate. My team and I are extremely proud of the accomplishments we have made, and I look forward to the challenges and rewards that lie ahead in the coming year.

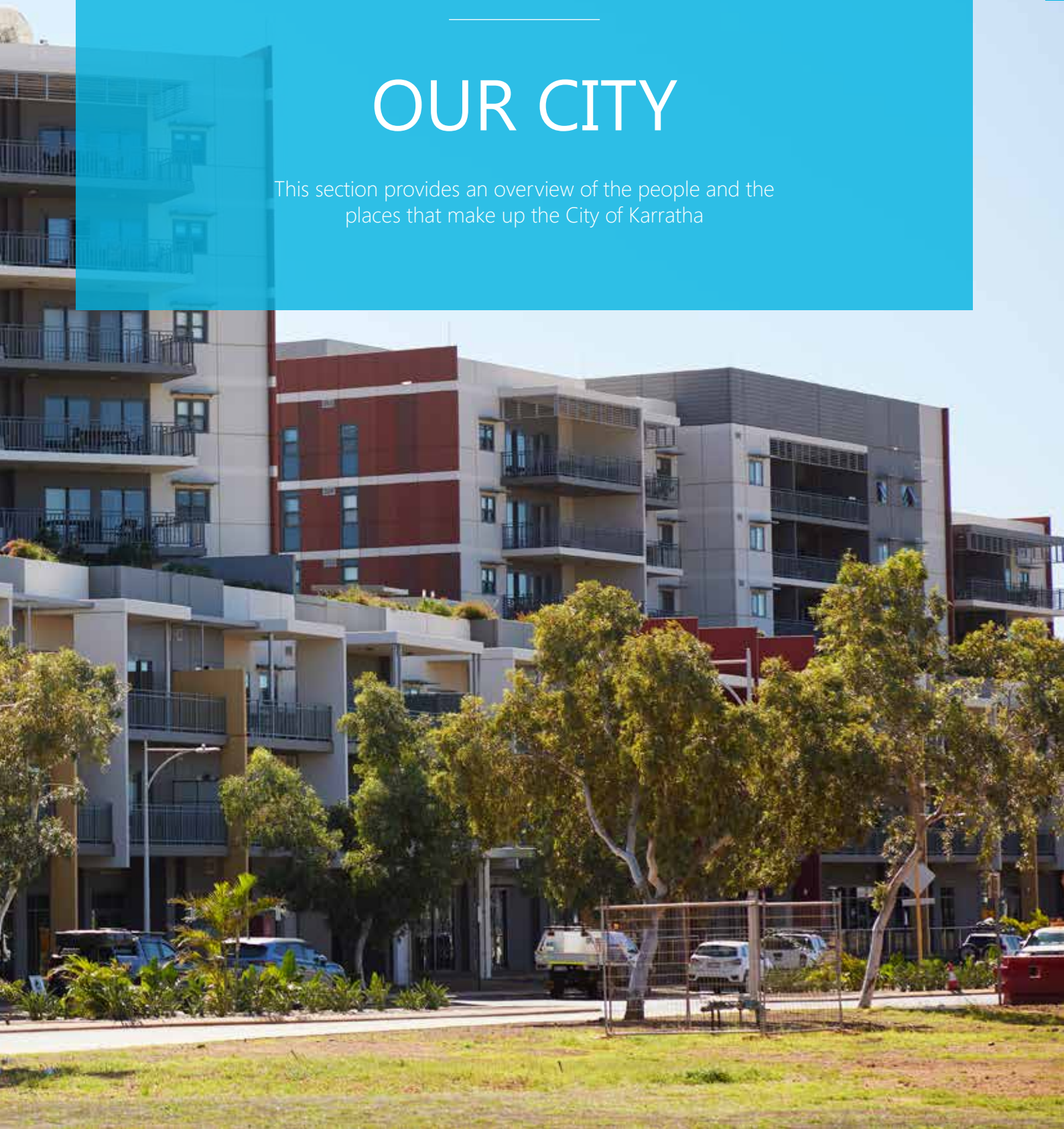
Chris Adams
CEO, City of Karratha



SECTION 1

OUR CITY

This section provides an overview of the people and the places that make up the City of Karratha



1.1 Highlights

Our Strategic Community Plan 2020-2030 articulates our community vision for the City of Karratha as an attractive, vibrant and liveable regional city.

Our goals from the Strategic Community Plan are integrated into our Corporate Business Plan and yearly Operational Plan. Some of our key achievements from the past financial year are highlighted under relevant strategic pillars below:



Our efforts to engage with the local youth saw more than 140 attendees take part in seven events across Youth Week.



57 applications were received across the City of Karratha's Community grants schemes.



The City progressed works on the Shakespeare Service Worker Accommodation units.



Completed works on the Kevin Richards Memorial Oval playground.



Continued to work closely with the Karratha Districts Chamber of Commerce and Industry to provide quarterly business breakfast briefings for the local business community.



Implemented the annual streetscapes and verges maintenance program.



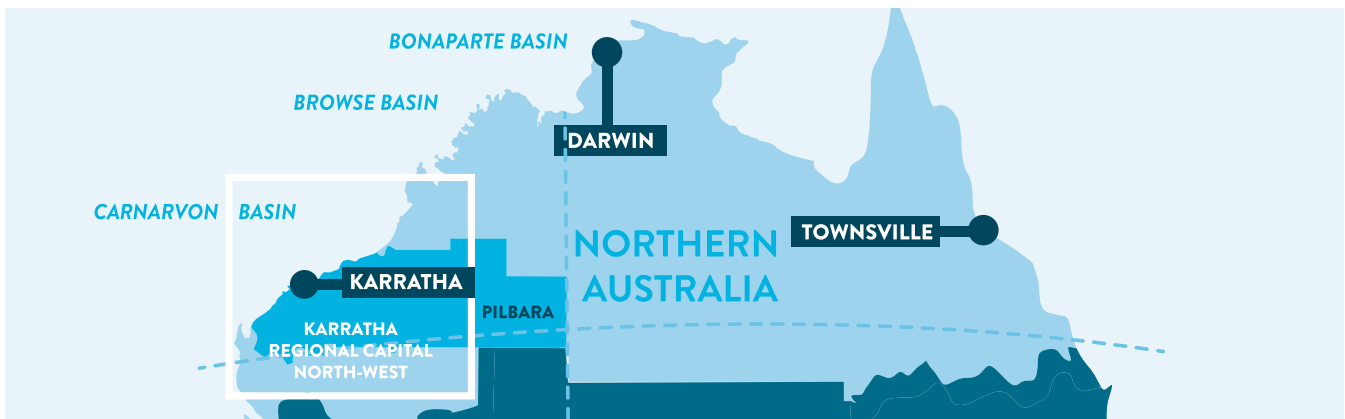
Completed works on the \$1.58m Karratha Leisureplex Solar Initiative.



90 per cent of facilities in The Quarter under lease.

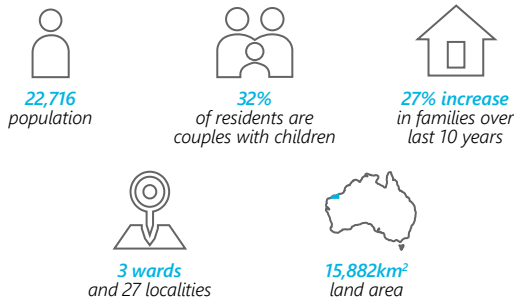
1.2 City profile

The City of Karratha is surrounded by the Shire of Ashburton to the south, Port Hedland to the east, and the Indian Ocean to the north and west. It boasts four industrial ports and generates about \$12.2 billion for the country's economy annually.



The city stands out with its combination of modern industry and a cultural, natural landscape. It holds both national economic significance and global heritage value for its history of the Ngarluma and Yindjibarndi people.

Demographic



Natural

The City of Karratha offers a unique natural environment with the Dampier Archipelago and Murujuga National Park (Burrup Peninsula). This blend of world-class fishing and rich cultural history make for an exceptional lifestyle. The Dampier Archipelago consists of 42 islands, inlets and rock formations within a 45km radius of Dampier and Point Samson. These islands feature scenic coastal cliffs, sand plains, and pristine beaches perfect for fishing, swimming and snorkelling. The Burrup Peninsula boasts the highest concentration of rock art globally with over one million engravings showcasing 50,000 years of human habitation.



History of Council

The lands within City of Karratha boundaries have been occupied by ancestors of the Ngarluma, Yindjibarndi, Martuthunia and Yaburara peoples for more than 30,000 years.

- 1866 Roebourne established as a township
- 1871 The District of Nickol Bay was gazetted and the first election held
- 1887 The District of Nickol Bay was abolished and the Roebourne Roads Board District gazetted
- 1961 The Roebourne Roads Board became the Shire of Roebourne
- 1968 Planning for the construction of Karratha began
- 1970 Wickham's first permanent buildings were constructed
- 1975 Karratha became the administrative centre for the Shire of Roebourne
- 2014 The Shire of Roebourne became the City of Karratha



Dampier Palms Pavillion



Kevin Richards Memorial Oval playground

Economic

A large percentage of the City's industry output is derived from the mining industry, which in 2021/22 produced an estimated \$16.281 billion in annual output. Unlike other mining towns in the region, the City's economy is based primarily on exports and oil and gas processing. The city has four busy industrial ports and 231ha of industrial land with 507ha planned for future use. The mining industry is the largest employer, generating 4,755 local jobs.

The City of Karratha is well planned and positioned to manage, facilitate and support ongoing investment in capital and social infrastructure by government and private investors. The Council has worked diligently over the last five years to ensure that adequate services and amenities are available to serve a population of 50,000 comfortably.



\$10.9 billion
Gross Regional Product



14,910
local jobs, 4,755 in mining industry



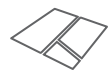
9,646
employed residents



\$3,158
Median weekly household income



1,162
local businesses



231ha
industrial land



4
industrial ports



5.1%
of all registered business in the City linked to construction



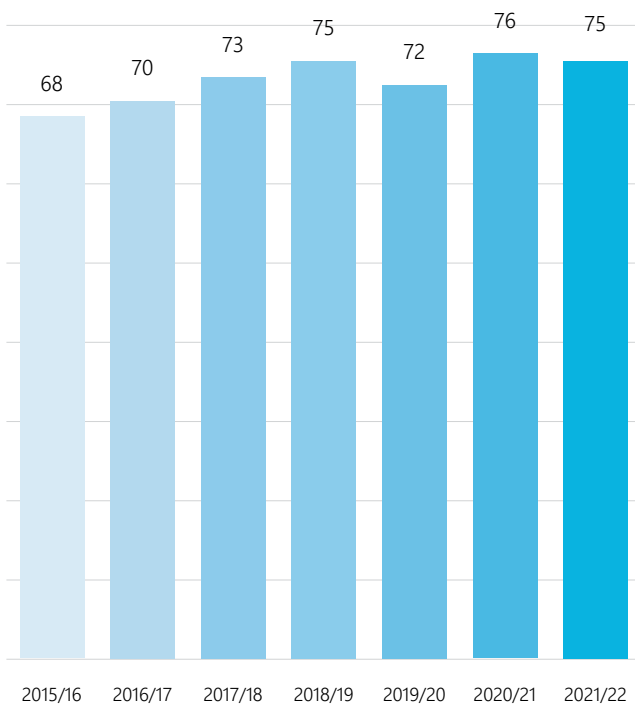
12.7%
of residents linked to mining



Community

The City of Karratha is home to a vibrant and diverse community that enjoys a level of amenity and service usually only seen in much larger metropolitan areas. Home to more than 200 registered community groups, sporting clubs, associations and cultural groups, the City embraces social events and experiences, providing more than 86 parks, ovals, streetscapes, buildings, open spaces, foreshores and creeks, hosting roughly 56 events and festivals each year and offering almost \$1 million in community funding grants annually.

Annual Community Satisfaction Survey score for City of Karratha: (out of 100)



| Residents who rate the town as an excellent/good place to live: | |
|---|------------|
| 2016/2017 | 57% |
| 2017/2018 | 60% |
| 2018/2019 | 64% |
| 2019/2020 | 62% |
| 2020/2021 | 67% |
| 2021/2022 | 63% |



4 libraries



3 major recreational centres



86 parks and open spaces



7 community hubs and pavilion



166.571km total footpaths



675.261km total road



110 sports clubs and associations



12 primary and high schools and Pilbara University centre



\$1 million community grants funding available



2021/22 in numbers

Facility activity and services statistics



Processed waste (tonnes)

| | |
|---|---|
| 59,809t Waste accepted to landfill | 13,488t Liquid waste accepted |
| 6,607t Waste collected kerbside residentially | 1,012t Recycling collected kerbside residentially |
| \$123,659 Tip Shop income | 7,208t Waste diverted from landfill |



Environmental health inspections and registrations

| | |
|---|------------------------------------|
| 110 Food premises | 37 Public buildings |
| 16 Public swimming pools | 29 Hair and beauty premises |
| 2 Caravan parks | 12 Lodging houses |
| 145 Applications and Enquiries handled | 2 Healthy Dog Day Events |
| 133 Health nuisances/complaints investigated | |



Ranger Services inspections / audits

| | |
|--|---|
| 194 Abandoned vehicles | 68 Off-road vehicles |
| 117 Camping Inspections | 456 Litter Inspections |
| 799 Parking Inspections | 5 Cyclone Inspections and Fire Permits |
| 2,375 Animal (dog/cat trapping, sterilisation, rehoming, euthanising) | |



521,115 visits to Karratha Leisureplex

| | |
|---|---|
| 23,906 visits to Group Fitness classes | 107,296 visits to Aquatic Centre |
| 38,007 visits to Gym Facilities | |



49,502 visits to Wickham Recreation Precinct

| | |
|---|---|
| 2,663 Group Fitness participants | 5,517 visits to Recreation/Play Programs |
| 1,683 visits to Wickham Pool | 14,008 visits to Gym Facilities |



100,535 visits to the libraries

| | |
|----------------------------------|---------------------------------|
| 62,978 visits to Karratha | 13,584 visits to Wickham |
| 8,057 visits to Roebourne | 15,916 visits to Dampier |



Children and Youth

| | |
|---|----------------------------------|
| 17,882 Youth Centre visits | 147 Youth Week attendance |
| 28,159 Indoor Play Centre visits | |



Community Survey

| | |
|------------------------|--------------------------------------|
| 1,023 Responses | 75 Overall Score (Out of 100) |
|------------------------|--------------------------------------|



Karratha Airport

| | |
|---------------------------|----------------------------------|
| 475,836 Passengers | 22,649 Aircraft movements |
|---------------------------|----------------------------------|



Building Services

| | |
|--|--|
| 1,055 Building permits issued | 14 Certificates (Approval/Demolition/Occupancy) |
| 164 Applications for other councils | 20 Private certificates |



Red Earth Arts Precinct

20,106 movie attendees



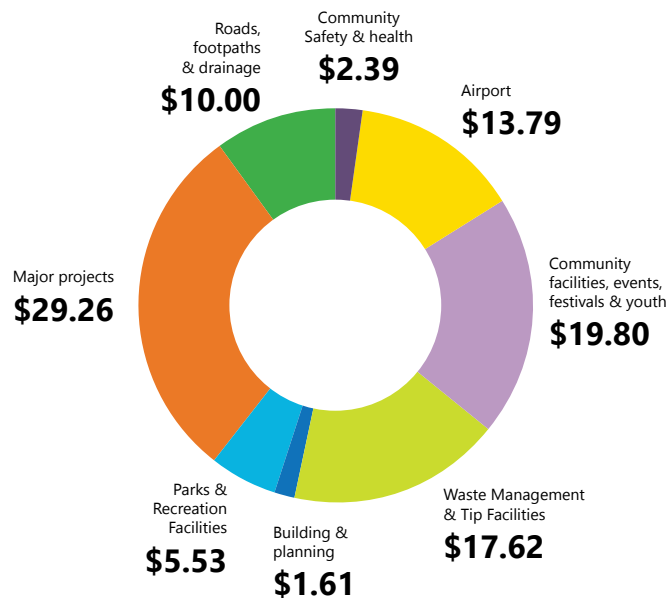
1.3 Your rates at work

The City of Karratha provides extensive services, amenity and facilities to residents each year and in addition to current provisions, is working on a number of developments that will enhance the entertainment options and liveability of our community.

Below is a summary of where the City of Karratha gets its revenue from and how it is spent to provide the best outcomes for residents.

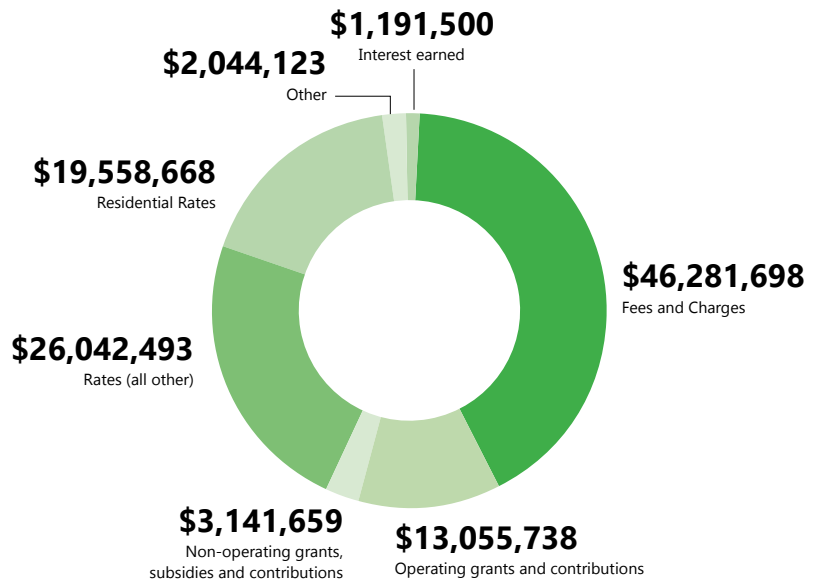
Where do your rates go?

For every \$100 in expenditure this is what the City of Karratha delivers:



Where does the City of Karratha get its money?

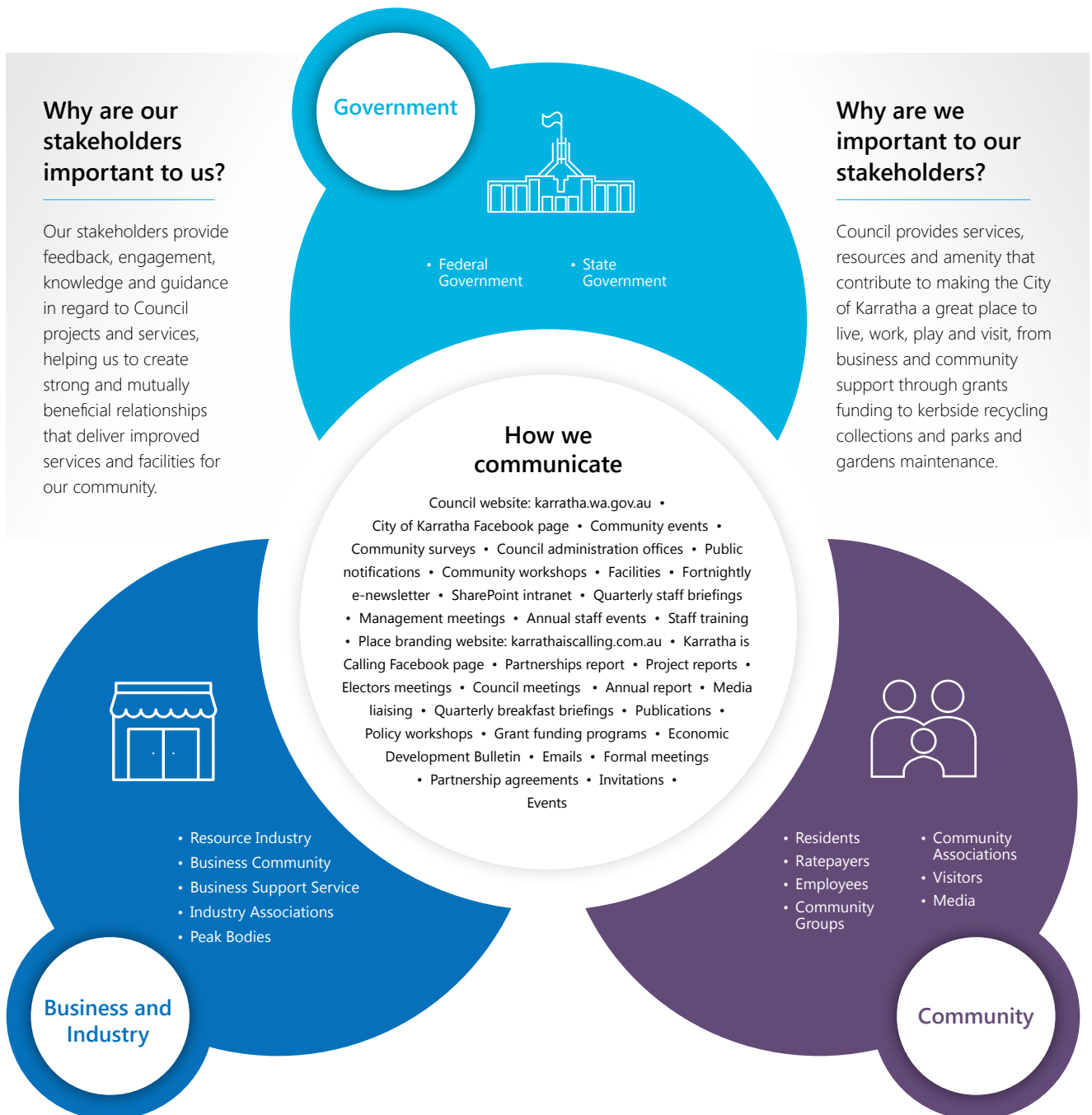
Our total revenue for 2021/22 was \$111,315,879 which came from the following sources:



1.4 Supporting our stakeholders

The City of Karratha is a high performing, progressive local government focused on delivering exceptional services, facilities and amenities to our community. We support residents, businesses and industry and work hard to maintain meaningful relationships with all of our stakeholders.

The International Association of Public Participation (iap2) Public Participation Spectrum provides the preferred framework for determining the level of community engagement required for any Council endeavour and the City offers training opportunities for staff to provide a framework to determine the appropriate level of community engagement required for effective decision making for each Council policy, project or decision.





1.5 Supporting our volunteers

The City of Karratha strongly supports volunteering in our local community. Given this, the City has developed a number of volunteer policies to ensure residents and employees have the support they need for these activities to be a success.

The City of Karratha volunteering policies provide employees the opportunity to:

- actively engage volunteer participation by residents;
- respect the rights and interests of volunteers and staff;
- complement the work of paid staff and services provided by Council;
- encourage and acknowledge the contribution of volunteers who provide services to the Community; and
- ensure adequate orientation, support, training and supervision is provided for volunteers during their period of volunteering.

More information on these policies is available at www.karratha.wa.gov.au/policies

Karratha, Dampier, Wickham, Point Samson and Roebourne each have community associations run by local volunteers. These associations receive Council funding for the provision of events and initiatives that support their local communities.

The City of Karratha is home to more than 300 emergency service volunteers supporting the following services:

- Fire and rescue
- Bush Fire Brigades
- St John Ambulance
- State Emergency Service
- Marine rescue

In recognition of this, Council holds annual Emergency Services Volunteer Recognition Evenings that celebrate these volunteers and recognise terms of service.



Cossack Art Awards 2021



Citizenship Ceremony 2022



Red Earth Arts Festival 2022



NAIDOC Community Concert

1.6 Major events

2021

| JULY |
|-----------------------------------|
| • Cossack Art Awards |
| • Citizenship Ceremony |
| • Pilbara Hydrogen Cluster Launch |

| AUGUST |
|---|
| • Cossack Art Awards Public Program, Education Program & Family Day |
| • FeNaCING Festival |

| NOVEMBER |
|----------------------------|
| • NAIDOC 2021 |
| • NAIDOC Community Concert |
| • Remembrance Day |

| OCTOBER |
|--------------------------------|
| • Volunteer Recognition Awards |
| • Citizenship Ceremony |
| • Walkington Awards |

| DECEMBER |
|--|
| • International Day of People with Disability |
| • Sharpe Avenue Christmas Light Walk |
| • Christmas on the Green |
| • Seniors Christmas Lunch – Karratha and Roebourne |



FeNaCING Festival



Children's Art Awards Family Day 2021



Red Earth Arts Festival 2022



Remembrance Day 2021

2022

JANUARY

- Australia Day Awards & Citizenship Ceremony
- Australia Day Fireworks

MARCH

- Red Earth Arts Festival

APRIL

- ANZAC Day

MAY

- Volunteer Recognition Awards
- Seniors Film & Sunday Session
- Melbourne International Comedy Festival Roadshow – presented by the City
- Citizenship Ceremony

ADDITIONAL EVENTS IN THE CITY OF KARRATHA SUPPORTED BY COUNCIL

- Billfish Shootout
- Roebourne Races
- Sprintcar Stampede
- Markets in Dampier, Wickham and Karratha
- Movies in Dampier
- KDCCI Business Excellence Awards
- Guy Fawkes Night
- Dampier Art Awards
- Brew in the Moo
- Pilbara Summit
- Pilbara Waste Summit Awards – sponsored by the City
- Dampier Classic

- Red Country Music Festival
- Father's Day Car and 4WD Show
- Port Walcott Fishing Extravaganza
- Variety Bash Tour
- Unsung Heroes
- North West Championships (Netball)
- Dressage by the Ocean
- Pilbara for Purpose Excellence Awards
- Carols by Glowlight
- R U OK Day
- Legacy Long Table Dinner
- Yara Burrup Classic Open Water Swim
- City of Karratha Business Breakfast Briefing



Australia Day Awards, January 2022

1.7 Awards and recognition

The 2021/22 financial year has seen representatives from the City of Karratha speak at national events as well as continue the provision of a number of community and sporting awards that celebrate leadership and high performance.

August 2021

Developing Northern Australia Conference 2021 – Mayor, Cr Scott, Cr Waterstrom Muller, Cr Harris, Cr Smeathers

Kimberley Economic Forum 2021 – Mayor

September 2021

2021 WA Local Government Convention – Mayor, Cr Smeathers

November 2021

SEGRA Conference 2021 - Kalgoorlie – Boulder – Mayor

June 2022

Pilbara Summit 2022 – All Councillors

Australia Day Awards

Each year the City of Karratha joins with many other local governments across Australia to recognise those groups and individuals who have made an outstanding contribution to their community. Presenting six awards at a breakfast ceremony for nominees and dignitaries, the City of Karratha Australia Day Awards contribute to the strength of our local community.

The 2022 Australia Day Award winners were:

- Citizen of the Year – Luke Whatley
Presented by Rio Tinto
- Young Citizen of the Year – Jade Adams
Presented by Pilbara Ports Authority
- Community Service – Bec Smith
Presented by Rio Tinto
- Environmental Award – Dan Pederson
Presented by the Woodside-operated North West Shelf Project
- Community Spirit – Adam and Sandra Nielsen
Presented by City of Karratha
- Event/Activity of the Year –
Ngarluma Yindjibarndi Foundation Limited
for the Cossack Dragon Boat Festival
Presented by Rio Tinto
- Royal Lifesaving Bravery Awards –
Annabelle Little, Amanda Bradley and Jason Gore

City of Karratha Community Sports Awards

The 2021 City of Karratha Community Sports Awards saw more than 65 nominations received across eight categories. These annual awards recognise volunteers, players, officials, and coaches who have made a significant contribution to their code.

The 2021 Community Sports Award recipients were:

- NOVO Resources Junior Sportswoman of the Year – Jordi Perry
- NOVO Resources Junior Sportsman of the Year – Colin Skeen
- Rio Tinto Sportswoman of the Year – Jessica Creighton
- Pilbara Ports Authority Sportsman of the Year – Guy Langdon
- DLGSC Official of the Year – Toby Fountain

Walkington Award

The City of Karratha annual Walkington Award is a \$5,000 prize awarded to a student considered to have achieved academic excellence over the previous 12 months while also demonstrating a strong commitment to local community. This award is open to Year 12 students studying a full ATAR program at a local City of Karratha high school and aims to encourage students to continue full or part time study at a recognised educational institute.

St Luke's College Year 12 student, Jade Adams received the prestigious 2021 Walkington Award.

Employee Recognition Awards

The City of Karratha Executive Management Team considers nominations for employee recognition awards every quarter in the categories of excellence, teamwork, accountability/safety, continual improvement/initiative and community focus.

Employees who receive these awards throughout the year are then considered for annual employee recognition awards and the City of Karratha Employee of the Year.

The 2021 City of Karratha Employee of the Year was HR & Recruitment Officer Sarah Corker.



Australia Day Awards, January 2022



Community Sports Awards 2021



2021 Walkington Award recipient Jade Adams



SECTION 2

ACHIEVEMENTS

This section provides an in-depth look at the work Council completed across the 2021/22 financial year as we work to achieve our goal of becoming Australia's most liveable regional city.



2.1 Our vision for the City of Karratha

The City of Karratha provides more than 100 services and activities to the local community, from kerbside waste collection and ranger services to town beautification and public facilities such as libraries and aquatic centres. These services all work to meet local community needs and support the priorities of the City of Karratha Strategic Community Plan.

Our vision:

To be Australia’s most liveable regional city.

Our mission:

To provide community leadership and excellent local government services in an innovative and efficient manner to enhance our City’s social, cultural, economic and environmental wellbeing.

Our values:

- *Leadership* – We will provide clear direction and inspire people to achieve their full potential.
- *Teamwork* – We will encourage cooperation and teamwork within and between our employees and our community stakeholders.

- *Integrity* – We will act in an honest, professional, accountable and transparent manner.
- *Innovation* – We will encourage creativity, innovation and initiative to achieve Council’s vision.

We are committed to achieving the goals set out in our Strategic Community Plan 2020-2030 that articulate our community vision for the future of the City of Karratha.

Strategic themes

As part of the City of Karratha Strategic Community Plan 2020-2030**, Council has four strategic themes that work together to provide cohesive and coherent goals and objectives that support our vision to become Australia’s most liveable regional city.

| | | | |
|--|---|---|---|
|  Our Community Inclusive and engaged |  Our Economy Well managed and diversified |  Our Environment Thriving and sustainable |  Our Leadership Proactive and accountable |
| <p><i>To activate safe, healthy and liveable communities</i></p> | <p><i>To attract diverse and sustainable business and employment opportunities</i></p> | <p><i>To protect our natural and built environment</i></p> | <p><i>To provide accessible, transparent and responsive leadership</i></p> |

| OUR OUTCOMES <i>The end result we would like to achieve</i> | | OUR OUTCOMES <i>The end result we would like to achieve</i> | | OUR OUTCOMES <i>The end result we would like to achieve</i> | | OUR OUTCOMES <i>The end result we would like to achieve</i> | |
|---|------------------------------|---|---|---|---|---|--|
| 1.a | Quality Community Facilities | 2.a | Diverse Industry | 3.a | Well managed natural assets | 4.a | Raised profile of the City |
| 1.b | Improved Community Safety | 2.b | Business prosperity | 3.b | Attractive built environment | 4.b | Continuous improvement and innovation |
| 1.c | Accessible Services | 2.c | Quality infrastructure to support business investment | 3.c | Improved resource recovery and waste management | 4.c | Financial Sustainability |
| 1.d | Healthy Residents | 2.d | Role clarity | 3.d | Sustainable use and management of resources | 4.d | Strong partnerships and indigenous relations |
| 1.e | Recognition of Diversity | | | | | 4.e | Services that meet community needs |
| 1.f | Connected Communities | | | | | | |

2.2 Our Community: Inclusive and engaged

Our goal is to activate safe, healthy and liveable communities.

| OUR OUTCOMES <i>The end result we would like to achieve</i> | | OUR RESPONSE <i>What we can do to achieve the identified Outcomes</i> | |
|---|------------------------------|---|--|
| 1.a | Quality Community Facilities | 1.a.1 | Maintain and manage existing facilities and infrastructure to optimal standards |
| | | 1.a.2 | Plan and develop quality new facilities and infrastructure to meet future community needs and industry best practice |
| | | 1.a.3 | Establish and maintain collaborative long term relationships to fund and operate facilities |
| 1.b | Improved Community Safety | 1.b.1 | Apply best practice environmental design to prevent crime |
| | | 1.b.2 | Activate neighbourhoods and public open spaces |
| | | 1.b.3 | Develop safer community programs and partnerships |
| | | 1.b.4 | Enforce legislative requirements |
| 1.c | Accessible Services | 1.c.1 | Determine community needs through targeted engagement |
| | | 1.c.2 | Establish partnerships to enhance the provision of services |
| 1.d | Healthy Residents | 1.d.1 | Develop and promote programs and services that improve community wellbeing and health |
| 1.e | Recognition of Diversity | 1.e.1 | Embrace and celebrate diversity in the region |
| | | 1.e.2 | Achieve recognition as a leader in engaging with and supporting diverse groups |
| 1.f | Connected Communities | 1.f.1 | Social interaction is fostered across the community |
| | | 1.f.2 | Employ new technologies to connect communities |
| | | 1.f.3 | Proactively engage and consult with the community |



Dance Collective

Key achievements

- › The City continued to implement its Safer Communities Program, supporting 28 Meet the Street parties to the value of \$5,065 while 258 properties benefited from the Security Subsidy Scheme.
- › Our efforts to engage with the local youth saw the The Base and the Youth Shed record an attendance of 16,533 for the financial year.
- › The City continued to support the Arts space with the 29th Cossack Art Awards, the Red Earth Arts Festival as well as Arts Development partnerships with the WA Ballet, Black Swan Theatre Company, Perth Symphony Orchestra and Barking Gecko.

- With support from funding partner Rio Tinto, the City commenced an upgrade to the Wickham Aquatic Centre in order to comply with the relevant standards. This upgrade included the installation of a 24 metre pole as part of the City's communication link between Wickham to Mount Welcome. The total project cost was \$290,000 with \$17,947 spent in 2021/22.
- The Roebourne Outdoor Basketball Courts resurfacing project was completed in June 2022.
- The Roebourne Streetscape Master Plan for the historic town's centre progressed to development of three concept options following a comprehensive community and stakeholder process.
- City officers continued to work with Development WA and Education Department to finalise plans for a new Primary School site and associated playing field for the Madigan Estate.

1.a Quality community facilities

- The 10-year Footpath Strategy and Road Reseals program continued with the Dampier Esplanade Road project completed. The Reseal program also saw works on Burrup Road, Kudjuna Way, Walcott Drive, Pringle Way, Bayview Road completed.
- As part of the City of Karratha's Park Enhancement Program, Dodd Park was upgraded to feature a larger play area, new footpaths and reticulation replacement. Meanwhile the Baynton West Park saw tree planting and reticulation works completed.
- The jetties at the Dampier Boat Ramp were replaced during this financial year at a cost of \$855,000.



20,106 MOVIE PATRONS

THE RED EARTH ARTS PRECINCT COMPLETED ITS FOURTH YEAR OF OPERATION, SCREENING 295 MOVIES WITH A TOTAL OF 20,106 MOVIE PATRONS



Red Earth Arts Festival

1.b Improved community safety

- As part of the City's efforts to maintain a level of high visibility in the community, Rangers attended to an average of over 440 jobs per month for the reporting period, including weekend jobs and after-hours call outs.
- City officers completed 740 private pool inspections as part of the Private Swimming Pool Inspection program during the 21/22 period. Meanwhile 15 of the 17 cells in the Karratha Industrial Estate were inspected as part of the KIE Audit.
- The City continued to promote a connected, supported and safe community through its Meet the Street Program. This program reimburses registered party hosts for up to \$200 back on eligible food/drink. During the 21/22 period, the City supported 28 events with a total of \$5,065 in reimbursements.
- 2021/22 saw the City of Karratha continue the implementation of the Security Subsidy program, with the City subsidising up to \$500 towards the cost of installing security measures such as alarm systems, CCTV, and sensor lighting.
- The City of Karratha's Security Subsidy Scheme sees us offer a subsidy of up to \$500 towards the cost of installing security measures such as alarm systems, CCTV, and sensor lighting. There were 258 properties that benefited from the Security Subsidy reimbursement with a total cost of \$112,384 and a total local spend of \$312,280.
- As part of our Safer Communities Partnership, the Ready Set Grow competition saw 36 registrations received across nine categories. The goal of the competition is to enhance neighbourhood appearance, a key element of addressing community safety perception and build community/neighbourhood connection.
- Grounded in our CCTV Strategy, the City undertook the first stage of a programme of works to improve CCTV equipment and capability across key facilities. The works undertaken were a combination of upgrades to existing CCTV facilities to address obsolescence, together with an extension of CCTV capabilities to address requirements of safety, measuring, monitoring and management of issues and users at the sites as well as the integration of all previously stand-alone CCTV installations into the City's predominant CCTV platform for centralised management.

1.c Accessible services

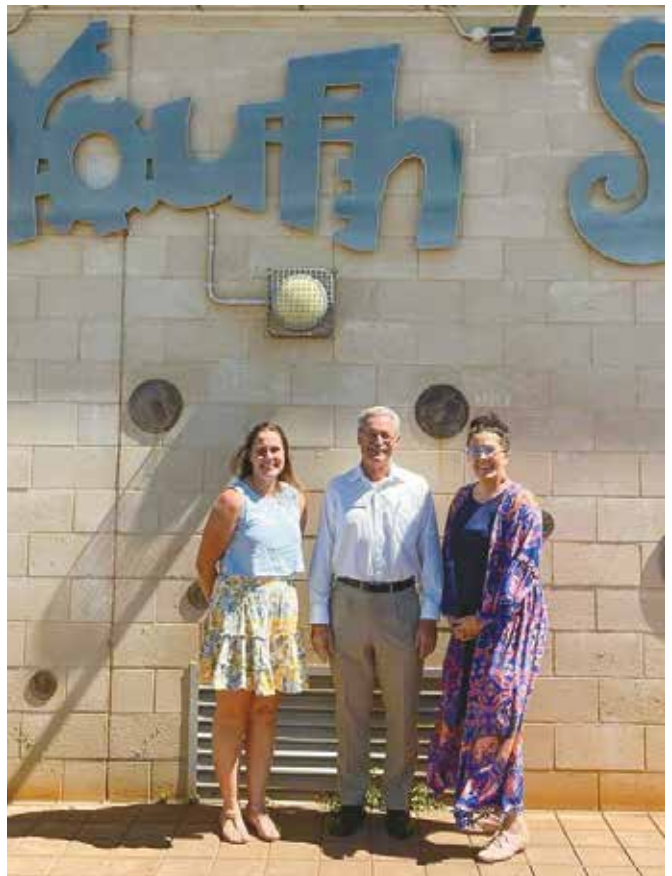
- The City continued to provide financial support to the Roebourne Library at the Ganallii Centre with a service agreement with Juluwarlu for \$50,000. The Roebourne Library saw an increase in visitors compared to the previous financial year with a total of 14,002.
- Our efforts to engage with the local youth saw more than 140 attendees take part in seven events across youth week, including each Clean Up, First Aid, Inflatables, Ninja Warrior, Polymer Clay Workshop, The Youth Shed Outdoor Cinema.
- The Youth Services Strategic plan continued with the redevelopment of the kitchen in The Youth Shed as well as the relocation of Headspace into the facility.
- Youth facilities in our area continued to see strong numbers with Wickham's The Base recording an attendance of 9,884 for the financial year, while the Youth Shed had 6,649 attendees.
- The City ran a series of workshops as part of the Future Clubs Program including a variety of topics from sports taping to financial management with a total of 62 participants attending.
- As part of the City's Disability Access Inclusion Plan, we implemented a series of strategies including installing additional ACROD parking bays provided at FeNaCING Festival, and at Point Samson foreshore.
- Other activities included a Laser tag event held at Indoor Play Centre, hosted by Empowering People in the Community, initiation of a quiet area at the Karratha Airport for reduced sensory stimulation.



Cossack Art Awards

1.d Healthy residents

- The implementation of the Environmental Health premises inspection program continued with an average of 18 inspections per month. Resourcing was increased to provide for high rate of inspections.
- We continued our partnership with Mawarnkarra Health Service to deliver Healthy Dog Day Program.
- 2021 marked the 29th Cossack Arts Awards which transformed the town of Cossack from 18 July to 8 August. Online art sales were introduced with a total of 107 art works sold. 2021 also saw the introduction of a complete 360 virtual gallery tour of both the Bond Store and Post and Telegraph building, which allowed greater accessibility. The 2021 Awards attracted over 4,700 visitors to the gallery which also included a diverse Public Program.
- The Arts Development & Events Plan included the delivery of the 6 art exhibitions at the Red Earth Arts Precinct, 5 Artist talks/networking opportunities and 13 Skill development workshops. 2021/22 included the continuation of our Arts Development partnerships with the WA Ballet, Black Swan Theatre Company, Perth Symphony Orchestra and Barking Gecko.
- The 2022 Red Earth Arts Festival (REAF) was held across the weekend of 17-20 March 2022. REAF 2022 attracted over 3,150 attendees and boasts 40 programs. There were 132 artists plus volunteers and community members involved.
- 1,200 people attended 6 theatre shows with relevant workshops in 2021/22 at the Red Earth Arts Precinct. Highlights include Every Brilliant Thing by the Black Swan Theatre Company and Out Past Curfew.
- The City renewed its contract with Saving Animals From Euthanasia to provide the City with animal rehoming services. The Environmental Health premises inspection program was implemented with an average of 18 inspections per month. Resourcing increased to provide for high rate of inspections.
- Continued activation of jogging and walking routes with a campaign featuring campaign walking groups, competitions, and new flyers.



The Youth Shed



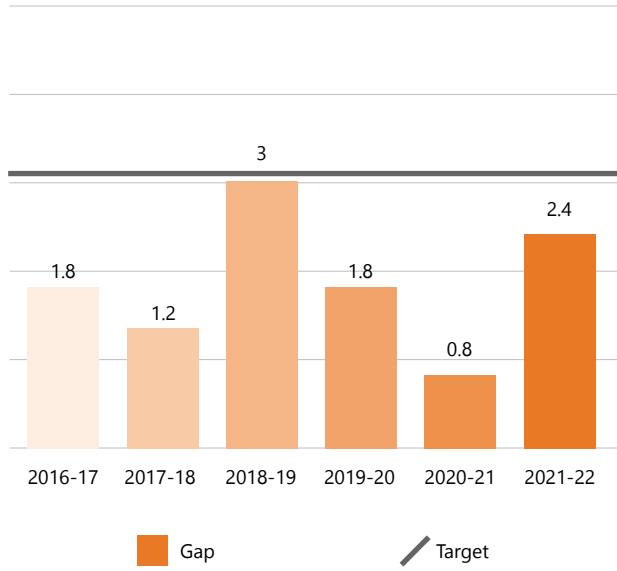
1.e Recognition of diversity

- 2021 NAIDOC Week was interrupted by COVID-19. However, a flag raising ceremony was delivered with Traditional owners and youth participating. Approximately 60 people attended this event. Song writing workshops led by Big hART were completed across the week, these workshops were then showcase in a performance at a local NAIDOC community concert.

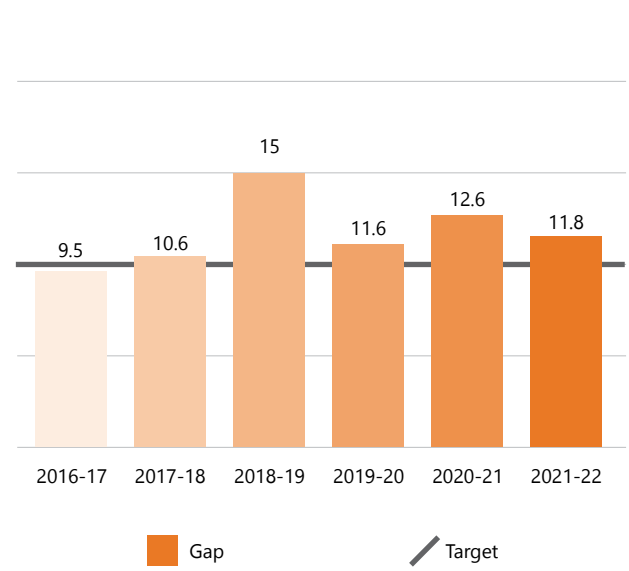
1.f Connected communities

- 14 Civic events delivered in 2021/22 as part of the Civic Events program in line with our Arts Development and Events Plan, with more than 2,000 attendees. Much loved events such as the Seniors Christmas lunch saw nearly 200 seniors enjoy entertainment, lunch, and a gift. Four Citizenship Ceremonies with nearly 400 new citizens welcomed to Australia.
- As part of the City's commitment to being engaged with and meeting the community's needs, we conducted our annual Community Survey. Overall the City received a total score of 75, down one point on the 2021 score but above the target of 68 with a total of 1,203 completed responses.

Maintain a positive gap between performance and importance in Annual Community Survey for footpaths and cycleways
 Please note the target is a positive gap of 3



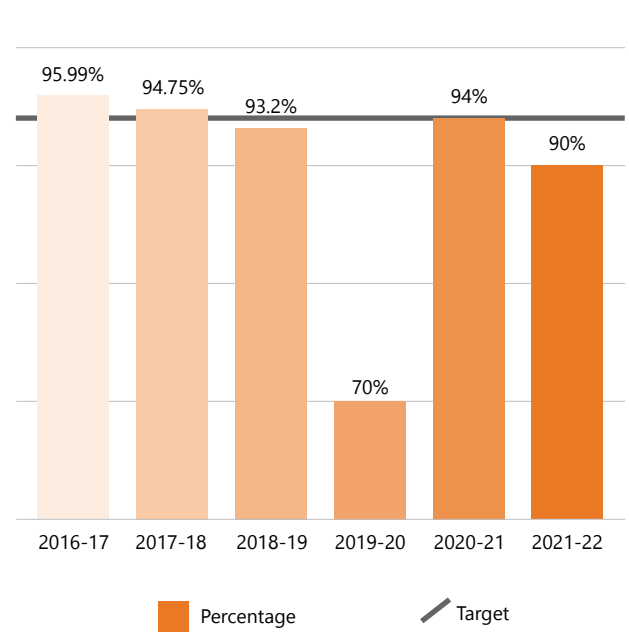
Community Services: Maintain or improve a positive gap between performance and importance in Annual Community Survey for Library Services
 Please note the target is a positive gap of 10



Community Services: Maintain or improve a positive gap between performance and importance in Annual Community Survey for Facilities



Ensure all contracted work is completed within agreed time frames in accordance with contract requirements
 Please note the target is 94%





Karratha City Precinct - The Quarter

2.3 Our Economy: Well managed and diversified

Our goal is to attract diverse and sustainable business and employment opportunities for our community.

| OUR OUTCOMES <i>The end result we would like to achieve</i> | | OUR RESPONSE <i>What we can do to achieve the identified Outcomes</i> | |
|--|---|--|--|
| 2.a | Diverse Industry | 2.a.1 | Partner with key industry and business groups to advocate for investment |
| | | 2.a.2 | Support business development, growth, diversification and innovation |
| 2.b | Business Prosperity | 2.b.1 | Be a business-friendly local government |
| | | 2.b.2 | Reduce business costs |
| 2.c | Quality infrastructure to support business investment | 2.c.1 | Land and infrastructure is available for a variety of business investment purposes |
| | | 2.c.2 | Public private partnerships are in place for the development of key infrastructure |
| 2.d | Role clarity | 2.d.1 | Support and advocate for local business |
| | | 2.d.2 | Promote the region as a business destination |
| | | 2.d.3 | Position the City as an attractive place for employees to live |



Key achievements

- ▶ Allocated more than \$50,000 across 21 local businesses through the Take Your Business Online grant program and provided support to events and conferences
- ▶ Supported local business by progressing the Small Business Friendly Approvals Project and with the Karratha Districts Chamber of Commerce and Industry supported the Quarterly Business Briefings
- ▶ The City has progressed a number of initiatives aimed at improving affordability and availability of housing in the district and approved a new stage of subdivisions in Madigan Estate
- ▶ During the 2021/22 financial year the City continued to plan for the long-term growth and development of the region while responding to the current community needs

- This financial year we continued our support for Juluwarlu to operate visitor services at the Ganalili Centre to the value of \$200,000.
- Works continued with project proponents to progress the *Ecohub*, a collective of compatible sustainable projects to operate on underdeveloped land surrounding the Karratha Airport.
- Council allocated more than \$50,000 across 21 local businesses through the Take Your Business Online (TYBO) grant program improving online presence including website design to new or existing websites and social media advertising.
- Helped enable the development of the Tambrey Village Shopping Centre.
- The City continued its support of Swimming WA's Yara Burrup Classic Open Water Swim providing Major Sponsorship of \$20,000. The event was successfully run on 18 September 2021 at Hearson Cove.
- The City provided sponsorship for the Pilbara Summit which was held over two days on 29-30 June 2022 with over 500 people in attendance.

2.a Diverse industry

- With aims to support and encourage more local spend on tourism, discounts of 20% were offered to residents booking local tours through the Karratha Tourism and Visitor Centre. The value of these discounts was \$42,643. The 12% commission fee for tour operators taking bookings through the centre were waived, this totalled \$26,745.
- Karratha Tourism and Visitor Centre recorded strong visitation and booking numbers, boasting more than 27,000 tourists through the centre.

2.b Business prosperity

- The City progressed the Small Business Friendly Approvals Project with the reforms being approved by the Chief Executive Officer in June 2022 to be delivered over three financial years as part of our commitment to support small businesses.
- In addition to grant funding, the City of Karratha works closely with the Karratha Districts Chamber of Commerce and Industry to provide quarterly business breakfast briefings for the local business community. These briefings are free to attend and provide valuable industry and government updates to business owners as well as networking opportunities across multiple sectors.



Karratha City Precinct

2.c Quality Infrastructure to support business investment

- This financial year saw the approval of a new stage of subdivisions in Madigan Estate, Karratha City and approval for a 20-lot subdivision at Hancock Way, Bulgarra.
- Nine new dwellings were approved for Lazy Lands sites acquired by the City at Boyd Close, Mayo Court and Pelusey Way in Nickol.
- A Scheme amendment was commissioned for the Shakespeare Precinct and a subdivision to create site for Step Up/Step Down accommodation at corner of Searipple Road and Gregory Way, Bulgarra was approved.
- The City has progressed a number of initiatives aimed at improving affordability and availability of housing in the district, including progressing with dedicated service worker accommodation, plans for Walgu apartment development and a joint venture with GBSC Yurra. Council continues to lobby State Government on housing investment issues while exploring development and subdivision opportunities.
- The construction of nine residential dwellings in Nickol with GBSC Yurra continued and is on track with four dwellings completed. The five remaining properties are approaching lock up with the contractors indicating completion is on track for June 2022.
- We continued to manage leases at The Quarter facilities with currently 90 per cent of available area leased.

2.d Role Clarity

During the 2021/22 financial year the City continued to plan for the long-term growth and development of the region while responding to the current needs of our community and local businesses.

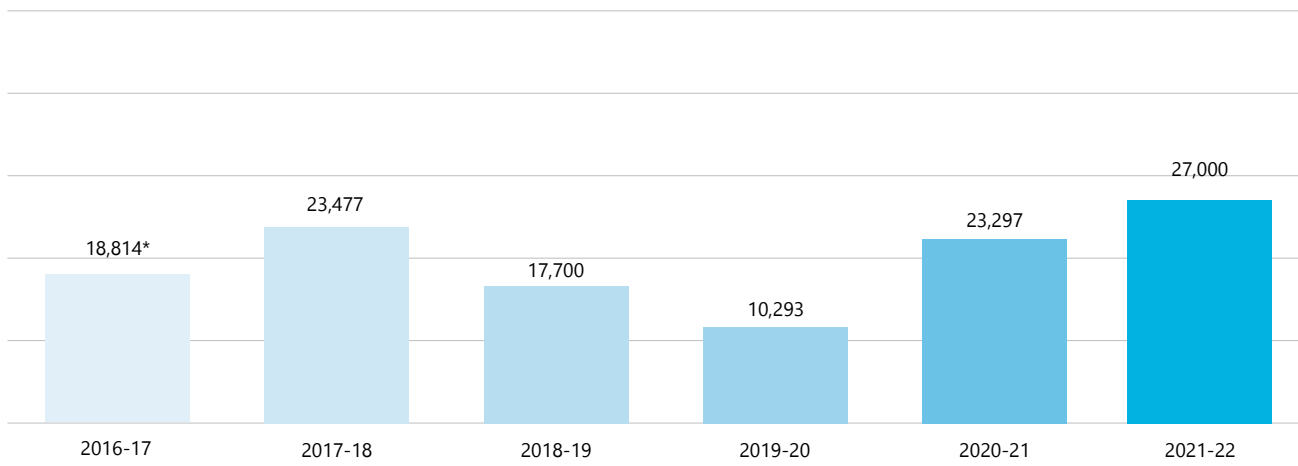
Efforts were focused on economic and tourism development while improving our sustainability performance:

- The City continued to implement the strategic direction set out in the Economic Development Strategy.
- The annual Business Climate Scorecard was delivered, confirming the two key issues facing local businesses were housing (availability and affordability), and ability to attract and retain the right workforce.
- In response to the Scorecard results, the City has undertaken a housing initiative to ensure sufficient zoned land for future housing development, to deliver an aggregation strategy for service worker accommodation and to construct new housing developments.
- Council resolved to move forward with preparation of an application for a Designated Area Migration Agreement in collaboration with the Town of Port Hedland and Regional Development Australia. The DAMA came into effect on 9 May 2022.
- The City provided continued funding to support skills and education development through the Pilbara Universities Centre.



John Butler Trio at the Red Earth Arts Precinct 2021

Number of tourists visiting the Karratha Tourism and Visitor Centre





Python Pool, Millstream Chichester National Park

2.4 Our Environment: Thriving and sustainable

Our goal is to protect our natural and built environment.

| OUR OUTCOMES <i>The end result we would like to achieve</i> | | OUR RESPONSE <i>What we can do to achieve the identified Outcomes</i> | |
|---|---|---|---|
| 3.a | Well managed natural assets | 3.a.1 | Recognise and protect our natural environment |
| | | 3.a.2 | Work in partnership with traditional owners and key stakeholders |
| | | 3.a.3 | Enhance visitation opportunities to natural assets through appropriate protection and management practices |
| 3.b | Attractive built environment | 3.b.1 | Develop programs and services to maintain an attractive built environment |
| | | 3.b.2 | Encourage the community to support and maintain an attractive built environment |
| 3.c | Improved resource recovery and waste management | 3.c.1 | Investigate and implement new waste management technologies |
| | | 3.c.2 | Educate community on resource recovery and recycling through promotional activities |
| | | 3.c.3 | Advocate for improved waste recovery processing facilities |
| 3.d | Sustainable use and management of resources | 3.d.1 | Continue to improve efficient use and recycling of water |
| | | 3.d.2 | Continue to improve energy efficiency and pursue renewable energy opportunities to reduce our CO ₂ footprint |
| | | 3.d.2 | Implement sustainable procurement practices |



Key achievements

- › The City issued 178 notices to residents to maintain properties to an acceptable standard and collected 194 abandoned vehicles.
- › The Environmental Sustainability Strategy was adopted by Council in July 2021. Since then, an Implementation Plan has been drafted with several projects underway.
- › The City was again recognised as a Waterwise Council, largely due to our efficient use of wastewater.
- › We continued to focus on a sustainable use and management of resources with the Climate Clever program and the continuation of the Reticulation Replacement Program.

3.a Well managed natural assets

- The Biodiversity Strategy was complete in early 2020 with the recommendations incorporated into the Environmental Sustainability Strategy that was adopted by Council in July 2021.
- Stages 1 and 2 of the Point Samson Foreshore Plan – Next Stage rehabilitation and dune stabilisation were completed with stages 3 and 4 to be completed this coming year.
- The Environmental Sustainability Strategy was adopted by Council in July 2021. Since then, an Implementation Plan has been drafted and several projects are underway.

- Implementation of the Weed Management Program at Harding River and Miaree Pool was successful with the program completed during the reporting period.
- Foreshore management works were undertaken at Gnoorea (40 Mile) and Cleaverville to improve environmental management of the areas. Funding assistance was received from Santos and Coastwest respectively.

3.b Attractive built environment

- As part of the City's response to ensure an acceptable standard of appearance to residential properties is maintained, 178 notices issued to maintain residential properties to an acceptable standard.
- The City submitted the proposed Shakespeare Precinct Scheme Amendment to the Western Australian Planning Commission for consideration in May 2022, having sought and collated feedback from community and stakeholders.
- City officers continued to collect any reported abandoned vehicles, with officers collected 194 abandoned vehicles during the reporting period.

3.c Improved resource recovery and waste management

- The Landfill Capping Project of Cell 0 at the 7 Mile Waste Facility is near completion. All earth works, lining, gas well drilling and vegetation works have been completed. The only pending item is Gas Flare installation and commissioning which will happen over a couple of weeks.



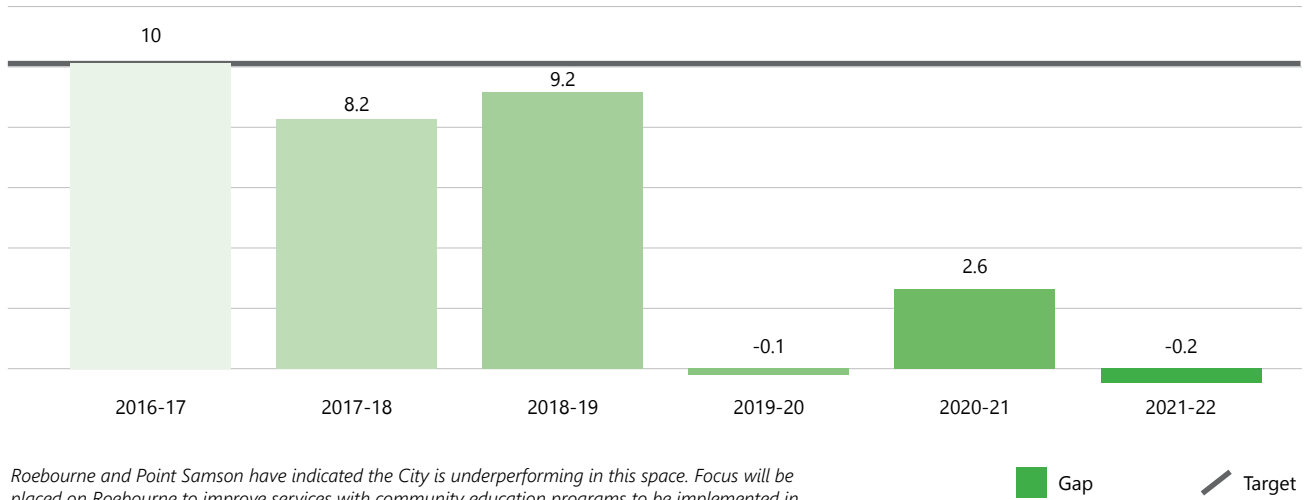
- Stage 2 of composting is progressing well and is currently about mid-way with the expected to be ready for maturity by mid-March and after that all mulch be available for Parks & Garden team. We are also exploring options for soil conditioner availability to general public, this would require some time and necessary council endorsement.
- The Household Hazardous Waste drop off facility at 7 Mile Transfer Station has been operational since December 2020. The project is funded by Waste Authority with WALGA managing and Cleanaway responsible on recycling the waste from our site. About 40 tonnes of residential household waste is responsibly recycled which includes gas bottles, cleaning chemicals, fuels, flare, fire extinguishers, batteries and aerosol cans and other dangerous goods.
- The implementation of the State Waste Strategy 2030, Engagement and Education Support Plan and Engagement and Education Support Plan remain in progress.
- Plans to construct the base infrastructure for Organics Facility trial at 7 Mile Waste Facility progressed well with the infrastructure construction and necessary approvals for Organics Facility completed by July 2021.

3.d Sustainable use and management of resources

- The City was again recognised as a Waterwise Council, largely due to our efficient use of wastewater. The re-endorsement process involved the annual review of the City's Water Efficiency Action Plan. This was also an action within our Environmental Sustainability Strategy. We promoted the Water Corporation's Waterwise Town offerings, which included the Showerhead Swap program. This supports greater resource efficiency within the community.
- The Climate Clever program continued to be promoted by the City of Karratha throughout the year. The program was promoted three times through a targeted social media campaign. Under the program, Council agreed to subsidise up to 50 community subscriptions as a way of promoting uptake and remove barriers to use the platform. procured software designed to assist in the sustainable use of utilities and to assist in measuring the City's carbon emissions. The software was implemented throughout the financial year.
- Over the 2021/22 financial year, the Reticulation Replacement Program continued and is currently on track.

Maintain or improve a positive gap between performance and importance in annual community survey for Tip Services

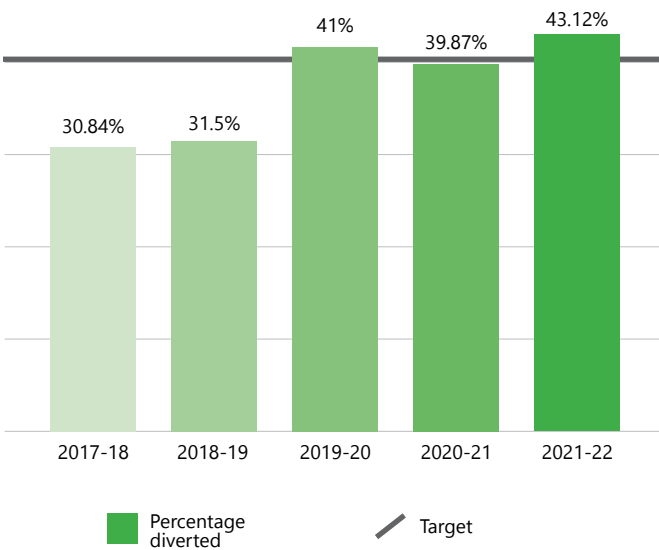
Please note the target is a positive gap of 10



Roebourne and Point Samson have indicated the City is underperforming in this space. Focus will be placed on Roebourne to improve services with community education programs to be implemented in Wickham and Point Samson.

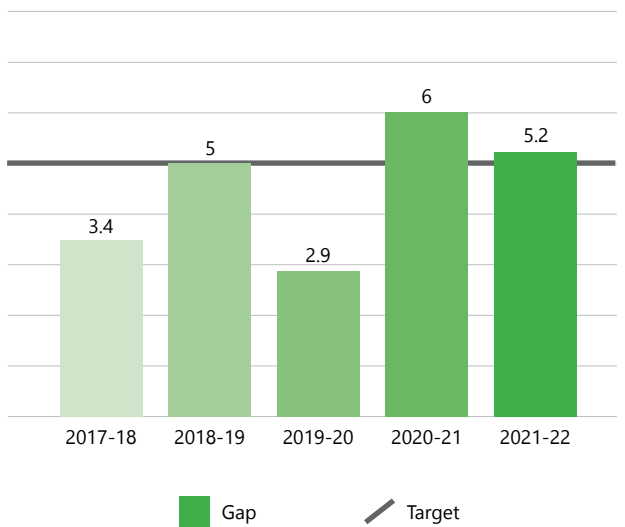
Percentage of residential waste diverted from landfill

Please note the target is 40%



Maintain or improve a positive gap between performance and importance in annual community survey for Kerbside Waste Collection Services

Please note the target is a positive gap of 5, 6 in 2019/20



With 65% of residents participating in the kerbside recycling scheme, a high percentage of contaminated recycling continues to be returned to landfill.



NAIDOC Week Community Concert 2022

2.5 Our Leadership: Proactive and accountable

Our goal is to provide accessible, transparent and responsive leadership.

| OUR OUTCOMES <i>The end result we would like to achieve</i> | | OUR RESPONSE <i>What we can do to achieve the identified Outcomes</i> | |
|---|--|---|---|
| 4.a | Raised profile of the City | 4.a.1 | Achieve a strong position and identity in statewide and national media |
| | | 4.a.2 | Achieve recognition as the leading regional local government in Western Australia |
| | | 4.a.3 | Establish key strategic partnerships |
| 4.b | Continuous improvement and innovation | 4.b.1 | Establish an environment that supports continuous improvement and innovation |
| | | 4.b.2 | Technology is employed to enhance service delivery |
| | | 4.b.3 | Maintain highly qualified staff of leading local government professionals |
| 4.c | Financial Sustainability | 4.c.1 | Continue strong financial management across all services |
| | | 4.c.2 | Maintain long term financial plans |
| | | 4.c.3 | Continue to seek sustainable revenue sources to fund Council activities |
| 4.d | Strong partnerships and indigenous relations | 4.d.1 | Continue to develop partnerships with indigenous groups |
| | | 4.d.2 | Continue to engage with industry and government on key initiatives |
| 4.e | Services that meet community needs | 4.e.1 | Undertake regular reviews of service levels and standards |
| | | 4.e.2 | Use evidence based analysis to determine service levels |



Key achievements

- › Continued with the Karratha is Calling campaign with an audience reach of over 10 million views across traditional and digital media channels in its third year.
- › 86.3% of the key performance measures were achieved or substantially achieved for the 21/22 year while 27 policies were reviewed.
- › Continued efforts to foster strong Indigenous relations through a series of events and partnerships such as the NAIDOC Week Community Concert in Roebourne.
- › Our Annual Community Survey was conducted in February 2022, over 1,200 residents participated and we received an overall score of 75%.

4.a Raised profile of the City

- The City continued to deliver its place branding campaign *Karratha is Calling* with a view of increasing awareness and perceptions of Karratha and surrounds. The campaign achieved an audience reach of over 10 million views across traditional and digital media channels in its third year.
 - As part of our goal to be a proactive and accountable Local Government, the City continued to develop, maintain, monitor and report on the Strategic Community Plan, Corporate Business Plan, and Operational Plan. This information was then utilised when informing strategic documents and Key Performance Measures.
- These documents are reviewed and updated to ensure that the City is aligning its services and programs with community outcomes. An annual desktop review is conducted in collaboration with the annual budget and results of the 97 key performance measures are reported quarterly to Council. 86.3% of the key performance measures were achieved or substantially achieved for the 21/22 year.
- The Elected Members training and professional Development program was established by the Department of Local Government through either WALGA's elected member training program or through TAFE to enable councillors to gain minimum competencies. Councillors who pass their course have a valid qualification for 5 years after which it will need to be renewed if they continue to remain on Council. This ensures that Councillors are appropriately qualified and equipped with knowledge in relation to the Local Government Act, serving as a councillor, meeting procedures, conflicts of interest and financial reports and budgets.
 - The annual review of Delegated Authority Register to ensure appropriate, inclusive and efficient decision making activity was completed. This action is undertaken prior to June where all Council and CEO delegations are reviewed to ensure that they remain relevant. A report was put to Council in June 2021 that was endorsing the outcomes of the review.
 - The review of the Local Government Act by the State Government has resulted in a steady dissemination of changes impacting local government processes and sometimes a shift in previous practices. City staff monitor these changes and re-evaluate current work practices to ensure there is no conflict in our legal obligations.
 - In February 2021, the Western Australian Electoral Commission (WAEC) was engaged to conduct an extraordinary postal election for the Dampier Ward. The WAEC was again engaged to conduct the October 2021 postal elections for 6 vacant seats across all three wards which saw all seats filled.

4.b Continuous improvement and innovation

- The City has sound recordkeeping policies, standards, and procedures in place to ensure compliance, improving our approach to information management.
- All new employees undertake a records management induction and training within 2 weeks of commencement, additional training sessions are also provided.
- The City continued to improve and refine our delivery of services through collaboration and investment in system and process improvements.
- We submitted base data to the Regional Cities Alliance of WA for collation and benchmarking purposes since 2019. Data and trend analysis from amongst all member LGs is then used to shape future decisions by Council and Administration.
- It is the fourth year the Alliance has benchmarking between its 10 member regional local governments in WA with the aim to deliver improved performance and better value for money for regional communities.
- The City progressed the design, configuration and testing of modules in Core Finance, Payroll and Requisitions as part of Release one of our Ci Anywhere OneCouncil ERP project with chosen vendor TechnologyOne. The Release one module implementation scheduled for cutover in July 2022, is part of our phased implementation of a new Local Government Information System with a primary goal being to introduce a new integrated organisation solution across all City sites that streamlines organisation processes and enables end users to operate more effectively. In turn, this will also support modern ways of communicating with ratepayers, reduce data duplication across multiple systems, deliver enhanced services to customers and improve operational efficiency.

4.c Financial sustainability

- We continued to work towards our Long Term Financial Plan 2019/20-2028/29, considering strategic direction, priorities and services while remaining committed to transparent, responsible and accountable financial management.
- Comprehensive financial reports are submitted to Council on a monthly basis culminating in the preparation of the Annual Financial Statements audited by the Office of the Auditor General.
- Council's Budget is reviewed twice each year as part of its ongoing commitment to financial management.
- The City undertook a fair value asset revaluation of land, buildings and infrastructure and updated the Landgate district revaluation of land.
- Initiating electronic requisitioning and invoice processing design and configuration completed as part of Phase 1 Ci Anywhere implementation for 2022/23.
- The City manages over \$700m of assets including roads, bridges, recreation and community facilities, commercial properties as well as the Karratha Airport and Waste facilities.
- An annual review of City's insurance policies is undertaken with Local Government Insurance Services to ensure appropriate protection is maintained.

4.d Strong partnerships and indigenous relations

- NAIDOC Week 2021 programs were presented in November (postponed due to COVID-19) including NAIDOC Week Community Concert in Roebourne featuring Aboriginal performers Djuki Mala, Makers Market involving local Aboriginal Arts Centres, Looky Looky Here Comes Cooky film screening at Red Earth Arts Precinct, NAIDOC Celebration Breakfast, other local NAIDOC events and a sold out concert at the Red Earth Arts Precinct.

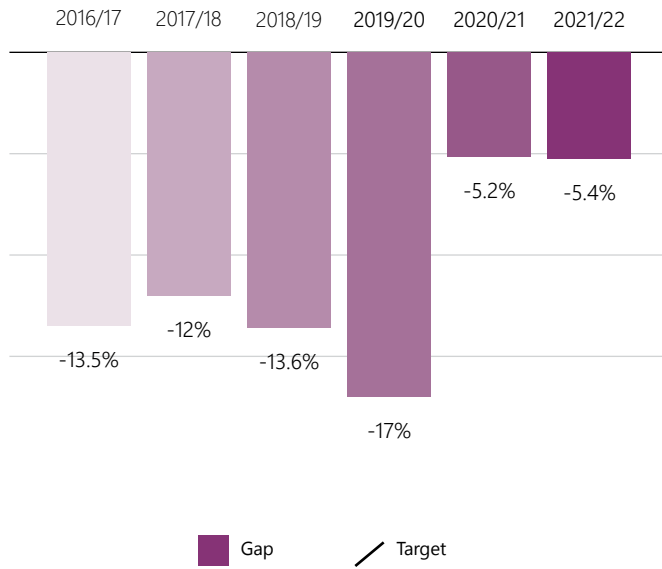
- Nyujungammu (When the World was Soft) project was presented for a future Red Earth Arts Festival. The project included an Education & Community Engagement program which aimed to share Yindjibarndi creation stories with the public and City of Karratha school students and resulted in a large-scale puppetry and multimedia performance.
- The Cossack Art Awards 2021 exhibition featured works by local Aboriginal Art Centres with more than \$80,000 in prizes with artist Bronwen Newbury awarded the best overall artwork for her piece titled The Golden Hour.
- The City partners with Mawarnkarra Health Service to deliver quarterly *Healthy Dog Days*. As part of this program, dogs are treated for ticks and dog owner details are recorded to organise sterilisation at a later date. This follow up sterilisation is funded by Mawarnkarra Health Service.

4.e Services that meet community needs

- Our Annual Community Survey was conducted in February 2022, over 1,200 residents shared their thoughts on a range of City matters and we received an overall score of 75%, just one point below last year's decade high 76%. This feedback was a valuable tool to inform budget allocations, track our performance, improve service delivery and advocate for our community.
- With rising housing seen as a concern by the community, the City implemented programs to help provide affordable accommodation for service workers. This included City partnering with Rio Tinto and Woodside to deliver Service Worker Accommodation from existing housing stock and partnering with Rio Tinto and State Government to deliver service worker accommodation at Shakespeare Street.
- We continued to progress with the updating of the Cemetery Register which remains an ongoing exercise to catch up and verify historical data and ensure important documentation and data is captured in our Cemetery Register.
- The risk management framework is regularly reviewed by the Administration taking into consideration the continued impact of COVID across the world. Management review existing data and ensure risks ratings are reflective of current risk mitigation strategies and controls. The revised Risk Management Policy was put to Council in March 2022.
- A total of 27 policies were reviewed over the 2021/22 period influenced by changes in direction by Council or legislative changes such as the repeal of COVID-related provisions, code of conduct for council members committee members and candidates, professional development for councillors, acting CEO and various town planning policy reviews.
- The City was selected to participate in a cyber security audit with 14 other local governments by the Office of the Auditor General. The results of this performance audit were provided to the Audit and Organisational Risk Committee in March 2022. Additionally the annual financial audits were also progressed with the OAG.
- Our annual review of the Compliance Audit return saw a report provided to the Audit & Organisational Risk Committee and Council in March. For the 2021 calendar year, the City obtained a compliance rate on 90.8% with many instances related to recent legislative updates requiring publications on our website that were not addressed in time or the perennial minor misdemeanours related to delegations and procurement where the purchasing policy was not properly followed.
- Service delivery improvements were instigated throughout the City to address customer service which has historically been recognised as very good. The ongoing use of online community '*Report It*' tool to report problems and improvements facilitated greater opportunities for the public to interact with the City on a range of City matters.
- The City continued to review its policies so that they remain relevant. 16 Council policies were reviewed for the 2021/22 period.

Maintain or improve a positive gap between performance and importance in Annual Community Survey for Financial Responsibility

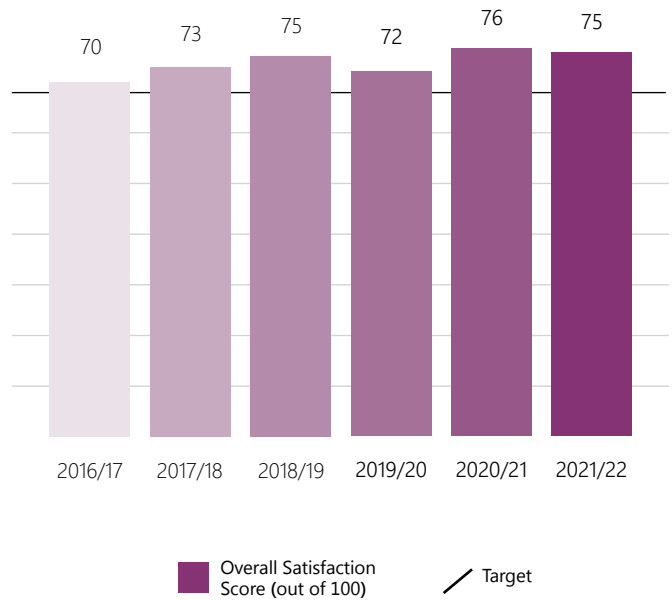
Please note the target is 0



Improved performance outweighed by a greater increase in importance.

Increase in overall community satisfaction score through the Annual Community Survey

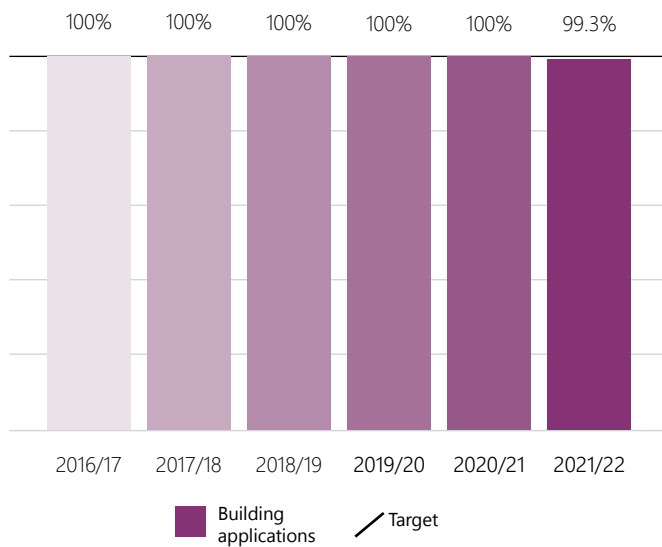
Please note the target is 68



Third highest score received by the City of the past nine surveys.

Assess all building applications within the statutory time frames

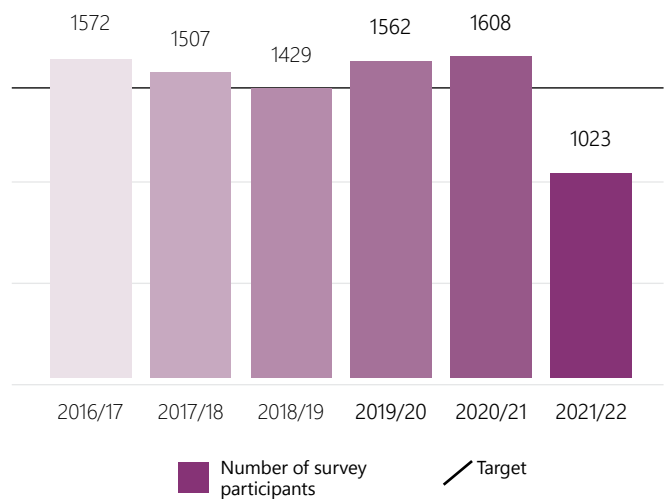
Please note the target is 100%



All building applications have been assessed within the statutory time frames.

Statistically relevant number of participants in Annual Community Survey

Please note the target is 1500





2.6 Into the future

The City is taking action on global issues such as climate change and sustainability alongside more localised challenges such as insurance premiums, cost of living, access to health services and housing.

Climate change and sustainability

Council is aware climate change is important to our residents. While not a main function of Council, we are doing things to ensure that we operate in line with community expectations:

- Creation of Sustainability Officer role within the Development Services directorate.
- Bushfire mitigation works in partnership with the Department of Fire and Emergency Services and Murujuga Aboriginal Corporation.
- New Environmental Sustainability Strategy was finalised in July 2022.
- 40% of Karratha Airport facility power requirements provided by solar.

Insurances

In the last decade insurance costs for both residential property and businesses in the Pilbara have increased rapidly, mainly due to high claims relating to natural disasters, including cyclone damage, in North Queensland and the Northern Territory.

Overall, insurance costs are much higher for cities and towns north of the 26th parallel with highest figures concentrated in the Pilbara, Darwin and central Northern Territory and North Queensland.

The City continues to advocate for initiatives that reduce the cost of living in our district, including insurance and is working with the Northern Territory and Queensland to bring down these prices and see a Northern Australia Infrastructure Fund set up to help in this space.



Resources industry growth and housing

The City of Karratha is home to multi-national corporations and is known worldwide for its exportation of vital resources. As the City has long exported iron ore, liquefied natural gas, salt and ammonium products, the changing nature of the resources industry presents opportunities for economic diversification.

Over the last several years, Council has been preparing for the anticipated growth of the local resources industry on the back of key projects getting approval.

The City continues to advocate for initiatives that reduce the cost of living in our district, including insurance and is working with the Northern Territory and Queensland to bring down these prices and see a Northern Australia Infrastructure Fund set up to help in this space.

As part of this preparation Council has ensured the provision of serviced land both residentially and commercially, developed community facilities to support an increased population and improved local government by-laws to support integrated workforces.

In 2021/22 the City progressed a number of initiatives aimed at improving the availability and affordability of housing in the district. The City adopted a multi-pronged approach, including advocating for the release of affordable residential land to the market and encouraging new residential development.





SECTION 3

GOVERNANCE

This section details the corporate governance systems in place that ensure the City of Karratha operates transparently and in the best interests of our community.

Building





Staircase to the Moon, Hearson Cove



City of Karratha Administration Centre

3.1 Governance

The City of Karratha is one of 138 local governments in Western Australia and is led by a Council consisting of 11 elected members.

The City of Karratha operates in accordance with the *Local Government Act 1995* which sets out a framework for operating transparently as a local government authority. Further information regarding the *Local Government Act 1995* can be found at www.slp.wa.gov.au.

Role of Council

City of Karratha Councillors are democratically elected by our community to represent the best interests of our residents and make transparent decisions around the priorities and future needs of our towns. Councillors have a responsibility to the entire community and must act in accordance with all local government legislation.

Election of Mayor and Councillors

The City of Karratha is required to conduct Councillor elections every second year on the third Saturday in October. The members of Council are elected for four year terms, with half of these terms concluding at each biennial election. The City has chosen to conduct its ordinary elections as postal elections by the Western Australian Electoral Commission. The Commission appoints a Returning Officer who oversees the elections which include taking candidate nominations and supervising the count on election night.

The next date for ordinary local government elections is Saturday 21st October 2023.

Our councillors



Cr Peter Long Mayor

*Councillor since: 2011
Mayor since: 2013
T 0409 882 847
E Cr.long@karratha.wa.gov.au*

Peter is the Mayor of the City of Karratha, a position he has held since 2013.

A professional engineer and environmental scientist, Mayor Long has worked extensively throughout the North West of WA and internationally as a design engineer and project manager in the mining, oil & gas and infrastructure industries. Through his own company he has provided designs, construction management, environmental surveys and project approvals on some of the nation's largest resource projects.

Building on his passion for the natural environment, he continues to focus on ensuring economic and environmental sustainability in the work he carries out today as Mayor of the City of Karratha.

Mayor Long also has an enduring interest in the arts, which he sees as an essential component to any community and has been closely aligned with the cultural development of the City throughout his more than 30 years in the region. He was actively involved in the planning of the region's cultural facility, the Red Earth Arts Precinct, and continues to pursue an art gallery and museum for our region.

Karratha Ward



Cr Daniel Scott

*Councillor since: 2015
T 0438 938 332
E Cr.Scott@karratha.wa.gov.au*

Cr Scott was born and raised in the Pilbara, spending his childhood in Dampier and the last 12 years in Karratha. Cr Scott is the Director of Neverfail Springwater Karratha and North West Brewing Company and has served as a councillor for the past 7 years.



Cr Margaret Bertling

*Councillor since: 2017
Previous term: 2011 - 2013
T 0409 115 027
E Cr.Bertling@karratha.wa.gov.au*

Cr Bertling has been a resident of Karratha for more than 25 years and believes in a strong and connected community. Cr Bertling is committed to ensuring residents feel safe in their community and supports small business, community liveability, sporting and community groups and sustainability in the Pilbara for our community, environment and economically.



Cr Travis McNaught

*Councillor since: 2021
T 0409 209 628
E Cr.McNaught@karratha.wa.gov.au*

Councillor McNaught is a Justice of the Peace and Chair of the Baynton West Primary School Board. With 17 years' experience working in project management, he has contributed to local projects including the city centre revitalisation and the award-winning Balyarra Park, and is currently working with local Aboriginal people to deliver a tourism facility on Murujuga.



Cr Pablo Miller

*Councillor since: 2017
T 0402 515 996
E Cr.Miller@karratha.wa.gov.au*

Cr Miller works in local media which has seen him embrace the Pilbara community over the past 10 years. Cr Miller is an active member in the community, taking part in the Karratha Basketball Association and Park Run Karratha.



Cr Joanne Waterstrom Muller

*Councillor since: 2017
T 0437 283 287
E Cr.Waterstrom-Muller@karratha.wa.gov.au*

Cr Waterstrom Muller is a long term resident of Karratha and has volunteered with the Karratha SES for nearly 30 years. In 2017, she was named the City of Karratha Citizen of the Year. Cr Waterstrom Muller is driven to make Karratha the most liveable regional city.



Cr Kelly Nunn
Deputy Mayor
Councillor since: 2017
T 0448 882 508
E Cr.Nunn@karratha.wa.gov.au

Cr Nunn is an active community volunteer working with and representing a number of Wickham community groups including the Wickham Tidy Towns and Wickham Primary School P&C. Through her engagement role with Volunteering WA she also works with a large variety of community organisations.

Cr Nunn is focused on seeking opportunities and solutions to issues that will make the region a better place for families to live.

**Roebourne/Wickham/
 Cossack/Point Samson Ward**

Dampier Ward



Cr Geoff Harris
Councillor since: 2019
Previous term: 2014-2017
T 0438 288 428
E Cr.Harris@karratha.wa.gov.au

Cr Harris is a second-generation family small business owner and his family business, Keyspot, has been operating for over 40 years in Karratha. During this time he has seen the town grow into what it is today, a vibrant and diversified place to live. Cr Harris is motivated to expand opportunities for youth, continue to improve sporting facilities, promote tourism, create more local jobs, and prioritise community safety and the environment.



Cr Daiva Gillam
Councillor since: 2021
T 0400 007 082
E Cr.Gillam@karratha.wa.gov.au

Councillor Gillam holds a degree in commerce, is studying a master's in leadership, strategy and innovation, and hopes to use this expertise to advocate for the community and local businesses in the City of Karratha. Cr Gillam has served on five junior sports committees and a community board, and advocates to alleviate challenges faced by those living in regional communities, such as high rents, building costs and day care affordability.



Cr Gary Bailey
Councillor since: 2003
T 0429 429 664
E Cr.Bailey@karratha.wa.gov.au

Cr Bailey has been a resident in the City of Karratha for 40 years and lived in Roebourne for more than 30 years. Cr Bailey has served on Council for 19 years.



Cr Gillian Furlong
Councillor since: 2021
T 0400 162 346
E Cr.Furlong@karratha.wa.gov.au

Councillor Furlong has called Dampier home for almost 14 years. Also a Registered Nurse, Cr Furlong serves a variety of local organisations, committees and groups, and is the current President of the Dampier Community Association. She cites her motivation as contributing to the strong, safe, connected community of the City of Karratha, now and for the future.

3.2 Mayor and Councillor Meetings and attendance

Council is the decision-making body for the City and usually meets on the fourth Monday of every month, at 6:00pm. The Chief Executive Officer and Directors also attend this meeting with the Mayor as the presiding member. The Directors assist Councillors with any information further to the agenda that they may require to make well-informed decisions.

Members of the public are welcome to attend Council Meetings but must save any comment or question for Public Question Time, included on the agenda of every meeting. Members of the public are required to leave the meeting should confidential items need to be discussed.

The minutes of each Council Meeting are available to the public and are published to the City of Karratha website.

Council meeting attendance

| MEETING TYPE | DATE | LOCATION | COUNCIL BRIEFING SESSION YES/NO | NUMBER PUBLIC ATTENDANCE (INC MEDIA) |
|---------------------------|------------|-----------|---------------------------------|--------------------------------------|
| Ordinary Council Meeting | 26/07/2021 | Chambers | Y | 5 |
| Ordinary Council Meeting | 23/08/2021 | Wickham | Y | 6 |
| Ordinary Council Meeting | 22/09/2021 | Chambers | Y | 2 |
| Ordinary Council Meeting | 25/10/2021 | Chambers | Y | 25 |
| Ordinary Council Meeting | 22/11/2021 | Chambers | Y | 7 |
| Ordinary Council Meeting | 13/12/2021 | Chambers | Y | 3 |
| Ordinary Council Meeting | 31/01/2022 | Chambers | N | 3 |
| Ordinary Council Meeting | 28/02/2022 | Chambers | Y | 6 |
| Ordinary Council Meeting | 28/03/2022 | Chambers | Y | 3 |
| Ordinary Council Meeting | 26/04/2022 | Roebourne | Y | 4 |
| Ordinary Council Meeting | 30/05/2022 | Chambers | Y | 13 |
| Ordinary Council Meeting | 30/06/2022 | Chambers | Y | 4 |
| Totals | | | | 71 |
| Special Council Meeting | 20/06/2022 | Chambers | N/A | 0 |
| Electors' Meeting 2020-21 | 30/05/2022 | Chambers | N/A | 0 |
| Totals | | | | 0 |



| | CR ARMSTRONG | CR BAILEY | CR BERTLING | CR FURLONG | CR HARRIS | CR LONG | CR MCNAUGHT | CR MILLER | CR NUNN | CR SCOTT | CR SMEATHERS | CR WATERSTROM MULLER | TOTAL NUMBER OF COUNCILLORS IN ATTENDANCE |
|--|--------------|-----------|-------------|------------|-----------|---------|-------------|-----------|---------|----------|--------------|----------------------|---|
| | ✓ | ✓ | ✓ | N/A | N/A | ✓ | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | 10 |
| | ✓ | ✓ | ✓ | N/A | N/A | ✓ | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | 10 |
| | ✓ | X | ✓ | N/A | N/A | ✓ | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | 9 |
| | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | N/A | ✓ | ✓ | ✓ | N/A | ✓ | 11 |
| | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | X | ✓ | N/A | ✓ | 10 |
| | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | X | N/A | ✓ | 10 |
| | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | N/A | ✓ | 11 |
| | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | N/A | ✓ | 11 |
| | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | X | ✓ | ✓ | ✓ | N/A | ✓ | 10 |
| | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | N/A | ✓ | 11 |
| | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | X | N/A | ✓ | 10 |
| | N/A | X | ✓ | ✓ | ✓ | ✓ | X | ✓ | ✓ | ✓ | N/A | ✓ | 9 |
| | 3 | 10 | 12 | 9 | 9 | 12 | 7 | 12 | 11 | 11 | 3 | 12 | |
| | N/A | X | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | N/A | ✓ | 8 |
| | N/A | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | 10 |
| | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | 1 | |



Solar footpath lighting

| | Name | Date | Term | Term Expires |
|---------------------|----------------------|------------|----------|--------------|
| Elections | Cr Armstrong | 20/02/2021 | 8 months | 2021 |
| | Cr Furlong | 16/10/2021 | 4 Years | 2025 |
| | Cr Gillam | 16/10/2021 | 4 Years | 2025 |
| | Cr McNaught | 16/10/2021 | 4 Years | 2025 |
| | Cr Miller | 16/10/2021 | 4 Years | 2025 |
| | Cr Nunn | 16/10/2021 | 4 Years | 2025 |
| | Cr Waterstrom-Muller | 16/10/2021 | 4 Years | 2025 |
| Resignations | Cr Evans | 08/01/2021 | 4 Years | 2021 |
| Retirement | Cr Armstrong | 16/10/2021 | 4 Years | 2021 |
| | Cr Smeathers | 16/10/2021 | 4 Years | 2021 |
| Councillors | Cr Bailey | 19/10/2019 | 4 Years | 2023 |
| | Cr Bertling | 19/10/2019 | 4 Years | 2023 |
| | Cr Harris | 19/10/2019 | 4 Years | 2023 |
| | Cr Long | 19/10/2019 | 4 Years | 2023 |
| | Cr Scott | 19/10/2019 | 4 Years | 2023 |



Details of Council sub-committee and number of meeting days

Audit and Organisational Risk Committee for a two-year term

Cr Bailey, Cr Long, Cr McNaught and Cr Scott
No. sitting days: 3

Internal advisory groups with councillor representation

Environment and Sustainability Advisory Group for a two-year term

Cr Furlong, Cr Long and Cr Miller

Arts Development & Events Advisory Group for a two-year term

Cr Furlong, Cr Long and Cr Waterstrom Muller.
Cr Scott resigned 20/04/2022

Airport Advisory Group for a two-year term

Cr Bailey, Cr Bertling, Cr Gillam, Cr Harris and Cr Long

Waste Advisory Group for a two-year term

Cr Bailey, Cr Bertling, Cr Gillam, Cr Harris, Cr Long and Cr Nunn

Walgu Development Reference Group

Cr Bertling, Cr Furlong, Cr Harris, Cr Long and Cr Waterstrom Muller

Youth Advisory Group

Cr Nunn, Cr Miller, Cr Waterstrom Muller

External bodies with councillor representation

Council representatives to the Murujuga Rock Art Stakeholder Reference Group

Cr Long

Council representatives to the Pilbara Regional Council / WALGA Pilbara Zone for a two-year term

Cr Long and Cr Gillam

Council representative to the Pilbara Regional Road Group for a two-year term

Cr Long

Council representative to the Pilbara Joint Development Assessment Panel

Cr Bertling, Cr Nunn; Proxies: Cr McNaught, Cr Scott

Council representative to the Pilbara Ports Community Consultation Group

Cr Nunn

Rio Tinto Coastal Communities Environmental Forum

Cr Furlong

Council representative to the Wickham Key Stakeholders Meeting

Cr Nunn

Council representative to Woodside Community Liaison Group

Cr Furlong

Councillor conduct

No complaints were received in 2021/22.



City of Karratha Youth School Holiday Program

Community assistance

The aim of community grants and funding is to offer local not-for-profit community, sporting, cultural and service groups, associations and individuals financial assistance to foster high quality programs, community events, facilities and services that provide a benefit to the community.

Community grant schemes include:

| GRANT SCHEME | NO. OF ALLOCATIONS | TOTAL AMOUNT ALLOCATED (EX GST) |
|---|--------------------|---------------------------------|
| Large Community Grant Scheme | 20 | \$381,642 |
| Small Community Grants <i>An additional \$26,000 was allocated for COVID-19 Funding</i> | 37 | \$126,783 |
| Computers for Communities | 13 | N/A |
| Major Event Sponsorship and Attraction Program <i>\$20,000 to the Yara Burrup Open Water Classic and \$20,000 for the Pilbara Summit</i> | 2 | \$40,000 |

3.3 Corporate Governance

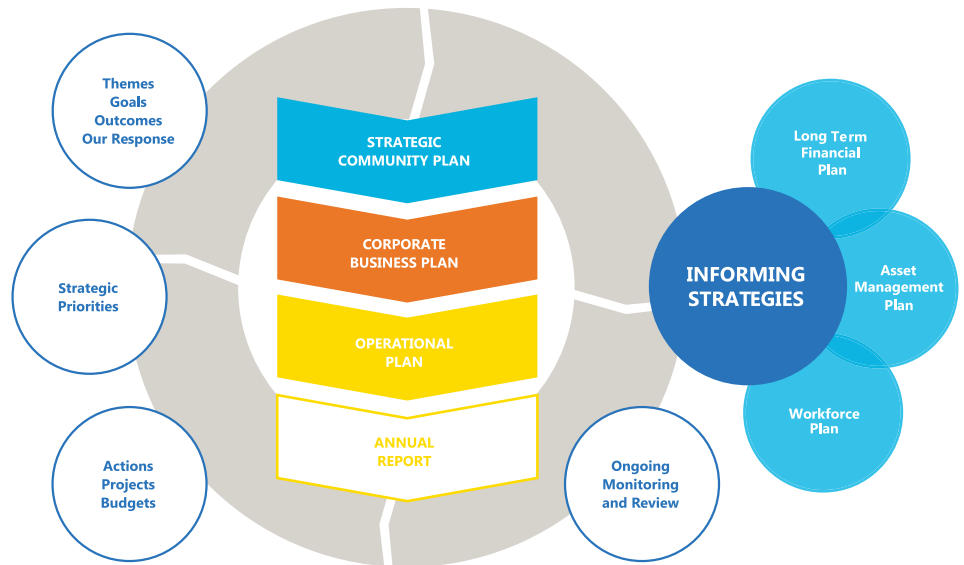
Corporate governance is the framework that serves as a control for the decision-making of local governments. This system ensures that the decisions made by Council are informed, transparent and balanced.

Integrated planning and reporting framework is provided to assist local governments in meeting its responsibilities. The Integrated Strategic Planning framework consists of the following plans for the City of Karratha:

1. Strategic Community Plan 2020-2030
2. Corporate Business Plan 2020-2025
3. Operational Plan 2020-2021



To ensure best possible outcomes for our community at each stage of our journey to becoming Australia's most liveable regional city we have developed strategies for the long term, medium and short term futures. These plans are integrated, feeding into one another so that when we are working on short term projects we are also contributing to the long term strategies we have in place.



Our organisation

The City of Karratha's organisational structure supports Council in making expertly informed and transparent decisions on behalf of the community that provide value for money to ratepayers.

Organisational structure is the responsibility of the Chief Executive Officer and is endorsed by Council.

| CEO | | | |
|---|--|---|---|
| DIRECTOR CORPORATE SERVICES | DIRECTOR STRATEGIC PROJECTS AND INFRASTRUCTURE SERVICES | DIRECTOR COMMUNITY SERVICES | DIRECTOR DEVELOPMENT SERVICES |
| Manager Financial Services/CFO Manager Governance and Organisational Strategy Manager Human Resources Manager Information Services Manager Marketing and Communications | Manager Airport Manager City Services Manager Infrastructure Projects Manager Infrastructure Services Manager Building Maintenance | Manager Community Facilities Manager Community Programs Manager Liveability | Manager Approvals & Compliance Manager City Growth |

Executive Management Team

The City of Karratha Executive Management Team is made up of directorate leaders, each experts in their field and strong industry leaders.



Chris Adams

*Bachelor of Arts,
Senior Executive Program – Stanford University,
Chief Executive Officer, Appointed: September, 2012*

Chris has a diverse background gained from a wide range of professional roles and tertiary studies including management and leadership training at both Stanford and Harvard Universities.

Chris has filled senior executive and CEO roles within Local Government in both Victoria and Western Australia. He returned to the Pilbara in 2005 and has worked in CEO and General Manager positions for local and State Government since this time.

After a stint as the inaugural GM of the Pilbara Cities Project, Chris returned to Local Government in 2012 to take on the role of CEO at the City of Karratha. Chris remains involved in region-wide development within the Pilbara.

Having been born and raised in the Pilbara, Chris is highly motivated to work in partnership with all stakeholders to ensure the City of Karratha grows, diversifies and benefits from the exponential resource and industrial growth currently taking place.



Phillip Trestrail

*Master of Business Administration
Bachelor of Laws
Bachelor of Business
Director Corporate Services
Appointed: April, 2013*

Phil has over 30 years experience working in management roles across local, state, and federal government agencies. Prior to joining the City he held senior executive roles in both Corporate and Community Services. Phil joined the City in 2012 as Manager Human Resources and has led the Corporate Services team since 2013 and has a clear focus on providing excellent support services to the wider organisation. Phil provides clear and conscientious leadership for the 'behind-the-scenes' functions of local government that ensure the organisation continues to run smoothly.



Simon Kot

*Diploma in Project Management
Diploma Management,
Public Sector Management
Bachelor of Applied Science, Leisure Science
Director Strategic Projects & Infrastructure
Appointed: February, 2010*

Simon has over 15 years experience working in management and executive teams for local government with previous roles including Manager Community Services at the Shire of Katanning as well as Executive Manager Community Services at City of Karratha. Simon became Director Strategic Projects & Infrastructure in 2013 and has overseen the development of \$300 million worth of City-led infrastructure projects including the Karratha Leisureplex, Karratha Airport Redevelopment and the Red Earth Arts Precinct.



Ryan Hall

*Master of Business Administration
Master of Urban and Regional Planning
Bachelor of Social Science
Director Development Services
Appointed: February, 2017*

Ryan has over 17 years of experience working in leadership roles in the planning and development industry. He is known for his positive and pragmatic approach to enable high quality outcomes. Ryan's previous roles include Manager Business Improvement at the City of Vincent where he also performed as the Director Community Services, a Manager with the Department of Planning, Coordinator for both City Growth and Planning Implementation at the City of Wanneroo and Senior Planner at the City of Gosnells. Ryan is a life member of the Local Government Planners Association, a member of the Planning Institute of Australia, Institute of Public Administration Australia and Local Government Professionals.



Arron Minchin

*Bachelor of Business
Director Community Services
Appointed: March, 2019*

Arron has over 20 years of experience working in the regional environment across a range of different areas including State Government, private industry and local government. This has provided Arron with a strong insight into the issues and opportunities that exist in regional Western Australia. Arron has been the Director of Community Services at the City for three years and his previous roles include being an Executive Director with the Department of Regional Development, Director with the Department of Sport and Recreation and Manager of Community with BHP Billiton Iron Ore. Arron grew up in Karratha where he attended Karratha Primary School and Karratha Senior High School.



City of Karratha staff in green for World Mental Health Day

Our employees

City of Karratha employees are Council’s most valuable resource. They are the primary means by which our organisational goals and objectives are met and the City has made a commitment to manage, improve and develop staff resources efficiently and effectively.

Continuous development opportunities and coordinated procedures are in place that respect the worth of individuals, encourage the initiative of each employee, challenge individual capabilities and provide equal opportunity.

The City of Karratha employs 505 staff members, working across four directorates and based in 15 locations.



312.6 Full Time Equivalent



247 Full Time



56 Part Time

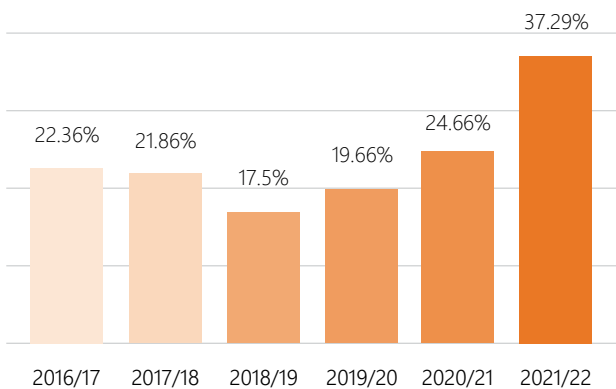


202 Casual

Employee turnover rate

Employee turnover rate for the 2021/22 financial year has increased by 12.6 per cent on last year.

Employee turnover



Workforce remuneration

Regulation 19B of the *Local Government Regulations 1996* requires the reporting of the number of employees within the City of Karratha with an annual salary of \$100,000 or more and the number of those employees with an annual salary entitlement that falls within each of our salary bands.

Employee salary more than \$100,000:

| BRACKETS | 2021-22 |
|-----------------------|---------|
| \$100,000 - \$109,999 | 13 |
| \$110,000 - \$119,999 | 4 |
| \$120,000 - \$129,999 | 2 |
| \$130,000 - \$139,999 | 2 |
| \$140,000 - \$149,999 | 2 |
| \$150,000 - \$159,999 | 5 |
| \$160,000 - \$169,999 | 1 |
| \$170,000 - \$179,999 | 0 |
| \$180,000 - \$189,999 | 0 |
| \$190,000 - \$199,999 | 1 |
| \$200,000 - \$209,999 | 0 |
| \$210,000 - \$219,999 | 1 |
| \$220,000 - \$229,999 | 0 |
| \$230,000 - \$239,999 | 0 |
| \$240,000 - \$249,999 | 0 |
| \$250,000 - \$259,999 | 2 |
| \$390,000 - \$399,999 | 1 |



Cyclones Under 15s participating in Bucks for Bags Program to raise team funds

Employee diversification statistics



Female Workforce
68.3% for Female Workforce



Mature Employees
20% for Mature employees



Aboriginal and Torres Strait Islander Australians
4.75% for Aboriginal and Torres Strait Islander Australians



Young People
8% for Youth

Development of employees

The City of Karratha encourages the professional development of employees providing optional training sessions for staff on topics ranging from cultural awareness to interpersonal communication, process mapping to records management.

The Annual Performance and Development Review gives employees the opportunity to discuss their achievements, challenges and the actions they need to take to continue improving. The Performance and Development Review allows for individual employee goals and work tasks to be aligned with the goals of the City. Together, employees and management staff rate performance and engage in two-way discussion about roles, tasks and achievements.

Equal opportunity employment in the workplace

Council has an Equal Employment Opportunity policy in place to ensure that we provide a working environment that embodies our core value of respect and upholds State and Commonwealth laws concerning harassment and discrimination.

The Aboriginal Employment Strategy, Disability Access and Inclusion Plan and a Reconciliation Action Plan continues to increase the number of traineeships and apprenticeships offered to young people. During 2021-22 the City provided five traineeship and apprenticeship opportunities.

To ensure hiring processes are fair and objective all staff receive training around unconscious bias and a human resources representative is present at all employment interviews.

Our Recruitment Processes

The City has a Human Resources team that facilitates merit based selection processes to ensure that it remains an Equal Opportunity Employer. The City of Karratha considers its workforce its most valuable asset and so it is increasingly important that the correct people are hired to fill roles. In 2021/22, the human resource team undertook 216 recruitment processes across all levels of the organisation.

Workplace occupational safety and health

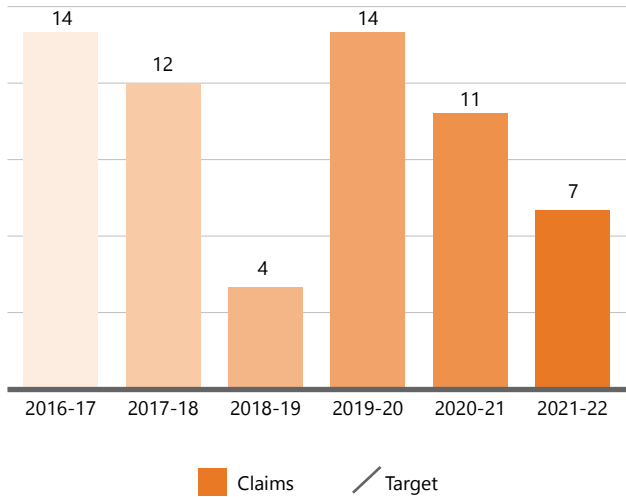
The City of Karratha has made a commitment to provide employees a safe working environment.

Our key focus is on providing appropriate information, training and supervision to all employees and contractors, employing the kinds of people who hold the same values as Council; integrity, teamwork, innovation and leadership to ensure a coherent workforce that prioritises safety in the workplace.

A number of risk management strategies are in place organisation-wide which promote and continuously improve health and safety performance. Each of our 15 worksites has a designated Safety and Health representative who checks in with employees and inspects working areas regularly providing assistance where required. Any serious concerns are reported immediately to the City of Karratha Occupational Safety and Health Officer and actioned appropriately. The Occupational Health and Safety policy is reviewed every four years.

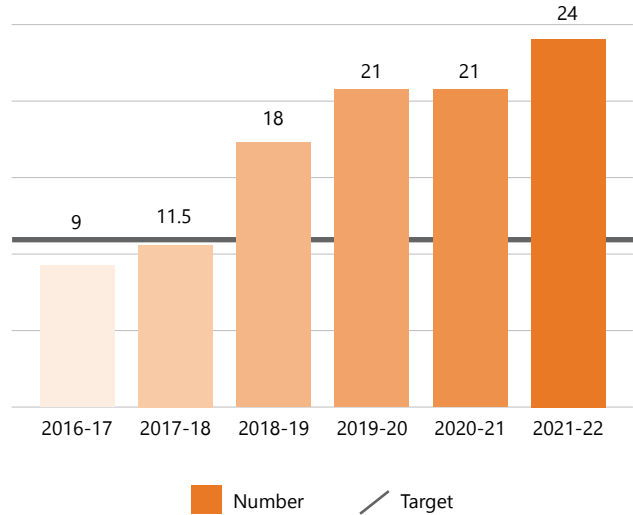
Number of workers compensation claims per annum

Please note the target is 0



Number of Indigenous staff employed

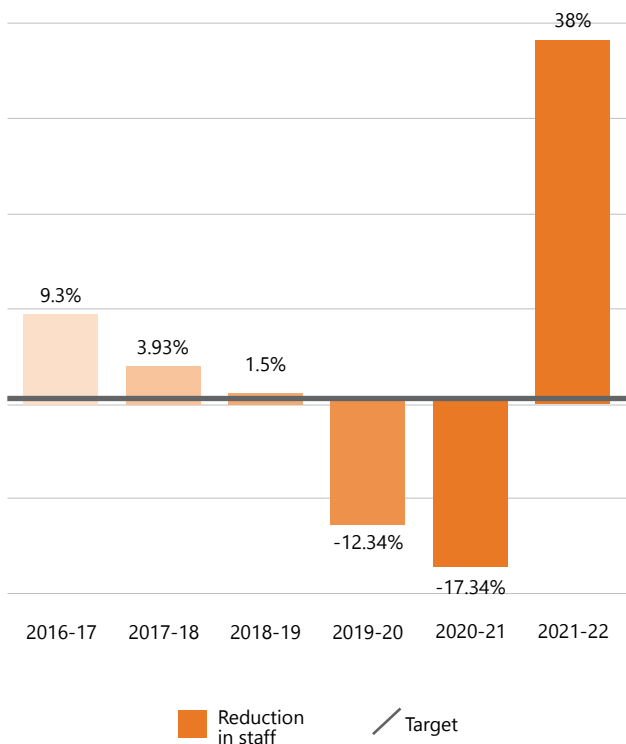
Please note the target is 12



The City's Aboriginal and Torres Strait Islander Engagement Strategy is helping the City to build a culturally diverse workplace with approximately 6% of workforce of ATSI descent.

Percentage reduction in staff turnover

Please note a positive result is one below the target



2021/22 highlights



162 work place inspections across City facilities



131 employees undertook a skin screen



60 employees completed a health risk assessment

111 staff left the organisation in 2021/22 making a total turnover figure of 37.29%. Note that there was increased turnover due to the increased demand for employees across the district. The cost of living has also increased (namely rental costs) which has seen a number of employees leave town.

Matters referred to government body

In Western Australia there are a number of bodies who monitor the behaviour of Council. They are the WA Ombudsman, Corruption and Crime Commission (WA), Public Sector Commission (WA) and the Local Government Standards Panel.

During the 2021/22 financial year the City of Karratha no matters were referred to any government agency.

Records Management

The City of Karratha has a demonstrated commitment to *State Records Act 2000* compliant recordkeeping practices. We have sound recordkeeping policies, standards and procedures in place to ensure compliance and its approach to information management.

It is a requirement for all new employees to undertake a compulsory records management induction within two weeks of commencement, quarterly training sessions are also provided. This is supported by ongoing consultation and support to ensure good recordkeeping practices across the organisation.

After a comprehensive review, the City's Amended Recordkeeping Plan was approved by the State Records Commission on 5 April 2022 and is next due for revision in 2027.

The City of Karratha is committed to continuous improvement and is currently progressing a phased implementation of a new Enterprise Resource Planning (ERP) system across the organisation called Ci Anywhere – which incorporates a new Records Management System called Enterprise Content Management (ECM). This greatly assists with transitioning our organisation into a more paperless work environment which creates further efficiency and productivity.

Freedom of Information

In accordance with Section 96 and 97 of the *Freedom of Information Act 1992*, the City is required to publish an Information Statement that is available on our website that details the process of applying for information under the Act, as well as information that the City provides outside of the Act. During the 2021/2022 financial year, 13 FOI applications were received. Ten applications were settled within the statutory 45-day period and three required an extended period that was permitted by the Applicant.

The following are some of the documents available for public inspection at the City of Karratha free of charge:

- Council agenda and minutes
- Annual budgets
- Annual reports

Many of the above documents are also available for download on the City of Karratha website: www.karratha.wa.gov.au.

National Competition Policy

The Competition Principles Agreement (CPA) is a contractual agreement between the Federal Government and all State and Territory Governments. The CPA aims to ensure that all public enterprises operate in a transparent manner in the best interests of the public.

The City of Karratha continues to meet its obligations to the competition policy and monitors introduction of Council policies and local laws which may be subject to anticompetitive practices.

Strategic asset management

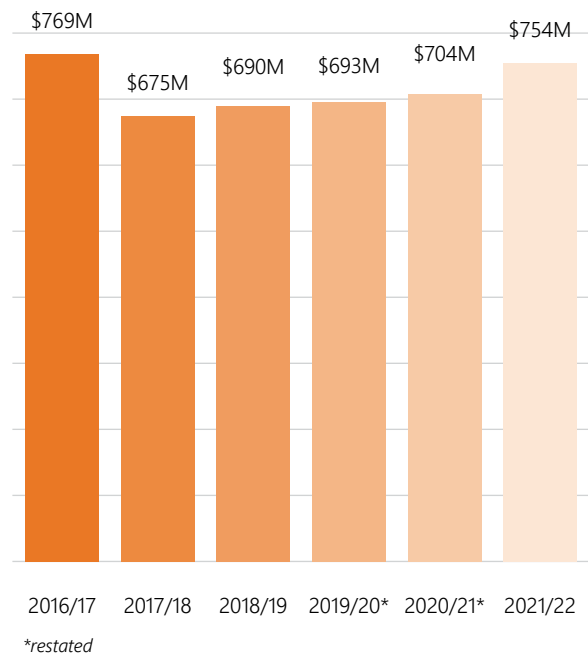
The City of Karratha manages an asset portfolio of more than \$650 million and has extensive management policies in place to ensure best results for the community.

Asset Management Planning

The Strategic Asset Management Plan outlines how the City will meet the service delivery needs of our communities into the future. The plan takes into account long-term demand, asset renewal and projected expenditure required to continue a high standard of operation. Each of the City of Karratha's asset management protocols are in line with state government's Integrated Planning and Reporting Framework.

The City of Karratha reviews its Asset Management Planning documents and Policy to ensure planning in place remains current and takes into account any new, replaced or improved assets as they stand. A major review of the Strategic Asset Management Plan was undertaken in 2019, with the updated plan adopted by Council in February 2020.

Trend data relating to value of assets City of Karratha has held over past five years:



Enterprise risk management

Enterprise Risk Management (ERM) is a strategy employed by an organisation to consider all the different types of risks associated with each element of a business. This process is used to help guide decision-making and manage the potential impact of identified risks on the success of organisational goals.

The City of Karratha uses best practice ERM methodology to identify, prioritise and respond to issues that have the potential to prevent us from achieving Council objectives. Reviews of potential risks are undertaken at least twice per year by the City of Karratha Executive Management Team and directorates. The City's risk register includes:

Strategic, Corporate and Operational Risks

Where appropriate, risks are reported to the Audit and Organisational Risk Committee. Risks are reviewed at every level of Council from those that could affect a single project or service to those that could affect the entire organisation and community.



Audit and organisational risk committee

The City of Karratha Audit and Organisational Risk Committee liaises with internal and external auditors to ensure the appropriate performance and management of Council affairs. In addition to this, the committee provides advice on the managements of risks and risk registers.

Audit & Organisational Risk Committee membership is comprised of three elected members. During 2021/22 Mayor Peter Long held the position of Chair.

The Audit and Organisational Risk Committee met only once in the last financial year on March 21, 2022. Two other meetings were scheduled in 2022 that were pending the receipt of the interim and annual financial audits that had not been received by the City by 30 June 2022.

Internal auditing

As a local government, the City of Karratha is responsible for reviewing and auditing the procedures and systems in place in regard to risk management, internal controls and legislative compliance. The City of Karratha has an internal audit function that provides internal reports to the Audit & Organisation Risk Committee.

Independent auditing

The Office of Auditor General (OAG) continues to undertake the financial audit of the City. For the 2021/22 financial year, the OAG completed a Cyber Security Audit across eight areas, each attaining a moderate risk rating.

In the OAG's finalisation of the 2021/22 Financial Audit, the OAG also incorporated an Information Systems Audit where only one significant finding was identified in addition to seven moderate risks and two minor risks that will be resolved for the following financial year.



Water Tank

Contracts and procurement

All procurement is carried out as required by the *Local Government Act 1995*, the *Local Government (Functions and General) Regulations 1996* (as amended) and the City of Karratha's own purchasing policies. The City is continually reviewing the procurement framework and delivers procurement training to employees to ensure value for money is being delivered to ratepayers.

The City released 25 tenders and 53 formal requests for quotation during 2021/22.

Significant contracts awarded included:

- Karratha Leisureplex Solar Initiative (\$1.58m)
- Kevin Richards Memorial Oval Change and Club Room (\$9m)
- Cell 0 Capping and Closure Works (\$12m)
- City Housing, Shakespeare Street Units Redevelopment (\$4.3m)
- Reconstruction of Coolawanyah Road – Stage 3 (\$3.1m)
- City's Mixed Use Residential Development (\$2m)

In 2021/22 the City issued 9,511 purchase orders with 61 per cent of all work allocated to local business, to the value of \$40 million. As part of our commitment to the local economy and value-for-money outcomes, the City has a number of processes in place to guide and facilitate procurement. These processes provide support to City officers while ensuring transparency and statutory compliance.

The City also uses online platforms like Tenderlink and Vendorpanel (eQuotes) to undertake procurement activities and to engage with suppliers. Currently there are 263 suppliers registered with the City's Tenderlink Portal for the purpose of tendering and 409 local suppliers registered as Marketplace suppliers in Vendorpanel for quoting.

Regional Price Preference Policy

The Council has a Regional Price Preference Policy in place to promote local business partnerships within the City of Karratha by giving preferential consideration to regional suppliers in the procurement of goods or services via tender or quotation. A preference is given to a regional respondent by assessing their quotation as if the price bids were reduced by up to 10 per cent which is the maximum allowed under the *Local Government Act*.

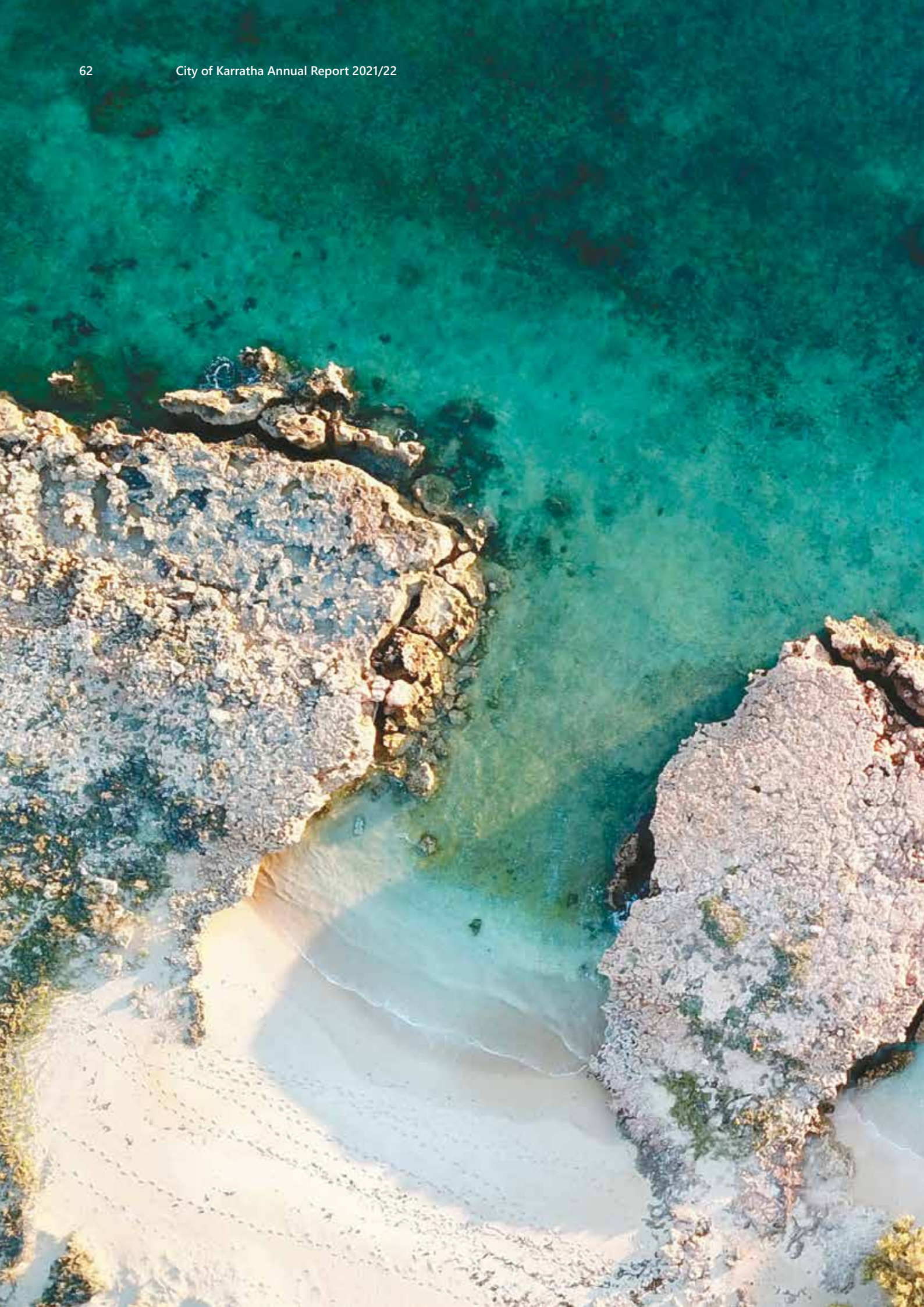
Social Responsibility

The City of Karratha is committed to working with organisations that implement a high level of corporate responsibility and businesses that operate in a sustainable manner. The City has policies in place that allow for direct contract arrangements with WALGA listed businesses, registered Aboriginal businesses and Australia Disability Enterprises.



\$40 MILLION

IN PURCHASE ORDERS
FOR WORK ALLOCATED
TO LOCAL BUSINESSES



SECTION 4

FINANCE

The final section of this report outlines the City of Karratha's finances for 2021/22 and the ways in which we work with our stakeholders. It provides insight into decision making and summarises the sound financial position of Council moving forward.

CITY OF KARRATHA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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The City of Karratha conducts the operations of a local government with the following community vision:

To be Australia's most liveable regional City.

Principal place of business:
Lot 1083 Welcome Road
Karratha, WA 6714

**CITY OF KARRATHA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Karratha for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the City of Karratha at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 23 day of May 2023



Chief Executive Officer

Virginia Miltrup

Name of Chief Executive Officer



CITY OF KARRATHA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

| | NOTE | 2022 Actual | 2022 Budget | Restated * 2021 Actual |
|---|------------|-------------------|-------------------|------------------------------|
| | | \$ | \$ | \$ |
| Revenue | | | | |
| Rates | 26(a),2(a) | 45,601,161 | 45,352,357 | 44,298,154 |
| Operating grants, subsidies and contributions | 2(a) | 13,055,738 | 16,013,802 | 17,146,710 |
| Fees and charges | 25(c),2(a) | 46,281,698 | 42,765,274 | 40,196,174 |
| Interest earnings | 2(a) | 1,191,500 | 1,062,404 | 1,058,794 |
| Other revenue | 2(a) | 2,044,123 | 1,093,251 | 3,250,577 |
| | | 108,174,220 | 106,287,088 | 105,950,409 |
| Expenses | | | | |
| Employee costs | | (36,634,734) | (37,265,326) | (37,214,925) |
| Materials and contracts | | (31,201,210) | (34,029,855) | (29,449,528) |
| Utility charges | | (6,799,911) | (6,596,858) | (6,249,037) |
| Depreciation | 10(a),32 | (20,721,518) | (18,924,084) | (19,991,488) |
| Finance costs | 2(b) | (72,201) | (40,357) | (202,694) |
| Insurance | | (2,388,056) | (2,089,521) | (1,900,845) |
| Other expenditure | 2(b) | (3,133,537) | (3,242,016) | (3,763,473) |
| | | (100,951,167) | (102,188,017) | (98,771,990) |
| | | 7,223,053 | 4,099,071 | 7,178,419 |
| Capital grants, subsidies and contributions | 2(a) | 3,141,659 | 8,700,142 | 4,724,337 |
| Profit on fixed asset disposals | 10(b) | 42,554 | 754,000 | 35,501 |
| Profit on disposal of land held for sale | | 680,608 | 1,289,048 | 0 |
| Loss on fixed asset disposals | 10(b) | (271,217) | (201,800) | (439,137) |
| Fair value adjustments to financial assets at fair value through profit or loss | | 0 | 0 | 6,542 |
| Fair value adjustments to investment property | 12 | 3,547,229 | 0 | 5,438,861 |
| Fair value adjustments to land held for sale | | 0 | | |
| | | 7,140,833 | 10,541,390 | 9,766,104 |
| Net result for the period | 25(b) | 14,363,886 | 14,640,461 | 16,944,523 |
| Other comprehensive income for the period | | | | |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Changes in asset revaluation surplus | 18 | 49,424,265 | 0 | (316,186) |
| Total other comprehensive income for the period | 18 | 49,424,265 | 0 | (316,186) |
| Total comprehensive income for the period | | 63,788,151 | 14,640,461 | 16,628,337 |

*See Note 32 for details regarding the prior period restatements as a result of the correction of prior year errors.

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



CITY OF KARRATHA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

| | NOTE | 2022 | Restated * | Restated * |
|--------------------------------------|-------|--------------------|--------------------|--------------------|
| | | \$ | 2021 | 2020 |
| | | | \$ | \$ |
| CURRENT ASSETS | | | | |
| Cash and cash equivalents | 3 | 18,701,445 | 60,871,828 | 55,175,670 |
| Trade and other receivables | 5 | 11,593,034 | 8,848,998 | 10,252,019 |
| Other financial assets | 4(a) | 63,776,470 | 16,569,589 | 13,163,678 |
| Inventories | 6 | 3,079,554 | 1,318,758 | 488,469 |
| Other assets | 7 | 635,000 | 691,479 | 0 |
| TOTAL CURRENT ASSETS | | 97,785,503 | 88,300,652 | 79,079,836 |
| NON-CURRENT ASSETS | | | | |
| Trade and other receivables | 5 | 124,258 | 398,516 | 453,046 |
| Other financial assets | 4(b) | 3,036,156 | 800,246 | 322,310 |
| Inventories | 6 | 0 | 93,370 | 488,358 |
| Property, plant and equipment | 8 | 300,523,647 | 250,787,540 | 250,813,979 |
| Infrastructure | 9 | 419,108,677 | 422,015,502 | 416,316,742 |
| Right-of-use assets | 11(a) | 1,224,578 | 1,405,797 | 27,436 |
| Investment property | 12 | 35,125,608 | 31,300,000 | 25,619,936 |
| TOTAL NON-CURRENT ASSETS | | 759,142,924 | 706,800,971 | 694,041,807 |
| TOTAL ASSETS | | 856,928,427 | 795,101,623 | 773,121,643 |
| CURRENT LIABILITIES | | | | |
| Trade and other payables | 13 | 13,019,974 | 11,123,600 | 6,195,306 |
| Other liabilities | 14 | 0 | 973,681 | 2,119,876 |
| Lease liabilities | 11(b) | 168,429 | 145,406 | 14,998 |
| Borrowings | 15 | 16,854 | 16,416 | 85,520 |
| Employee related provisions | 16 | 4,449,364 | 4,820,037 | 4,618,608 |
| Other provisions | 17 | 8,935,350 | 0 | 0 |
| TOTAL CURRENT LIABILITIES | | 26,589,971 | 17,079,140 | 13,034,308 |
| NON-CURRENT LIABILITIES | | | | |
| Lease liabilities | 11(b) | 1,074,652 | 1,227,481 | 12,831 |
| Borrowings | 15 | 0 | 16,853 | 177,494 |
| Employee related provisions | 16 | 397,152 | 473,844 | 457,080 |
| Other provisions | 17 | 2,857,059 | 14,082,863 | 13,846,825 |
| TOTAL NON-CURRENT LIABILITIES | | 4,328,863 | 15,801,041 | 14,494,230 |
| TOTAL LIABILITIES | | 30,918,834 | 32,880,181 | 27,528,538 |
| NET ASSETS | | 826,009,593 | 762,221,442 | 745,593,105 |
| EQUITY | | | | |
| Retained surplus | | 457,512,213 | 447,618,294 | 441,768,233 |
| Reserve accounts | 29 | 78,025,524 | 73,555,557 | 67,506,603 |
| Revaluation surplus | 18 | 290,471,856 | 241,047,591 | 236,318,269 |
| TOTAL EQUITY | | 826,009,593 | 762,221,442 | 745,593,105 |

*See Note 32 for details regarding the prior period restatements as a result of the correction of prior year errors.

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



**CITY OF KARRATHA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

| | NOTE | RETAINED SURPLUS \$ | RESERVE ACCOUNTS \$ | REVALUATION SURPLUS \$ | TOTAL EQUITY \$ |
|--|--------------|---------------------------|---------------------------|------------------------------|-----------------------|
| Balance as at 1 July 2020 | | 452,276,363 | 67,506,603 | 241,363,777 | 761,146,743 |
| Change in accounting policy | | (5,045,508) | 0 | 0 | (5,045,508) |
| Correction of Prior Period error* | 32 | (10,508,130) | 0 | 0 | (10,508,130) |
| Restated balance at the beginning of the financial year | 18,29 | 436,722,725 | 67,506,603 | 241,363,777 | 745,593,105 |
| Comprehensive income for the period | | | | | |
| Net result for the period | | 15,631,007 | 0 | 0 | 15,631,007 |
| Correction of Prior Period error* | | 1,313,516 | | | 1,313,516 |
| Other comprehensive income for the period | 18 | 0 | 0 | (316,186) | (316,186) |
| Total comprehensive income for the period | | 16,944,523 | 0 | (316,186) | 16,628,337 |
| Transfers from reserves | 29 | 13,168,229 | (13,168,229) | 0 | 0 |
| Transfers to reserves | 29 | (19,217,183) | 19,217,183 | 0 | 0 |
| Restated Balance as at 30 June 2021 | 18,29 | 447,618,294 | 73,555,557 | 241,047,591 | 762,221,442 |
| Comprehensive income for the period | | | | | |
| Net result for the period | | 14,363,886 | 0 | 0 | 14,363,886 |
| Other comprehensive income for the period | 18 | 0 | 0 | 49,424,265 | 49,424,265 |
| Total comprehensive income for the period | | 14,363,886 | 0 | 49,424,265 | 63,788,151 |
| Transfers from reserves | 29 | 13,405,526 | (13,405,526) | 0 | 0 |
| Transfers to reserves | 29 | (17,875,493) | 17,875,493 | 0 | 0 |
| Balance as at 30 June 2022 | 18,29 | 457,512,213 | 78,025,524 | 290,471,856 | 826,009,593 |

*See Note 32 for details regarding the prior period restatements as a result of the correction of prior year errors.

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



**CITY OF KARRATHA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022**

| NOTE | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
|---|----------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts | | | |
| Rates | 46,354,878 | 46,824,592 | 44,184,286 |
| Operating grants, subsidies and contributions | 12,206,395 | 18,063,802 | 17,979,159 |
| Fees and charges | 42,693,083 | 42,765,274 | 39,520,222 |
| Interest received | 1,191,500 | 1,062,404 | 1,058,794 |
| Other revenue | 2,044,123 | 1,093,251 | 3,250,577 |
| | 104,489,979 | 109,809,323 | 105,993,038 |
| Payments | | | |
| Employee costs | (37,060,922) | (37,265,326) | (36,706,953) |
| Materials and contracts | (34,072,007) | (32,529,855) | (25,246,546) |
| Utility charges | (6,806,905) | (6,596,858) | (6,249,037) |
| Finance costs | (72,201) | (40,357) | (202,694) |
| Insurance paid | (2,388,056) | (2,089,521) | (1,900,845) |
| Goods and services tax paid | 231,509 | 0 | (388,574) |
| Other expenditure | (2,572,260) | (3,242,016) | (3,763,473) |
| | (82,740,842) | (81,763,933) | (74,458,122) |
| Net cash provided by (used in) operating activities | 19(b) 21,749,137 | 28,045,390 | 31,534,916 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Payments for loans financial assets at amortised cost - loans to clubs/institutions | (2,244,386) | (3,450,000) | (640,750) |
| Payments for development of land held for resale | 0 | (1,950,996) | 0 |
| Payments for purchase of property, plant & equipment | 8(a) (15,490,300) | (13,424,181) | (8,663,937) |
| Payments for construction of infrastructure | 9(a) (3,663,824) | (24,653,118) | (18,394,328) |
| Payments for investment property | 12 (278,379) | (255,000) | (241,203) |
| Non-operating grants, subsidies and contributions | 3,141,659 | 8,700,142 | 4,926,429 |
| Payments from financial assets at amortised cost | (47,208,417) | 0 | (3,386,374) |
| Proceeds from financial assets at amortised cost - self supporting loans | 16,454 | 87,654 | 152,902 |
| Proceeds for loans financial assets at amortised cost - loans to clubs/institutions | 552 | 0 | (3,083) |
| Proceeds from sale of land held for resale | 1,268,410 | 2,800,000 | 0 |
| Proceeds from sale of property, plant & equipment | 10(b) 684,932 | 1,989,000 | 732,360 |
| Net cash provided by (used in) investing activities | (63,773,299) | (30,156,499) | (25,517,984) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Repayment of borrowings | 28(a) (16,415) | (85,946) | (229,745) |
| Payments for principal portion of lease liabilities | 28(b) (129,806) | (132,763) | (91,029) |
| Net cash provided by (used in) financing activities | (146,221) | (218,709) | (320,774) |
| Net increase (decrease) in cash held | (42,170,383) | (2,329,818) | 5,696,158 |
| Cash at beginning of year | 60,871,828 | 68,148,286 | 55,175,670 |
| Cash and cash equivalents at the end of the year | 3,19(a) 18,701,445 | 65,818,468 | 60,871,828 |

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



**CITY OF KARRATHA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022**

| | NOTE | 2022 Actual \$ | 2022 Budget \$ | Restated * 2021 Actual \$ |
|---|-------|----------------------|----------------------|------------------------------------|
| Restricted surplus brought forward - Pilbara Underground Power | 27(b) | 248,516 | 298,260 | 453,046 |
| Unrestricted surplus brought forward | | 452,221 | 3,653,875 | 1,700,172 |
| NET CURRENT ASSETS - At start of financial year - surplus/(deficit) | | 700,737 | 3,952,135 | 2,153,218 |
| OPERATING ACTIVITIES | | | | |
| Revenue from operating activities (excluding general rate) | | | | |
| Rates (excluding general rate) | 26(b) | 54,922 | 52,400 | 51,439 |
| Operating grants, subsidies and contributions | | 13,055,738 | 16,013,802 | 17,146,710 |
| Fees and charges | | 46,281,698 | 42,765,274 | 40,196,174 |
| Interest earnings | | 1,191,500 | 1,062,404 | 1,058,794 |
| Other revenue | | 2,044,123 | 1,093,251 | 3,250,577 |
| Profit on asset disposals | | 723,162 | 2,043,048 | 35,501 |
| Fair value adjustments to financial assets at fair value through profit or loss | | 0 | 0 | 6,542 |
| Fair value adjustments to investment property | | 3,547,229 | 0 | 5,438,861 |
| | | 66,898,372 | 63,030,179 | 67,184,598 |
| Expenditure from operating activities | | | | |
| Employee costs | | (36,634,734) | (37,265,326) | (37,214,925) |
| Materials and contracts | | (31,201,210) | (34,029,855) | (29,449,528) |
| Utility charges | | (6,799,911) | (6,596,858) | (6,249,037) |
| Depreciation | | (20,721,518) | (18,924,084) | (19,991,488) |
| Finance costs | | (72,201) | (40,357) | (202,694) |
| Insurance | | (2,388,056) | (2,089,521) | (1,900,845) |
| Other expenditure | | (3,133,537) | (3,242,016) | (3,763,473) |
| Loss on asset disposals | | (271,217) | (201,800) | (439,137) |
| | | (101,222,384) | (102,389,817) | (99,211,127) |
| Non-cash amounts excluded from operating activities | 27(a) | 14,128,435 | 17,203,662 | 14,967,680 |
| Amount attributable to operating activities | | (20,195,577) | (22,155,976) | (17,058,849) |
| INVESTING ACTIVITIES | | | | |
| Non-operating grants, subsidies and contributions | | 3,141,659 | 8,700,142 | 4,724,337 |
| Proceeds from disposal of assets | | 1,953,342 | 4,789,000 | 732,360 |
| Proceeds from financial assets at amortised cost - self supporting loans | | 16,454 | 87,654 | 152,902 |
| Payments for financial assets at amortised cost - loans to clubs/institutes | | (2,244,386) | (3,450,000) | (640,750) |
| Payments for land held for sale | | 0 | (1,950,996) | 0 |
| Purchase of property, plant and equipment | 8(a) | (15,490,300) | (13,424,181) | (8,603,937) |
| Purchase and construction of infrastructure | 9(a) | (3,663,824) | (24,653,118) | (18,394,328) |
| Purchase of investment property | 12 | (278,379) | (255,000) | (241,203) |
| | | (16,565,434) | (30,156,499) | (22,270,619) |
| Amount attributable to investing activities | | (16,565,434) | (30,156,499) | (22,270,619) |
| FINANCING ACTIVITIES | | | | |
| Repayment of borrowings | 28(a) | (16,415) | (85,946) | (229,745) |
| Payments for principal portion of lease liabilities | 28(b) | (129,806) | (132,763) | (91,029) |
| Transfers to reserves (restricted assets) | 29 | (17,875,493) | (28,211,568) | (19,217,183) |
| Transfers from reserves (restricted assets) | 29 | 13,405,526 | 31,645,182 | 13,168,229 |
| Amount attributable to financing activities | | (4,616,188) | 3,214,905 | (6,369,728) |
| Surplus/(deficit) before imposition of general rates | | (40,676,462) | (45,145,435) | (43,545,978) |
| Total amount raised from general rates | 26(a) | 45,546,239 | 45,299,957 | 44,246,715 |
| Restricted surplus June 30 c/fwd - Pilbara Underground Power | 5 | 124,258 | 150,000 | 248,516 |
| Surplus/(deficit) after imposition of general rates | 27(b) | 4,745,519 | 4,522 | 452,221 |

*See Note 32 for details regarding the prior period restatements as a result of the correction of prior year errors.

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

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

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

The local government reporting entity

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

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

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue

Revenue Recognition

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

For the year ended 30 June 2022

| Nature or type | Contracts with customers \$ | Capital grant/contributions \$ | Statutory Requirements \$ | Other \$ | Total \$ |
|---|-----------------------------------|--------------------------------------|---------------------------------|-------------------|--------------------|
| Rates | 0 | 0 | 45,546,239 | 54,922 | 45,601,161 |
| Operating grants, subsidies and contributions | 0 | 0 | 0 | 13,055,738 | 13,055,738 |
| Fees and charges | 0 | 0 | 0 | 46,281,698 | 46,281,698 |
| Interest earnings | 0 | 0 | 255,980 | 935,520 | 1,191,500 |
| Other revenue | 0 | 0 | 0 | 2,044,123 | 2,044,123 |
| Non-operating grants, subsidies and contributions | 0 | 3,141,659 | 0 | 0 | 3,141,659 |
| Total | 0 | 3,141,659 | 45,802,219 | 62,372,001 | 111,315,879 |

For the year ended 30 June 2021

| Nature or type | Contracts with customers \$ | Capital grant/contributions \$ | Statutory Requirements \$ | Other \$ | Total \$ |
|---|-----------------------------------|--------------------------------------|---------------------------------|-------------------|--------------------|
| Rates | 0 | 0 | 44,246,715 | 51,439 | 44,298,154 |
| Operating grants, subsidies and contributions | 0 | 0 | 0 | 17,146,710 | 17,146,710 |
| Fees and charges | 0 | 0 | 0 | 40,196,174 | 40,196,174 |
| Interest earnings | 0 | 0 | 213,312 | 845,482 | 1,058,794 |
| Other revenue | 0 | 0 | 354,101 | 2,896,476 | 3,250,577 |
| Non-operating grants, subsidies and contributions | 0 | 4,724,337 | 0 | 0 | 4,724,337 |
| Total | 0 | 4,724,337 | 44,814,128 | 61,136,281 | 110,674,746 |

| Note | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
|--|----------------------|----------------------|----------------------|
| Interest earnings | | | |
| Financial assets at amortised cost - self supporting loans | 774 | 3,861 | 9,435 |
| Interest on reserve funds | 786,051 | 572,862 | 642,854 |
| Rates instalment and penalty interest (refer Note 26(f)) | 255,980 | 398,000 | 252,442 |
| Late payment of fees and charges | 31,449 | 60,000 | 60,832 |
| Other interest earnings | 117,246 | 27,681 | 93,231 |
| | 1,191,500 | 1,062,404 | 1,058,794 |

(b) Expenses

Auditors remuneration

| Note | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
|--|----------------------|----------------------|----------------------|
| - Audit of the Annual Financial Report | 72,060 | 60,000 | 66,103 |
| - Other services | 3,500 | 0 | 7,200 |
| | 75,560 | 60,000 | 73,303 |

Finance costs

| Note | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
|---|----------------------|----------------------|----------------------|
| Borrowings | 774 | 3,861 | 9,435 |
| Other provisions: unwinding of discount | 46,947 | 0 | 176,038 |
| Lease liabilities | 24,480 | 36,496 | 17,221 |
| | 72,201 | 40,357 | 202,694 |

Other expenditure

| Note | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
|--|----------------------|----------------------|----------------------|
| Impairment losses on rates receivables | 38,655 | 200,000 | 0 |
| Impairment loss on trade and other receivables | 561,277 | 0 | 231,097 |
| Sundry expenses | 2,533,605 | 3,042,016 | 3,532,376 |
| | 3,133,537 | 3,242,016 | 3,763,473 |

**CITY OF KARRATHA
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 |
| Service charges | Charge for specific service | Over time | Payment dates adopted by Council during the year | Refund in event monies are unspent | Adopted by Council annually | When taxable event occurs | Not applicable | When rates notice is issued |
| Grant contracts with customers | Community events, minor facilities, research, design, planning evaluation and services | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Set by mutual agreement with the customer | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms breached | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants, subsidies or contributions for the construction of non-financial assets | Construction or acquisition of recognisable non-financial assets to be controlled by the local government | Over time | Fixed terms transfer of funds based on agreed milestones and reporting | Contract obligation if project not complete | Set by mutual agreement with the customer | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms breached | Output method based on project milestones and/or completion date matched to performance obligations |

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

2. REVENUE RECOGNITION (cont.)

| 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 |
|-------------------------------------|---|--------------------------------------|--|---|---|---|---|---|
| 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 | Output method based on provision of service |
| 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 provision of 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 |
| Airport landing charges | Permission to use facilities and runway | Single point in time | Monthly in arrears | None | Adopted by Council annually | Applied fully on timing of landing/take-off | Not applicable | On landing/departure event |
| 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 |

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

2. REVENUE RECOGNITION (cont.)

| 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 |
|---|---|--------------------------------------|--|--|--|--|---|--|
| Memberships | Gym and pool membership | Over time | Payment in full in advance | Refund for unused portion on application | Adopted by council annually | Apportioned equally across the access period | Returns limited to repayment of transaction price | Output method over 12 months matched to access right |
| Fees and charges for other goods and services | Cemetery services, library fees, reinstatements and private works | Single point in time | Payment in full in advance | None | Adopted by council annually | Applied fully based on timing of provision | Not applicable | Output method based on provision of service or completion of works |
| Sale of stock | Kiosk and visitor centre stock | Single point in time | In full in advance, on 40 day credit | Refund for faulty goods | Adopted by council annually, set by mutual agreement | Applied fully based on timing of provision | Returns limited to repayment of transaction price | Output method based on provision of goods |
| Commissions | Commissions on ticket sales/artwork | 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 |

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

3. CASH AND CASH EQUIVALENTS

| Note | 2022 \$ | 2021 \$ |
|--|-------------------|-------------------|
| Cash at bank and on hand | 13,693,431 | 60,871,828 |
| Term deposits | 5,008,014 | 0 |
| Total cash and cash equivalents | 18,701,445 | 60,871,828 |
| Held as | | |
| - Unrestricted cash and cash equivalents | 4,436,921 | 3,869,406 |
| - Restricted cash and cash equivalents | 14,264,524 | 57,002,422 |
| | 18,701,445 | 60,871,828 |

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.

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

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

Restricted financial assets

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

Details of restrictions on financial assets can be found at Note 19.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

| | 2022 \$ | 2021 \$ |
|---|------------|------------|
| | 63,776,470 | 16,569,589 |
| | 63,776,470 | 16,569,589 |
| Other financial assets at amortised cost | | |
| Self supporting loans receivable | 15,470 | 16,454 |
| Term deposits | 63,758,469 | 16,550,052 |
| Loans receivable - clubs/institutions | 2,531 | 3,083 |
| | 63,776,470 | 16,569,589 |
| Held as | | |
| - Unrestricted other financial assets at amortised cost | 15,470 | 16,454 |
| - Restricted other financial assets at amortised cost | 63,761,000 | 16,553,135 |
| | 63,776,470 | 16,569,589 |

(b) Non-current assets

Financial assets at amortised cost

Financial assets at fair value through profit and loss

Financial assets at amortised cost

Self supporting loans receivable

Loans receivable - clubs/institutions

Financial assets at fair value through profit and loss

Units in Local Government House Trust

| | | |
|--|-----------|---------|
| | 2,900,000 | 671,084 |
| | 136,156 | 129,162 |
| | 3,036,156 | 800,246 |
| | 0 | 15,470 |
| | 2,900,000 | 655,614 |
| | 2,900,000 | 671,084 |
| | 136,156 | 129,162 |
| | 136,156 | 129,162 |

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 24 (i)) due to the observable market rates.

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit and loss

The City 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 City has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

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

5. TRADE AND OTHER RECEIVABLES

| | Note | 2022 \$ | 2021 \$ |
|--|-------|-------------------|------------------|
| Current | | | |
| Rates receivable | | 1,144,144 | 1,521,605 |
| Trade and other receivables | | 6,891,507 | 5,935,753 |
| GST receivable | | 248,727 | 480,236 |
| Allowance for credit losses of trade and other receivables | 23(b) | (1,406,094) | (1,884,228) |
| Allowance for credit losses of rates receivables | 23(b) | (55,046) | (117,787) |
| Accrued Income | | 3,353,267 | 2,517,220 |
| Prepayments | | 1,416,529 | 396,199 |
| | | 11,593,034 | 8,848,998 |
| Non-current | | | |
| Service Charge | | 124,258 | 248,516 |
| Trade and Other Receivables | | 0 | 150,000 |
| | | 124,258 | 398,516 |

Reconciliation of changes in the allowance for impairment of receivables:

| | | | |
|---------------------------------------|--|------------------|------------------|
| Balance at start of period | | 2,002,015 | 1,768,054 |
| Expected credit losses expense | | 20,402 | 465,058 |
| Amounts written off during the period | | (561,277) | (231,097) |
| Balance at end of period | | 1,461,140 | 2,002,015 |

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

Trade 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 40 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 23.

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 and other receivables are held with the objective to collect the contractual cashflows and therefore the City 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.

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

6. INVENTORIES

| Note | 2022 | 2021 |
|--|-----------|-----------|
| | \$ | \$ |
| Current | | |
| Fuel and materials | 507,744 | 361,034 |
| Corporate Uniform | 38,000 | 22,885 |
| Food, drinks & merchandise Roebourne Aquatic Centre | 45,470 | 152 |
| Food, drinks & merchandise Indoor Play Centre | 6,232 | 4,440 |
| Food, drinks & merchandise Wickham Recreation Precinct | 2,687 | 1,916 |
| Food, drinks & merchandise Karratha Leisureplex | 7,004 | 2,562 |
| Food, drinks & merchandise Red Earth Arts Precinct | 24,390 | 21,458 |
| Food, drinks & merchandise Karratha Visitor Centre | 10,124 | 14,453 |
| Land held for resale - cost | | |
| Cost of acquisition | 463,500 | 370,130 |
| Development costs | 2,562,206 | 519,728 |
| Disposal - cost | (587,803) | 0 |
| | 3,079,554 | 1,318,758 |
| Non-current | | |
| Land held for resale | | |
| Cost of acquisition | 0 | 93,370 |
| | 0 | 93,370 |

The following movements in inventories occurred during the year:

| | | |
|-------------------------------------|-------------|-------------|
| Balance at beginning of year | 1,412,128 | 976,827 |
| Inventories expensed/disposed | (1,547,788) | (1,482,101) |
| Additions to inventory | 3,215,214 | 1,917,402 |
| Balance at end of year | 3,079,554 | 1,412,128 |

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (Continued)

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

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

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

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

7. OTHER ASSETS

Other assets - current

Contract assets

| | 2022 | 2021 |
|--|---------|---------|
| | \$ | \$ |
| | 635,000 | 691,479 |
| | 635,000 | 691,479 |

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Contract assets

Contract assets primarily relate to the City's right to consideration for work completed but not billed at the end of the period.

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

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

| Note | Land \$ | Buildings \$ | Total land and buildings \$ | Furniture and equipment \$ | Plant \$ | Equipment \$ | Artwork & Sculptures \$ | Works in Progress \$ | Total property, plant and equipment \$ |
|--|------------|-----------------|--------------------------------------|-------------------------------------|-------------|-----------------|-------------------------------|----------------------------|--|
| | | | | | | | | | |
| Balance at 1 July 2020 | 10,364,242 | 225,324,488 | 235,688,730 | 2,900,749 | 9,173,420 | 363,535 | 2,200,939 | 486,606 | 250,813,979 |
| Additions | 359,738 | 1,398,360 | 1,758,098 | 1,200,073 | 4,194,849 | 615,175 | 77,740 | 758,002 | 8,603,937 |
| Disposals | 0 | (41,740) | (41,740) | (59,885) | (964,925) | (15,719) | 0 | 0 | (1,082,269) |
| Revaluation increments / (decrements) transferred to revaluation surplus | 0 | (107,690) | (107,690) | 0 | 0 | 0 | 0 | 0 | (107,690) |
| Depreciation | 0 | (5,270,124) | (5,270,124) | (634,328) | (1,288,166) | (201,550) | (46,249) | 0 | (7,440,417) |
| Transfers | 0 | 18,000 | 18,000 | (1,960) | 0 | 1,960 | 0 | (18,000) | 0 |
| Balance at 30 June 2021 | 10,723,980 | 221,321,294 | 232,045,274 | 3,404,649 | 11,115,178 | 763,401 | 2,232,430 | 1,226,608 | 250,787,540 |
| Comprises: | | | | | | | | | |
| Gross balance amount at 30 June 2021 | 10,723,980 | 265,107,847 | 275,831,827 | 4,545,510 | 12,951,970 | 1,035,142 | 2,357,621 | 1,226,608 | 297,948,678 |
| Accumulated depreciation at 30 June 2021 | 0 | (35,868,475) | (35,868,475) | (1,140,861) | (1,836,792) | (271,741) | (125,191) | 0 | (39,243,060) |
| Accumulated impairment loss at 30 June 2021 | 0 | (7,918,078) | (7,918,078) | 0 | 0 | 0 | 0 | 0 | (7,918,078) |
| Balance at 30 June 2021 | 10,723,980 | 221,321,294 | 232,045,274 | 3,404,649 | 11,115,178 | 763,401 | 2,232,430 | 1,226,608 | 250,787,540 |
| Additions | 0 | 1,301,302 | 1,301,302 | 690,568 | 1,779,160 | 150,845 | 0 | 11,568,425 | 15,490,300 |
| Disposals | 0 | (76,475) | (76,475) | (25,564) | (809,480) | (2,076) | 0 | 0 | (913,595) |
| Revaluation increments / (decrements) transferred to revaluation surplus | 5,864,870 | 37,057,560 | 42,922,430 | 0 | 0 | 0 | 0 | 0 | 42,922,430 |
| Depreciation | 0 | (5,285,446) | (5,285,446) | (820,355) | (1,369,609) | (240,502) | (47,116) | 0 | (7,763,028) |
| Balance at 30 June 2022 | 16,588,850 | 254,318,235 | 270,907,085 | 3,249,298 | 10,715,249 | 671,668 | 2,185,314 | 12,795,033 | 300,523,647 |
| Comprises: | | | | | | | | | |
| Gross balance amount at 30 June 2022 | 16,588,850 | 254,318,235 | 270,907,085 | 5,229,909 | 13,702,392 | 1,161,285 | 2,357,620 | 12,795,033 | 306,153,324 |
| Accumulated depreciation at 30 June 2022 | 0 | 0 | 0 | (1,980,611) | (2,987,143) | (489,617) | (172,306) | 0 | (5,629,677) |
| Balance at 30 June 2022 | 16,588,850 | 254,318,235 | 270,907,085 | 3,249,298 | 10,715,249 | 671,668 | 2,185,314 | 12,795,033 | 300,523,647 |

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

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

| (i) Fair Value | Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|--|-------------|----------------------|--|-----------------------|------------------------|--|
| Land and buildings | | | | | | |
| Land | | 3 | Market approach using recent observable market data for similar properties | Independent Valuation | June 2022 | While the unit rates based on square meters could be supported from market evidence (level 2) other inputs such as zoning, restrictions, accessibility (level 3) required extensive professional judgement and impacted significantly on the final determination. |
| Buildings - non-specialised | | 3 | Market approach using recent observable market data for similar buildings | Independent Valuation | June 2022 | Market or estimated price per square meter |
| Buildings - specialised | | 3 | Cost approach using current replacement cost | Independent Valuation | June 2022 | This required estimating the replacement costs for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. Other inputs such as residual value, useful life, pattern of consumption and asset condition required extensive professional judgement and impacted significantly on the final determination |
| Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement. | | | | | | |
| During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. | | | | | | |
| (ii) Cost | | | | | | |
| Furniture and equipment | | Cost | N/A | Cost | N/A | Purchase Cost |
| Plant and equipment | | Cost | N/A | Cost | N/A | Purchase Cost |
| Artwork & Sculptures | | Cost | N/A | Cost | N/A | Purchase Cost |

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

| | Note | Infrastructure - Roads | Infrastructure - Footpaths | Infrastructure - Drainage | Infrastructure - Parks, Recreation and Open Space | Infrastructure - Aerodromes | Infrastructure - Miscellaneous Structures | Works in Progress | Landfill Post Closure Asset | Total Infrastructure |
|--|-------|---------------------------|-------------------------------|------------------------------|---|--------------------------------|---|----------------------|--------------------------------|-------------------------|
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Balance at 1 July 2020 | | 222,671,305 | 41,567,908 | 18,967,965 | 57,687,817 | 60,114,990 | 8,671,509 | 3,296,553 | 13,846,825 | 426,824,872 |
| Correction of Prior Period Error | 32 | | | | | | | | (10,508,130) | (10,508,130) |
| Additions | | 1,707,184 | 978,142 | 401,674 | 6,006,874 | 198,829 | 112,795 | 8,988,830 | 0 | 18,394,328 |
| (Disposals) | | (22,703) | (6,279) | (3,037) | (20,741) | (967) | 0 | 0 | 0 | (53,727) |
| Revaluation increments / (decrements) transferred to revaluation surplus | | (195,510) | 0 | 0 | (12,986) | 0 | 0 | 0 | 0 | (208,496) |
| Depreciation | 10(a) | (4,791,126) | (778,847) | (321,063) | (3,637,311) | (2,061,521) | (426,140) | 0 | (1,730,853) | (13,746,861) |
| Correction of Prior Period Error | 32 | | | | | | | | 1,313,516 | 1,313,516 |
| Restated Balance at 30 June 2021 | | 219,369,150 | 41,760,924 | 19,045,539 | 60,023,653 | 58,251,331 | 8,358,164 | 12,285,383 | 2,921,358 | 422,015,502 |
| Comprises: | | | | | | | | | | |
| Gross balance at 30 June 2021 | | 270,486,438 | 56,360,022 | 24,409,831 | 84,764,789 | 83,468,579 | 14,636,016 | 12,285,383 | 3,338,695 | 549,749,753 |
| Accumulated depreciation at 30 June 2021 | | (51,117,288) | (14,599,098) | (5,364,292) | (24,741,136) | (25,217,248) | (6,277,852) | 0 | (417,337) | (127,734,251) |
| Restated Balance at 30 June 2021 | | 219,369,150 | 41,760,924 | 19,045,539 | 60,023,653 | 58,251,331 | 8,358,164 | 12,285,383 | 2,921,358 | 422,015,502 |
| Additions | | 6,013,663 | 183,798 | 0 | 1,992,623 | 62,557 | 118,873 | (4,707,690) | 0 | 3,663,824 |
| Revaluation increments / (decrements) transferred to revaluation surplus | | (14,028,339) | (5,274,917) | 6,446,512 | (2,175,544) | 20,451,906 | 787,004 | 0 | 0 | 6,206,622 |
| Depreciation | 10(a) | (4,980,033) | (791,014) | (325,324) | (3,760,345) | (2,071,128) | (432,090) | 0 | (417,337) | (12,777,271) |
| Balance at 30 June 2022 | | 206,374,441 | 35,878,791 | 25,166,727 | 56,080,387 | 76,694,666 | 8,831,951 | 7,577,693 | 2,504,021 | 419,108,677 |
| Comprises: | | | | | | | | | | |
| Gross balance at 30 June 2022 | | 206,374,441 | 35,878,791 | 25,166,727 | 56,080,387 | 76,694,666 | 8,831,951 | 7,577,693 | 3,338,695 | 419,943,351 |
| Accumulated depreciation at 30 June 2022 | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (834,674) | (834,674) |
| Accumulated impairment loss at 30 June 2022 | | | | | | | | | | 0 |
| Balance at 30 June 2022 | | 206,374,441 | 35,878,791 | 25,166,727 | 56,080,387 | 76,694,666 | 8,831,951 | 7,577,693 | 2,504,021 | 419,108,677 |

*See Note 32 for details regarding the prior period restatements as a result of the correction of prior year errors.

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

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

| (i) Fair Value | Asset Class | Fair Value Hierarchy | Valuation Technique | Basis of Valuation | Date of Last Valuation | Inputs Used |
|----------------|---|----------------------|--|--------------------------------------|------------------------|---|
| | Infrastructure - Roads | Level 3 | Cost approach using depreciated replacement cost | Independent and Management Valuation | June 2022 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| | Infrastructure - Footpaths | Level 3 | Cost approach using depreciated replacement cost | Independent and Management Valuation | June 2022 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| | Infrastructure - Drainage | Level 3 | Cost approach using depreciated replacement cost | Independent and Management Valuation | June 2022 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| | Infrastructure - Parks, Recreation and C | Level 3 | Cost approach using depreciated replacement cost | Independent and Management Valuation | June 2022 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| | Infrastructure - Aerodromes | Level 3 | Cost approach using depreciated replacement cost | Independent Valuation | June 2022 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| | Infrastructure - Miscellaneous Structure | Level 3 | Cost approach using depreciated replacement cost | Independent and Management Valuation | June 2022 | Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs |
| | Landfill Post Closure Asset | Level 3 | Cost approach using depreciated replacement cost | Independent and Management Valuation | June 2022 | Present value of restoration, rehabilitation, and site monitoring costs using inflation rates and discount rates (Level 3) inputs |

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

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

The initial recognition of the landfill asset was based on the restoration, rehabilitation and site monitoring costs of the landfill. The City's landfill asset is considered to be of a specialised nature (non-market type assets which are not readily traded in the market place), such assets are valued by suitably experienced management personnel or independent qualified practitioners. The depreciation of the asset is based upon its useful life. All inputs require extensive professional judgement. Therefore, the City's landfill asset was classified as having been valued using Level 3 valuation inputs.

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

10. FIXED ASSETS

| (a) Depreciation | Note | 2022 Actual | 2022 Budget | Restated * 2021 Actual |
|---|-------|----------------|----------------|------------------------------|
| | | \$ | \$ | \$ |
| Buildings | 8(a) | 5,285,446 | 5,262,264 | 5,270,124 |
| Furniture and equipment | 8(a) | 820,355 | 530,916 | 634,328 |
| Plant | 8(a) | 1,369,609 | 1,170,384 | 1,288,166 |
| Equipment | 8(a) | 240,502 | 90,096 | 201,550 |
| Artwork & Sculptures | 8(a) | 47,116 | 0 | 46,249 |
| Infrastructure - Roads | 9(a) | 4,980,033 | 5,060,820 | 4,791,126 |
| Infrastructure - Footpaths | 9(a) | 791,014 | 762,636 | 778,847 |
| Infrastructure - Drainage | 9(a) | 325,324 | 0 | 321,063 |
| Infrastructure - Parks, Recreation and Open Space | 9(a) | 3,760,345 | 1,933,608 | 3,637,311 |
| Infrastructure - Aerodromes | 9(a) | 2,071,128 | 2,046,588 | 2,061,521 |
| Infrastructure - Miscellaneous Structures | 9(a) | 432,090 | 1,917,600 | 426,140 |
| Landfill Post Closure Asset | 9(a) | 417,337 | 0 | 417,337 |
| Right-of-use assets - Buildings | 11(a) | 181,219 | 149,172 | 117,726 |
| | | 20,721,518 | 18,924,084 | 19,991,488 |

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 |
|---------------------------------|---|
| Artworks | 50 years |
| Buildings | 10 to 100 years |
| Furniture and equipment | 3 to 10 years |
| Plant and equipment | 2 to 15 years |
| Infrastructure | |
| - Roads | 12 to 80 years |
| - Pathways and Cycleways | 10 to 80 years |
| - Aerodrome Assets | 10 to 80 years |
| - Park Developments | 15 to 30 years |
| - Bridges | 60 years |
| - Drains and Stormwater Network | 40 to 80 years |
| - Miscellaneous Structures | 15 to 100 years |
| - Boat Ramps/ Jetties | 25 years |
| - Lighting | 15 to 20 years |
| Right of use | Based on the remaining lease period |
| Landfill Post Closure Asset | Based on open landfill cells (currently 9 years) |

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

10. FIXED ASSETS (Continued)

(b) Disposals of assets

| | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 | 2022 | 2021 | 2021 | 2021 | 2021 | |
|------------------------------------|-----------------------------|----------------------------|------------------|----------------|-----------------------------|----------------------------|------------------|----------------|-----------------------------|----------------------------|------------------|----------------|
| | Actual Net Book Value | Actual Sale Proceeds | Actual Profit | Actual Loss | Budget Net Book Value | Budget Sale Proceeds | Budget Profit | Budget Loss | Actual Net Book Value | Actual Sale Proceeds | Actual Profit | Actual Loss |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Buildings | 76,475 | 0 | 0 | (76,475) | 750,000 | 1,500,000 | 750,000 | 0 | 41,740 | 0 | 0 | (41,740) |
| Furniture and equipment | 25,564 | 16,387 | 0 | (9,177) | 0 | 0 | 0 | 0 | 59,885 | 0 | 0 | (59,885) |
| Plant | 809,480 | 658,127 | 34,212 | (185,565) | 686,800 | 489,000 | 4,000 | (201,800) | 964,925 | 716,239 | 26,259 | (274,945) |
| Equipment | 2,076 | 10,418 | 8,342 | 0 | 0 | 0 | 0 | 0 | 15,719 | 16,121 | 9,242 | (8,840) |
| Infrastructure - Roads | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 22,703 | 0 | 0 | (22,703) |
| Infrastructure - Footpaths | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6,279 | 0 | 0 | (6,279) |
| Infrastructure - Drainage | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3,037 | 0 | 0 | (3,037) |
| Infrastructure - Parks, Recreation | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 20,741 | 0 | 0 | (20,741) |
| Infrastructure - Aerodromes | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 967 | 0 | 0 | (967) |
| | 913,595 | 684,932 | 42,554 | (271,217) | 1,436,800 | 1,989,000 | 754,000 | (201,800) | 1,135,996 | 732,360 | 35,501 | (439,137) |

The following assets were disposed of during the year.

| | 2022 | 2022 | 2022 | 2022 |
|-----------------------------------|-----------------------------|----------------------------|------------------|----------------|
| | Actual Net Book Value | Actual Sale Proceeds | Actual Profit | Actual Loss |
| | \$ | \$ | \$ | \$ |
| Plant and Equipment | | | | |
| Governance | | | | |
| 40000553 - Toyota Prado | 28,636 | 37,500 | 8,864 | 0 |
| Law, order, public safety | | | | |
| 40000618 - Isuzu DMax | 20,645 | 21,250 | 605 | 0 |
| 40000197 - Trailer | 5,178 | 2,360 | 0 | (2,818) |
| 40000331 - Ranger Trailer | 1,693 | 1,200 | 0 | (493) |
| Community amenities | | | | |
| 40000551 - Hookbin Truck | 93,261 | 0 | 0 | (93,261) |
| 40000570 - Dump Truck | 213,060 | 194,545 | 0 | (18,515) |
| 40000582 - Isuzu DMax | 19,365 | 24,000 | 4,635 | 0 |
| Recreation and culture | | | | |
| 30001668 - Gym equipment | 1,265 | 7,200 | 5,935 | 0 |
| 30001378 - Treadmill | 138 | 2,271 | 2,133 | 0 |
| 30001507 - Spin Cycle Bikes | 673 | 947 | 274 | 0 |
| 30001724 - 2 x Treadmill | 6,287 | 909 | 0 | (5,378) |
| 30001720 - Gym Equipment | 2,148 | 2,148 | 0 | 0 |
| 30001721 - Gym Equipment | 10,174 | 10,174 | 0 | 0 |
| 30001721 - Gym Equipment | 2,343 | 2,343 | 0 | 0 |
| 30001717 - Assault Air Runner | 4,612 | 813 | 0 | (3,799) |
| 40000264 - Mower | 1,808 | 3,250 | 1,442 | 0 |
| 40000539 - Kubota Mower | 6,037 | 5,000 | 0 | (1,037) |
| 40000550 - Toyota Hilux | 12,550 | 16,750 | 4,200 | 0 |
| 40000563 - Toyota Hilux | 14,750 | 17,500 | 2,750 | 0 |
| 40000572 - Holden Colorado | 16,781 | 12,750 | 0 | (4,031) |
| 40000575 - Holden Colorado | 20,264 | 19,000 | 0 | (1,264) |
| 40000578 - Holden Colorado | 14,878 | 18,500 | 3,622 | 0 |
| 40000580 - Nissan Navara | 15,717 | 10,250 | 0 | (5,467) |
| Transport | | | | |
| 40000418 - Wheel Loader | 96,079 | 72,727 | 0 | (23,352) |
| 40000495 - Mitsubishi Truck | 56,233 | 45,000 | 0 | (11,233) |
| 40000505 - Mitsubishi Truck | 63,059 | 51,818 | 0 | (11,241) |
| 40000560 - Toyota Hilux | 19,102 | 23,000 | 3,898 | 0 |
| 40000593 - Holden Colorado | 18,905 | 20,250 | 1,345 | 0 |
| 40000607 - Holden Colorado | 21,590 | 22,500 | 910 | 0 |
| 40000293 - Forklift | 10,931 | 2,727 | 0 | (8,204) |
| Economic Services | | | | |
| 40000518 - Toyota Corolla | 9,314 | 10,500 | 1,186 | 0 |
| 40000516 - Toyota Corolla | 9,493 | 10,250 | 757 | 0 |
| 40000585 - Hyundai iLoad Van | 20,151 | 15,500 | 0 | (4,651) |
| | 837,120 | 684,932 | 42,556 | (194,744) |
| Buildings | | | | |
| Housing | | | | |
| 1 Cook Close | 5,017 | 0 | 0 | (5,017) |
| 10 Knight Place | 17,596 | 0 | 0 | (17,596) |
| 11 Frienderstein Way | 2,013 | 0 | 0 | (2,013) |
| 12 Knight Place | 1,232 | 0 | 0 | (1,232) |
| 2 Cook Close | 5,017 | 0 | 0 | (5,017) |
| 2 McRae Court | 15,428 | 0 | 0 | (15,428) |
| 22A Shadwick Drive | 1,975 | 0 | 0 | (1,975) |
| 4 McRae Court | 4,586 | 0 | 0 | (4,586) |
| 5 Kwong Close | 1,975 | 0 | 0 | (1,975) |
| 7 Teesdale Place | 560 | 0 | 0 | (560) |
| 8 Knight Place | 5,482 | 0 | 0 | (5,482) |
| Recreation and culture | | | | |
| BC000366 - The Youth Shed | 7,011 | 0 | 0 | (7,011) |
| Education and welfare | | | | |
| BC000006 - Millars Well Early Lea | 1,089 | 0 | 0 | (1,089) |
| Law, order, public safety | | | | |
| Roebourne/Wickham SES | 7,494 | 0 | 0 | (7,494) |
| | 76,475 | 0 | 0 | (76,475) |
| | 913,595 | 684,932 | 42,554 | (271,217) |

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

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

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

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

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

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City 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, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date in accordance with the mandatory measurement framework.

Revaluation

The fair value of land, buildings, infrastructure and investment properties 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 City.

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

Revaluation (continued)

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

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

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

Depreciation on revaluation

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

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

Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

11. LEASES

(a) Right-of-Use Assets

| Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year. | Note | Right-of-use assets - Buildings | Right-of-use assets - land and buildings | Right-of-use assets - plant and equipment | Right-of-use assets Total |
|--|-------|---------------------------------|--|---|---------------------------|
| | | \$ | \$ | \$ | \$ |
| Balance at 1 July 2020 | | 27,436 | 0 | 0 | 27,436 |
| Additions | | 1,496,087 | 0 | 0 | 1,496,087 |
| Depreciation | 10(a) | (117,726) | 0 | 0 | (117,726) |
| Balance at 30 June 2021 | | 1,405,797 | 0 | 0 | 1,405,797 |
| Depreciation | 10(a) | (181,219) | 0 | 0 | (181,219) |
| Balance at 30 June 2022 | | 1,224,578 | 0 | 0 | 1,224,578 |

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

| | | 2022 Actual | 2021 Actual |
|---|-------|------------------|------------------|
| | | \$ | \$ |
| Depreciation on right-of-use assets | 10(a) | (181,219) | (117,726) |
| Interest expense on lease liabilities | 28(b) | (24,480) | (17,221) |
| Total amount recognised in the statement of comprehensive income | | (205,699) | (134,947) |
| Total cash outflow from leases | | (154,286) | (108,250) |
| (b) Lease Liabilities | | | |
| Current | 27(b) | 168,429 | 145,406 |
| Non-current | | 1,074,652 | 1,227,481 |
| | 28(b) | 1,243,081 | 1,372,887 |

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the City 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 City uses its incremental borrowing rate.

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

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

Right-of-use assets - valuation measurement

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

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

Right-of-use assets - depreciation

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

The City leases houses to staff with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The staff houses are not considered investment property as they are leased for use in the supply of services to the community.

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

Refer to note 12 for details of leased investment property

SIGNIFICANT ACCOUNTING POLICIES

The City as Lessor

Upon entering into each contract as a lessor, the City 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 City applies AASB 15 to allocate the consideration under the contract to each component.

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

12. INVESTMENT PROPERTY

Non-current assets - at fair value

| | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
|--|----------------------|----------------------|----------------------|
| Carrying balance at 1 July | 31,300,000 | 0 | 25,619,936 |
| Acquisitions | 101,670 | 255,000 | 241,203 |
| Works in progress | 176,709 | 0 | 0 |
| Net gain/(loss) from fair value adjustment | 3,547,229 | 0 | 5,438,861 |
| Closing balance at 30 June | 35,125,608 | 255,000 | 31,300,000 |

Amounts recognised in profit or loss for investment properties

| | | | |
|--|-------------|---|-------------|
| Rental income | 3,911,156 | 0 | 3,161,328 |
| Direct operating expenses from property that generated rental income | (2,410,097) | 0 | (1,798,627) |
| Fair value gain recognised in other income | 3,547,229 | 0 | 5,438,861 |

Leasing arrangements

Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial statements are receivable as follows:

| | | | |
|------------------|-----------|---|-----------|
| Less than 1 year | 2,602,907 | 0 | 1,994,883 |
| 1 to 5 years | 8,295,539 | 0 | 6,392,072 |
| > 5 years | 6,416,471 | 0 | 5,619,196 |

SIGNIFICANT ACCOUNTING POLICIES

Investment properties

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the City. Investment properties are carried at fair value. In accordance with the significant accounting policies disclosed at Note 10.

Fair value of investment properties

A management valuation was performed to determine the fair value of investment properties. The main Level 3 inputs used in the valuation were discount rates, terminal yields, expected vacancy rates and rental growth rates estimated by management based on comparable transactions and industry data.

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

14. OTHER LIABILITIES

Current

| | 2022 \$ | 2021 \$ |
|---|------------|------------|
| Contract liabilities from contracts with customers | 0 | 446,609 |
| Contract liabilities from transfers for recognisable non financial assets | 0 | 527,072 |
| | 0 | 973,681 |

Restrictions

| | 2022 \$ | 2021 \$ |
|--|------------|------------|
| Municipal funded - Contract liabilities from contracts with customers | 0 | 345,963 |
| Reserve funded - Contract liabilities from contracts with customers | 0 | 100,646 |
| Municipal funded - Contract liabilities from transfers for recognisable non financial assets | 0 | 88,303 |
| Reserve funded - Contract liabilities from transfers for recognisable non financial assets | 0 | 438,769 |
| | 0 | 973,681 |

Reconciliation of changes in contract liabilities

| | | |
|---|-----------|-------------|
| Opening balance | 973,681 | 2,119,876 |
| Additions | 0 | 973,681 |
| Revenue from contracts with customers included as a contract liability at the start of the period | (973,681) | (2,119,876) |
| | 0 | 973,681 |

The City satisfied the performance obligations from contracts with customers by the end of the reporting period.

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

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

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

15. BORROWINGS

| | Note | 2022 | | | 2021 | | |
|-------------------------|----------------|---------|-------------|--------|---------|-------------|--------|
| | | Current | Non-current | Total | Current | Non-current | Total |
| Secured | | \$ | \$ | \$ | \$ | \$ | \$ |
| Self Supporting Loans | | 16,854 | 0 | 16,854 | 16,416 | 16,853 | 33,269 |
| Total borrowings | 27(b) 28(a) | 16,854 | 0 | 16,854 | 16,416 | 16,853 | 33,269 |

Secured liabilities and assets pledged as security

Other loans relate to transferred receivables. Refer to Note 5.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 23.

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

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

16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

| | 2022 | 2021 |
|------------------------------------|-----------|-----------|
| | \$ | \$ |
| Current provisions | | |
| Employee benefit provisions | | |
| Annual Leave | 2,694,123 | 2,856,107 |
| Long Service Leave | 1,755,241 | 1,963,930 |
| | 4,449,364 | 4,820,037 |
| Non-current provisions | | |
| Long Service Leave | 397,152 | 473,844 |
| | 397,152 | 473,844 |
| | 4,846,516 | 5,293,881 |

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

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

| | 2022 | 2021 |
|---|-----------|-----------|
| | \$ | \$ |
| Amounts are expected to be settled on the following basis: | | |
| Less than 12 months after the reporting date | 4,449,364 | 4,820,037 |
| More than 12 months from reporting date | 397,152 | 473,844 |
| | 4,846,516 | 5,293,881 |

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

Other long-term employee benefits

Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The City's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City 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.

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

17. OTHER PROVISIONS

| | Note | Make good provisions \$ | Provision for remediation costs \$ | Total \$ |
|---------------------------------------|------|-------------------------------|---|-------------|
| Opening balance at 1 July 2021 | | | | |
| Non-current provisions | | 60,000 | 14,022,863 | 14,082,863 |
| | | 60,000 | 14,022,863 | 14,082,863 |
| Additional provision | | 0 | (295,212) | (295,212) |
| Amounts used | | 0 | (2,042,188) | (2,042,188) |
| Charged to profit or loss | | | | |
| - unwinding of discount | 2(b) | 0 | 46,947 | 46,947 |
| Balance at 30 June 2022 | | 60,000 | 11,732,409 | 11,792,409 |
| Comprises | | | | |
| Current | | 0 | 8,935,350 | 8,935,350 |
| Non-current | | 60,000 | 2,797,059 | 2,857,059 |
| | | 60,000 | 11,732,409 | 11,792,409 |

Provision for remediation costs

The City operates the Seven Mile Waste Disposal site at Exploration Drive, Gap Ridge. The facility is an active operation and is designed for 12 waste cells with rolling stages of cell construction until November 2048. To date, 3 cells have been constructed, and as such the City has an obligation to rehabilitate constructed cells to minimise potential environmental impacts.

A post closure management plan has been prepared with rehabilitation estimates for the capping and restoration of the cells currently in use. This plan was approved by the Department of Water and Environmental Regulation (DWER) on the 28 August 2020.

A provision for the costs included has been recognised in these financial statements, based on the discounted future values of the estimated costs for the three established cells, using current financial information and the target RBA inflation rate. Increments in the provision are to be calculated annually based on the change in the net present value of the future cash outflows of costs for site rehabilitation (unwinding of the discount rate).

Make good provision

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Provisions

Provisions are recognised when the City 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.

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

18. REVALUATION SURPLUS

| | 2022 | | 2022 | | 2022 | | 2021 | | 2021 | | 2021 | | 2021 | |
|---|-----------------|-----------------------|-------------------------|-------------------------|-----------------|-----------------|-------------------------|-------------------------|-----------------|-----------------------------------|-------------------------|-------------------------|-----------------|--|
| | Opening Balance | Revaluation Increment | Revaluation (Decrement) | Movement on Revaluation | Closing Balance | Opening Balance | Revaluation (Decrement) | Movement on Revaluation | Closing Balance | Adjustment to Revaluation surplus | Revaluation (Decrement) | Movement on Revaluation | Closing Balance | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| Revaluation surplus - Land - freehold land | 5,345,396 | 5,864,870 | 0 | 5,864,870 | 11,210,266 | 5,871,847 | 0 | 5,871,847 | 5,345,396 | (526,451) | 0 | 0 | 5,345,396 | |
| Revaluation surplus - Buildings | 9,713,253 | 37,057,560 | 0 | 37,057,560 | 46,770,813 | 11,427,957 | 0 | 11,427,957 | 9,713,253 | (1,607,014) | (107,690) | 0 | 9,713,253 | |
| Revaluation surplus - Plant | 19,018 | 0 | 0 | 0 | 19,018 | 196,222 | 0 | 196,222 | 19,018 | (177,204) | 0 | 0 | 19,018 | |
| Revaluation surplus - Equipment | 47,248 | 0 | 0 | 0 | 47,248 | 16,825 | 0 | 16,825 | 47,248 | 30,423 | 0 | 0 | 47,248 | |
| Revaluation surplus - Artwork & Sculptures | 47,997 | 0 | 0 | 0 | 47,997 | 47,998 | 0 | 47,998 | 47,997 | (1) | 0 | 0 | 47,997 | |
| Revaluation surplus - Infrastructure - Roads | 147,263,789 | 0 | (14,028,339) | (14,028,339) | 133,235,450 | 146,984,331 | 0 | 146,984,331 | 147,263,789 | 474,968 | (195,510) | (195,510) | 147,263,789 | |
| Revaluation surplus - Infrastructure - Footpaths | 35,598,190 | 0 | (5,274,917) | (5,274,917) | 30,323,273 | 30,722,547 | 0 | 30,722,547 | 35,598,190 | 4,875,643 | 0 | 0 | 35,598,190 | |
| Revaluation surplus - Infrastructure - Drainage | 17,642,055 | 6,446,512 | 0 | 6,446,512 | 24,088,567 | 16,034,686 | 0 | 16,034,686 | 17,642,055 | 1,607,369 | 0 | 0 | 17,642,055 | |
| Revaluation surplus - Infrastructure - Parks, Recreation and Open Space | 5,691,516 | 0 | (2,175,544) | (2,175,544) | 3,515,972 | 6,601,209 | 0 | 6,601,209 | 5,691,516 | (896,707) | (12,986) | 0 | 5,691,516 | |
| Revaluation surplus - Infrastructure - Aerodromes | 17,215,720 | 20,451,906 | 0 | 20,451,906 | 37,667,626 | 17,008,351 | 0 | 17,008,351 | 17,215,720 | 207,369 | 0 | 0 | 17,215,720 | |
| Revaluation surplus - Infrastructure - Miscellaneous Structures | 2,463,409 | 787,004 | 0 | 787,004 | 3,250,413 | 1,406,296 | 0 | 1,406,296 | 2,463,409 | 1,057,113 | 0 | 0 | 2,463,409 | |
| Revaluation surplus - Landfill Post Closure Asset | 0 | 295,213 | 0 | 295,213 | 295,213 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | 241,047,591 | 70,903,065 | (21,478,800) | 49,424,265 | 290,471,856 | 236,318,269 | 0 | 236,318,269 | 241,047,591 | 5,045,508 | (316,186) | (316,186) | 241,047,591 | |

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

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

19. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

| | Note | 2022 Actual \$ | 2022 Budget \$ | Restated * 2021 Actual \$ |
|--|------|----------------------|----------------------|------------------------------------|
| Cash and cash equivalents | 3 | 18,701,445 | 65,818,468 | 60,871,828 |
| Restrictions | | | | |
| The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used: | | | | |
| - Cash and cash equivalents | 3 | 14,264,524 | 45,630,716 | 57,002,422 |
| - Financial assets at amortised cost | 4 | 63,761,000 | 16,553,135 | 16,553,135 |
| | | 78,025,524 | 62,183,851 | 73,555,557 |
| The restricted financial assets are a result of the following specific purposes to which the assets may be used: | | | | |
| Restricted reserve accounts | 29 | 78,025,524 | 62,183,851 | 73,555,557 |
| Total restricted financial assets | | 78,025,524 | 62,183,851 | 73,555,557 |

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

| | | | | |
|---|--|-------------|-------------|-------------|
| Net result | | 14,363,886 | 14,640,461 | 16,944,523 |
| Non-cash items: | | | | |
| Adjustments to fair value of financial assets at fair value through profit and loss | | (6,994) | 0 | (6,542) |
| Adjustments to fair value of investment property | | (3,547,229) | 0 | (5,438,861) |
| Depreciation/amortisation | | 20,721,518 | 18,924,084 | 19,991,488 |
| (Profit)/loss on sale of asset | | 228,663 | (1,841,248) | 403,636 |
| (Profit)/loss on land held for resale | | (680,608) | 0 | 0 |
| of remediation costs | | 295,213 | 0 | 176,038 |
| (Increase)/decrease in trade and other receivables | | (2,019,772) | 2,972,235 | 1,457,551 |
| (Increase)/decrease in contract assets | | 56,479 | 0 | (691,479) |
| (Increase)/decrease in inventories | | (2,255,228) | 0 | (435,301) |
| Increase/(decrease) in trade and other payables | | 1,446,369 | 1,500,000 | 4,928,294 |
| Increase/(decrease) in employee related provisions | | (447,365) | 550,000 | 218,193 |
| Increase/(decrease) in other provisions | | (2,290,455) | 0 | 60,000 |
| Increase/(decrease) in other liabilities | | (973,681) | 0 | (1,146,195) |
| Non-operating grants, subsidies and contributions | | (3,141,659) | (8,700,142) | (4,926,429) |
| Net cash provided by/(used in) operating activities | | 21,749,137 | 28,045,390 | 31,534,916 |

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

| | | | | |
|--------------------------------------|--|-----------|--|-----------|
| Bank overdraft limit | | 1,000,000 | | 1,000,000 |
| Bank overdraft at balance date | | 0 | | 0 |
| Credit card limit | | 110,000 | | 110,000 |
| Credit card balance at balance date | | 0 | | 0 |
| Total amount of credit unused | | 1,110,000 | | 1,110,000 |

Loan facilities

| | | | | |
|--|--|--------|--|--------|
| Loan facilities - current | | 16,854 | | 16,416 |
| Loan facilities - non-current | | 0 | | 16,853 |
| Total facilities in use at balance date | | 16,854 | | 33,269 |

*See Note 32 for details regarding the prior period restatements as a result of the correction of prior year errors.

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

20. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the City has listed sites to be possible sources of contamination. Details of these site are:

- Roebourne Airport
- Karratha Airport
- Karratha Depot

Until the City conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation (DWER) on the need and criteria for remediation of a risk based approach, the City is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with DWER guidelines.

21. CAPITAL COMMITMENTS

| | 2022 | 2021 |
|---|------------|------------|
| | \$ | \$ |
| Contracted for: | | |
| Bayly Ave Realingment | 0 | 829,263 |
| City Housing | 1,088,859 | 3,465,783 |
| Dampier Boat Ramp Jetties | 0 | 690,435 |
| Karratha Leisureplex Facility Improvement Study | 183,788 | 478,675 |
| Kevin Richards Memorial Oval | 53,410 | 901,950 |
| Kevin Richards Memorial Oval Change and Club Room | 8,001,171 | 0 |
| Murujuga Access Road | 133,505 | 170,149 |
| Point Samson Fishing Platform | 0 | 103,853 |
| Roebourne Streetscape | 72,881 | 110,208 |
| Shade Structure Panels | 0 | 160,700 |
| Walgu Park | 2,385 | 42,190 |
| Wickham Aquatic Centre | 0 | 355,818 |
| Wickham Community Hub Public Art | 0 | 110,000 |
| Windy Ridge & Hampton Oval | 47,275 | 52,375 |
| Youth Shed Refurbishment | 0 | 205,845 |
| Lot 7020 Development Proposal | 147,450 | 0 |
| KLP Gym and Function Room Redevelopment | 27,891 | 0 |
| Housing Construction - Jingarri Sites | 1,284,893 | 0 |
| Shakespeare Precinct Redevelopment | 2,780,293 | 0 |
| Building Improvements | 443,985 | 252,547 |
| Equipment Purchases | 3,986 | 61,977 |
| Information Technology Projects | 75,913 | 117,487 |
| Karratha Revitalisation Strategy | 0 | 25,300 |
| Land Development | 0 | 2,082,249 |
| Parks & Landscaping | 0 | 306,714 |
| Pathway Projects | 0 | 66,156 |
| Playground Replacement/Upgrade | 170,497 | 25,110 |
| Road Projects | 3,181,939 | 5,755 |
| Plant Purchases | 400,579 | 484,644 |
| | 18,100,700 | 11,105,183 |
| Payable: | | |
| - not later than one year | 18,100,700 | 11,105,183 |

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

22. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

| Note | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
|---|----------------------|----------------------|----------------------|
| Mayor - Cr Peter Long | | | |
| Mayor's annual allowance | 89,753 | 89,753 | 89,753 |
| Meeting attendance fees | 47,516 | 47,516 | 47,516 |
| Expense Reimbursement | 323 | 0 | 0 |
| Other expenses | 4,178 | 2,500 | 316 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and accommodation expenses | 450 | 2,800 | 600 |
| Non cash benefits | 417 | 0 | 0 |
| | 146,137 | 146,069 | 141,685 |
| Deputy Mayor - Cr Kelly Nunn | | | |
| Deputy Mayor's annual allowance | 22,438 | 22,438 | 22,438 |
| Meeting attendance fees | 31,678 | 31,678 | 31,678 |
| Expense Reimbursement | 87 | 0 | 0 |
| Other expenses | 5,514 | 2,500 | 0 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and accommodation expenses | 0 | 2,800 | 2,343 |
| Non Cash Benefits | 417 | 0 | 0 |
| | 63,634 | 62,916 | 59,959 |
| Cr Garry Bailey | | | |
| Meeting attendance fees | 31,678 | 31,678 | 31,678 |
| Expense Reimbursement | 45 | 0 | 0 |
| Other expenses | 2,884 | 2,500 | 0 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and accommodation expenses | 0 | 2,800 | 1,055 |
| | 38,107 | 40,478 | 36,233 |
| Cr Margaret Bertling | | | |
| Meeting attendance fees | 31,678 | 31,678 | 31,678 |
| Expense Reimbursement | 83 | 2,500 | 0 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and accommodation expenses | 0 | 2,800 | 0 |
| Non Cash Benefits | 417 | 0 | 0 |
| | 35,678 | 40,478 | 35,178 |
| Cr Georgia Evans (Councillor until 8 January 2021) | | | |
| Meeting attendance fees | 0 | 0 | 16,664 |
| Annual allowance for ICT expenses | 0 | 0 | 1,841 |
| Travel and accommodation expenses | 0 | 0 | 1,204 |
| | 0 | 0 | 19,709 |
| Cr Jamie Armstrong (retired) | | | |
| Meeting attendance fees | 9,373 | 31,678 | 8,787 |
| Other expenses | 0 | 2,500 | 0 |
| Annual allowance for ICT expenses | 1,036 | 3,500 | 971 |
| Travel and accommodation expenses | 0 | 2,800 | 0 |
| | 10,409 | 40,478 | 9,758 |
| Cr Daniel Scott | | | |
| Meeting attendance fees | 31,678 | 31,678 | 31,678 |
| Expense Reimbursement | 35 | 0 | 0 |
| Other expenses | 175 | 2,500 | 0 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and accommodation expenses | 0 | 2,800 | 0 |
| Non Cash Benefits | 417 | 0 | 0 |
| | 35,805 | 40,478 | 35,178 |
| Cr Evette Smeathers (retired) | | | |
| Meeting attendance fees | 9,373 | 31,678 | 31,678 |
| Expense Reimbursement | 0 | 2,500 | 0 |
| Annual allowance for ICT expenses | 1,036 | 3,500 | 3,500 |
| Travel and accommodation expenses | 0 | 2,800 | 0 |
| | 10,409 | 40,478 | 35,178 |

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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22. RELATED PARTY TRANSACTIONS (Continued)

| Note | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
|---|----------------------|----------------------|----------------------|
| Cr Daiva Gillam (elected 17/10/2021) | | | |
| Meeting attendance fees | 22,334 | 0 | 0 |
| Annual allowance for ICT expenses | 2,468 | 0 | 0 |
| | 24,802 | 0 | 0 |
| Cr Pablo Miller | | | |
| Meeting attendance fees | 31,678 | 31,678 | 31,678 |
| Expense Reimbursement | 0 | 2,500 | 0 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and accommodation expenses | 0 | 2,800 | 0 |
| Non Cash Benefits | 417 | 0 | 0 |
| | 35,595 | 40,478 | 35,178 |
| Cr Travis McNaught (elected 16/10/2021) | | | |
| Meeting attendance fees | 22,334 | 0 | 0 |
| Annual allowance for ICT expenses | 2,468 | 0 | 0 |
| | 24,802 | 0 | 0 |
| Cr Joanne Waterstrom-Muller | | | |
| Meeting attendance fees | 31,678 | 31,678 | 31,678 |
| Expense Reimbursement | 252 | 0 | 0 |
| Other expenses | 0 | 2,500 | 0 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and accommodation expenses | 0 | 2,800 | 0 |
| Non Cash Benefits | 417 | 0 | 0 |
| | 35,847 | 40,478 | 35,178 |
| Cr Geoffrey Harris | | | |
| Meeting attendance fees | 31,678 | 31,678 | 31,678 |
| Expense Reimbursement | 62 | 0 | 0 |
| Other expenses | 0 | 2,500 | 0 |
| Annual allowance for ICT expenses | 3,500 | 3,500 | 3,500 |
| Travel and accommodation expenses | 0 | 2,800 | 0 |
| Non Cash Benefits | 417 | 0 | 0 |
| | 35,657 | 40,478 | 35,178 |
| Cr Gillian Furlong (elected 16/10/2021) | | | |
| Meeting attendance fees | 22,334 | 22,310 | 0 |
| Expense Reimbursement | 45 | 0 | 0 |
| Other expenses | 535 | 1,762 | 0 |
| Annual allowance for ICT expenses | 2,468 | 2,461 | 0 |
| Travel and accommodation expenses | 0 | 2,000 | 0 |
| | 25,382 | 28,533 | 0 |
| | 522,264 | 561,342 | 478,412 |
| Fees, expenses and allowances to be paid or reimbursed to elected council members. | | | |
| | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
| Mayor's annual allowance | 89,753 | 89,753 | 89,753 |
| Deputy Mayor's annual allowance | 22,438 | 22,438 | 22,438 |
| Meeting attendance fees | 355,010 | 354,928 | 326,391 |
| Expense Reimbursement | 932 | 7,500 | 0 |
| Other expenses | 13,286 | 19,262 | 316 |
| Annual allowance for ICT expenses | 37,476 | 37,461 | 34,312 |
| Travel and accommodation expenses | 450 | 30,000 | 5,202 |
| Annual allowance for travel and accommodation expenses | 2,919 | 0 | 0 |
| | 522,264 | 561,342 | 478,412 |

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

22. RELATED PARTY TRANSACTIONS (Continued)

(b) Key Management Personnel (KMP) Compensation

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

| | 2022 Actual | 2021 Actual |
|-------------------------------------|------------------------|------------------------|
| | \$ | \$ |
| Short-term employee benefits | 1,430,878 | 1,366,731 |
| Post-employment benefits | 135,378 | 129,420 |
| Employee - other long-term benefits | 209,281 | 180,071 |
| Employee - termination benefits | 52,261 | 0 |
| | 1,827,798 | 1,676,222 |

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

(c) Transactions with related parties

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

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

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

| | 2022 Actual | 2021 Actual |
|--------------------------------|------------------------|------------------------|
| | \$ | \$ |
| Sale of goods and services | 6,196 | 5,830 |
| Purchase of goods and services | 121,492 | 24,200 |

Amounts outstanding from related parties:

| | | |
|-----------------------------|-----|-----|
| Trade and other receivables | 706 | 720 |
|-----------------------------|-----|-----|

Amounts payable to related parties:

| | | |
|--------------------------|-----|-----|
| Trade and other payables | 795 | 180 |
|--------------------------|-----|-----|

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

22. RELATED PARTY TRANSACTIONS (Continued)

(d) Related Parties

The City's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

An associate person of KMP was employed by the City 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 City.

iii. Entities subject to significant influence by the City

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.

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

23. FINANCIAL RISK MANAGEMENT

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

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

The City 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 City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City 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 City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits held are disclosed as financial assets at amortised cost and are reflected in the table below.

| | Weighted Average Interest Rate | Carrying Amounts | Fixed Interest Rate | Variable Interest Rate | Non Interest Bearing |
|--|---|-----------------------------|--------------------------------|-----------------------------------|---------------------------------|
| | % | \$ | \$ | \$ | \$ |
| 2022 | | | | | |
| Cash and cash equivalents | 0.75% | 18,701,445 | 5,008,014 | 13,693,431 | 0 |
| Financial assets at amortised cost - term deposits | 2.52% | 63,761,000 | 63,761,000 | 0 | 0 |
| Financial assets at amortised cost - self supporting loans | 2.65% | 15,470 | 15,470 | 0 | 0 |
| Loans receivable - clubs/institutions | 4.01% | 2,902,531 | 2,902,531 | 0 | 0 |
| 2021 | | | | | |
| Cash and cash equivalents | 1.08% | 60,871,828 | 0 | 60,871,828 | 0 |
| Financial assets at amortised cost - term deposits | 0.81% | 16,550,052 | 16,550,052 | 0 | 0 |
| Financial assets at amortised cost - self supporting loans | 2.65% | 15,470 | 15,470 | 0 | 0 |
| Loans receivable - clubs/institutions | 4.10% | 655,614 | 655,614 | 0 | 0 |

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*

| | 2022 | 2021 |
|--|-------------|-------------|
| | \$ | \$ |
| | 136,934 | 608,718 |

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City 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 City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 28(a).

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

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

| | Current | More than 1 year past due | More than 2 years past due | More than 3 years past due | Total | Note |
|-----------------------|---------|------------------------------|-------------------------------|-------------------------------|-----------|------|
| 30 June 2022 | | | | | | |
| Rates receivable | | | | | | |
| Expected credit loss | 0.96% | 2.44% | 3.58% | 31.02% | | |
| Gross carrying amount | 658,695 | 221,921 | 120,757 | 125,810 | 1,127,183 | |
| Loss allowance | 6,292 | 5,404 | 4,324 | 39,026 | 55,046 | 5 |
| 30 June 2021 | | | | | | |
| Rates receivable | | | | | | |
| Expected credit loss | 0.98% | 4.41% | 18.96% | 53.12% | | |
| Gross carrying amount | 972,885 | 294,659 | 116,337 | 137,724 | 1,521,605 | |
| Loss allowance | 9,565 | 13,008 | 22,056 | 73,158 | 117,787 | 5 |

The loss allowance as at 30 June 2022 and 30 June 2021 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 | Total | Note |
|-----------------------------|-----------|-------------------------------|-------------------------------|-------------------------------|-----------|------|
| 30 June 2022 | | | | | | |
| Trade and other receivables | | | | | | |
| Expected credit loss | 2.07% | 1.46% | 94.06% | 96.07% | | |
| Gross carrying amount | 4,628,462 | 400,101 | 7,481 | 1,350,760 | 6,386,804 | |
| Loss allowance | 95,578 | 5,829 | 7,036 | 1,297,651 | 1,406,094 | 5 |
| 30 June 2021 | | | | | | |
| Trade and other receivables | | | | | | |
| Expected credit loss | 0.00% | 0.00% | 0.00% | 80.58% | | |
| Gross carrying amount | 3,622,721 | 124,814 | 0 | 2,338,218 | 6,085,753 | |
| Loss allowance | 0 | 0 | 0 | 1,884,228 | 1,884,228 | 5 |

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

23. FINANCIAL RISK MANAGEMENT (Continued)

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

| | Rates receivable | | Trade and other receivables | | Contract Assets | |
|--|------------------|----------------|-----------------------------|------------------|-----------------|----------------|
| | 2022 Actual | 2021 Actual | 2022 Actual | 2021 Actual | 2022 Actual | 2021 Actual |
| Opening loss allowance as at 1 July | \$ 117,787 | \$ 47,900 | \$ 1,884,228 | \$ 1,720,154 | \$ 0 | \$ 0 |
| Receivables written off during the year as uncollectible | 0 | 0 | (561,277) | (231,097) | 0 | 0 |
| Unused amount reversed | (62,741) | 69,887 | 83,143 | 395,171 | 0 | 0 |
| Closing loss allowance at 30 June | 55,046 | 117,787 | 1,406,094 | 1,884,228 | 0 | 0 |

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

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

Contract Assets

The City's contract assets represent works completed, which have not been invoiced at year end. This is due to the City not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The City applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The City has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

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

23. 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 City 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 21(c).

The contractual undiscounted cash flows of the City'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 \$ |
|--------------------------|-------------------------------|-------------------------------------|-------------------------------|--|--------------------------|
| <u>2022</u> | | | | | |
| Trade and other payables | 13,019,974 | 0 | 0 | 13,019,974 | 12,569,969 |
| Borrowings | 16,854 | 0 | 0 | 16,854 | 16,854 |
| Contract liabilities | 0 | 0 | 0 | 0 | 0 |
| Lease liabilities | 168,429 | 528,100 | 546,551 | 1,243,080 | 1,243,081 |
| | <u>13,205,257</u> | <u>528,100</u> | <u>546,551</u> | <u>14,279,908</u> | <u>13,829,904</u> |
| <u>2021</u> | | | | | |
| Trade and other payables | 11,123,600 | 0 | 0 | 11,123,600 | 11,123,600 |
| Borrowings | 16,416 | 16,853 | 0 | 33,269 | 33,269 |
| Contract liabilities | 973,681 | 0 | 0 | 973,681 | 973,681 |
| Lease liabilities | 145,406 | 670,651 | 556,830 | 1,372,887 | 1,372,887 |
| | <u>12,259,103</u> | <u>687,504</u> | <u>556,830</u> | <u>13,503,437</u> | <u>13,503,437</u> |

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

24. 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 City's operational cycle. In the case of liabilities where the City 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 City'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 City 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 City contributes to a number of Superannuation Funds on behalf of employees. All funds to which the City contributes are defined contribution plans.

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

j) Impairment of assets

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

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

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

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

25. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

| Objective | Description |
|--|--|
| <p>Governance To provide a decision making process for the efficient allocation of scarce resources.</p> | <p>Functions relating to Councillors and the oversight of legislative compliance. Expenditure includes election costs as well as fees and allowances paid to elected members and other costs associated with members of Council. Governance also includes other tasks such as the City's internal audit function, Freedom of Information requests, Public Interest Disclosures and procurement policy development and oversight.</p> |
| <p>General purpose funding To collect revenue to allow for the provision of services.</p> | <p>Rating (including ex-gratia contributions), interest revenues, investment property revenues and general purpose Government grant functions. Includes the Financial Assistance Grant received from the Local Government Grants Commission and all other rate income.</p> |
| <p>Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.</p> | <p>Supervision of various by-laws, fire and emergency services and animal control. Includes expenditure for Ranger Services, State Emergency Service and disaster preparation and recovery expenses.</p> |
| <p>Health To provide an operational framework for environmental and community health.</p> | <p>Food control, immunisation services, mosquito control and maintenance of child health centres. Expenditure includes the maintenance of the child health clinic buildings, various health promotions and pest control expenses primarily relating to mosquito control.</p> |
| <p>Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.</p> | <p>Maintain preschool facilities and day care centres. This includes expenditure in maintaining the day care centre buildings and also donations to schools for awards etc.</p> |
| <p>Housing To provide and maintain staff housing.</p> | <p>Maintenance and operational expenses associated with the provision of staff housing.</p> |
| <p>Community amenities To provide services required by the community.</p> | <p>Rubbish collection services, operation of waste facility, administration of town planning schemes and operation of cemeteries. Also included are the costs associated with the maintaining and cleaning of public toilets.</p> |
| <p>Recreation and culture To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.</p> | <p>Maintenance and operation of halls, recreation and aquatic centres, various reserves and libraries. Expenditure includes the cost of the Karratha Leisureplex, Red Earth Arts Precinct, community hubs and other pavilions, ovals and parks maintenance, coastal rehabilitation, and four libraries. Expenses relating radio re-broadcasting are also included in this function.</p> |
| <p>Transport To provide safe, effective and efficient transport services to the community.</p> | <p>Construction and maintenance of roads, drainage, footpaths, parking facilities and traffic signs. It also includes expenditure relating to parking control and the operation of the Karratha & Roebourne Airport.</p> |
| <p>Economic services To help promote the local government and its economic wellbeing.</p> | <p>Includes expenditure associated with operation of visitor services and camping grounds, in addition to the administration of building controls.</p> |
| <p>Other property and services To monitor and control operating accounts.</p> | <p>Includes private works on property and services not under the care, control and management of the City. It also includes expenditure relating to plant operations, technical services, town planning schemes and other unclassified works.</p> |

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

25. FUNCTION AND ACTIVITY (Continued)

| (b) Income and expenses | 2022 Actual | 2022 Budget | Restated * 2021 Actual |
|---|---------------------|----------------------|------------------------------|
| | \$ | \$ | \$ |
| Income excluding grants, subsidies and contributions | | | |
| Governance | 790,683 | 1,370,695 | 133,428 |
| General purpose funding | 50,073,619 | 49,403,627 | 48,055,649 |
| Law, order, public safety | 138,851 | 258,194 | 246,858 |
| Health | 177,085 | 153,850 | 148,108 |
| Education and welfare | 74,447 | 72,000 | 57,672 |
| Housing | 713,816 | 1,571,690 | 917,274 |
| Community amenities | 14,293,262 | 11,557,591 | 11,784,174 |
| Recreation and culture | 5,621,385 | 4,744,599 | 5,086,724 |
| Transport | 22,565,538 | 21,896,402 | 20,975,576 |
| Economic services | 866,307 | 601,976 | 6,080,039 |
| Other property and services | 526,651 | 685,710 | 799,101 |
| | 95,841,644 | 92,316,334 | 94,284,603 |
| Grants, subsidies and contributions | | | |
| Governance | 147,764 | 4,500 | 1,025,562 |
| General purpose funding | 2,420,826 | 2,827,042 | 2,628,058 |
| Law, order, public safety | 469,335 | 430,000 | 469,017 |
| Health | 14,066 | 12,557 | 75,417 |
| Housing | 800,000 | 0 | 0 |
| Community amenities | 513,056 | 40,000 | 166,431 |
| Recreation and culture | 7,657,177 | 14,282,576 | 10,207,635 |
| Transport | 4,001,924 | 7,043,269 | 7,231,427 |
| Economic services | 173,249 | 74,000 | 67,500 |
| | 16,197,397 | 24,713,944 | 21,871,047 |
| Total Income | 112,039,041 | 117,030,278 | 116,155,650 |
| Expenses | | | |
| Governance | (2,895,878) | (4,613,589) | (2,691,249) |
| General purpose funding | 2,876,795 | (2,899,873) | (2,062,224) |
| Law, order, public safety | (1,812,398) | (1,728,644) | (1,404,236) |
| Health | (1,202,632) | (1,171,584) | (1,037,062) |
| Education and welfare | (156,558) | (163,917) | (186,876) |
| Housing | (1,099,573) | (764,129) | (935,892) |
| Community amenities | (16,266,518) | (19,685,710) | (17,777,498) |
| Recreation and culture | (42,368,284) | (40,804,315) | (43,647,174) |
| Transport | (29,765,936) | (26,785,435) | (26,794,279) |
| Economic services | (3,670,530) | (2,802,940) | (1,895,529) |
| Other property and services | (1,313,643) | (969,681) | (779,108) |
| Total expenses | (97,675,155) | (102,389,817) | (99,211,127) |
| Net result for the period | 14,363,886 | 14,640,461 | 16,944,523 |

*See Note 32 for details regarding the prior period restatements as a result of the correction of prior year errors.

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

25. FUNCTION AND ACTIVITY (Continued)

| | 2022 Actual | 2022 Budget | 2021 Actual |
|-----------------------------|-------------------|-------------------|-------------------|
| | \$ | \$ | \$ |
| (c) Fees and Charges | | | |
| Governance | 12,163 | 11,367 | 23,227 |
| General purpose funding | 3,227,273 | 2,927,526 | 2,741,080 |
| Law, order, public safety | 80,811 | 112,070 | 99,773 |
| Health | 177,085 | 153,850 | 148,107 |
| Education and welfare | 74,447 | 72,000 | 57,672 |
| Housing | 713,816 | 821,690 | 917,274 |
| Community amenities | 13,829,254 | 11,350,056 | 11,473,246 |
| Recreation and culture | 5,599,972 | 4,697,999 | 5,049,267 |
| Transport | 21,505,210 | 21,462,030 | 18,744,434 |
| Economic services | 863,828 | 641,976 | 636,857 |
| Other property and services | 197,839 | 514,710 | 305,237 |
| | 46,281,698 | 42,765,274 | 40,196,174 |

| | 2022 | Restated * |
|-----------------------------|--------------------|--------------------|
| | \$ | \$ |
| (d) Total Assets | | |
| Governance | 47,248,299 | 10,898,249 |
| General purpose funding | 7,736,131 | 0 |
| Law, order, public safety | 3,519,537 | 3,094,113 |
| Health | 1,292,427 | 786,431 |
| Education and welfare | 2,464,850 | 2,493,083 |
| Housing | 53,106,136 | 19,725,108 |
| Community amenities | 71,497,780 | 28,536,687 |
| Recreation and culture | 217,367,239 | 211,848,805 |
| Transport | 428,579,009 | 411,518,576 |
| Economic services | 1,984,596 | 32,484,874 |
| Other property and services | 193,177 | 3,082,502 |
| Unallocated | 21,939,246 | 70,633,195 |
| | 856,928,427 | 795,101,623 |

*See Note 32 for details regarding the prior period restatements as a result of the correction of prior year errors.

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

26. RATING INFORMATION (Continued)

(d) Specified Area Rate

(e) Service Charges

The City did not raise service charges for the year ended 30th June 2022.

The City of Karratha introduced a service charge for the 2014/15 financial year in relation to the Pilbara Underground Power Project (PUPP).

Service charges paid prior to the end of the 2017/18 financial year were transferred to the Pilbara Underground Power Reserve to fund expenditure over the life of the project. The project was completed in 2017/18.

While the project has been completed, Council offered some ratepayers the option to pay their service charges by 40 instalments over 10 years up to 30 June 2024. Outstanding service charges continue to be paid in accordance with the prescribed instalment option.

Waivers or Concessions

| Rate or Fee and Charge to which the Waiver or Concession is Granted | Type | Discount % | Discount \$ | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
|---|------------|------------------------------|-------------|----------------|----------------|----------------|
| Cossack (GRV) Fees and Charges | Concession | 1.513 | \$ | 30,260 | 30,260 | 29,980 |
| Rates | Waiver | As determined on application | | 166,422 | 35,000 | 42,050 |
| Rates and Penalty interest | Write Off | As determined on application | | 125,975 | 126,000 | 31,069 |
| Fees and Charges | Write Off | As determined on application | | 38,655 | 74,000 | 0 |
| | | | | 561,277 | 50,000 | 73,105 |
| | | | | 922,589 | 315,260 | 176,204 |
| Total discounts/concessions | | | | 922,589 | 315,260 | 176,204 |

| 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 |
|---|--|--|--|
| Cossack (GRV) | All 20 rateable properties within the Cossack Township | To provide rating relief to property owners in the Cossack Township | To recognise the heritage nature of the Cossack Township, development restrictions, and lack of town utilities |
| Fees and Charges | Fee Waivers for local Not for Profit and Community Organisations considered upon application for the use of the City's waste and recreational facilities | To assist local Not for Profit Community Organisations to remain viable | To recognise the community benefit provided by local Not for Profit Community Organisations |
| | Fee Waivers for Economic Development purposes considered on an individual basis by Council or administratively by delegated authority | To encourage economic diversity and growth within the City of Karratha | To ensure a diverse economy for the future prosperity of the City of Karratha |
| | General Fee Waivers considered on an individual basis administratively by delegated authority | To ensure business continuity, administrative efficiency and marketing opportunities | To minimise the administrative costs of the City and its partners in doing business |
| Rates | Waiver of Fees and Charges for local Community Groups where no commercial return is derived from the property | To assist local Community Groups to remain operational | To recognise the community benefit provided by local sporting organisations |
| Rates and Penalty interest | Considered on an individual basis by Council or administratively by delegated authority | To ensure efficiency and cost effectiveness in pursuing rates debts | To manage the City's rates register in an economically viable manner |
| Fees and Charges | Considered on an individual basis by Council or administratively by delegated authority | To ensure efficiency and cost effectiveness in pursuing sundry debts | To manage the City's debt portfolio in an economically viable manner |

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

26. RATING INFORMATION (Continued)

(f) Interest Charges & Instalments

| Instalment Options | Date Due | Instalment Plan Admin Charge | Instalment Plan Interest Rate | Unpaid Rates Interest Rate |
|---------------------------|-----------------|-------------------------------------|--------------------------------------|-----------------------------------|
| | | \$ | % | % |
| Option One | | | | |
| Single full payment | 3/09/2021 | 0 | 0.00% | 7.00% |
| Option Two | | | | |
| First instalment | 3/09/2021 | 0 | 4.50% | 7.00% |
| Second instalment | 17/01/2022 | 10 | 4.50% | 7.00% |
| Option Three | | | | |
| First instalment | 3/09/2021 | 0 | 4.50% | 7.00% |
| Second instalment | 8/11/2021 | 10 | 4.50% | 7.00% |
| Third instalment | 17/01/2022 | 10 | 4.50% | 7.00% |
| Fourth instalment | 28/03/2022 | 10 | 4.50% | 7.00% |

| | 2022 Actual | 2022 Budget | 2021 Actual |
|-----------------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| Interest on unpaid rates | 165,874 | 240,000 | 126,485 |
| Interest on instalment plan | 90,106 | 158,000 | 86,827 |
| Deferred Pensioner Interest | 837 | 1,000 | 0 |
| | 256,817 | 399,000 | 213,312 |

| | 2022 Actual | 2022 Budget | 2021 Actual |
|--------------------------|--------------------|--------------------|--------------------|
| | \$ | \$ | \$ |
| PUPP Penalty Interest | 4,175 | 12,000 | (1,685) |
| PUPP Instalment Interest | 42,616 | 40,000 | 40,815 |
| PUPP Instalment Charges | 3,940 | 4,450 | 4,450 |
| | 50,731 | 56,450 | 43,580 |

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

27. RATE SETTING STATEMENT INFORMATION

| | | 2021/22 Budget | Restated * |
|--|---------------------|---------------------|---------------------|
| | | (30 June 2022 | (30 June 2021 |
| | | Carried | Carried |
| Note | Forward) | Forward) | Forward |
| | \$ | \$ | \$ |
| (a) Non-cash amounts excluded from operating activities | | | |
| The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> . | | | |
| Adjustments to operating activities | | | |
| Less: Profit on asset disposals | 10(b) (723,162) | (2,043,048) | (35,501) |
| Less: Movement in liabilities associated with restricted cash | 0 | (122,710) | |
| Less: Fair value adjustments to financial assets at fair value through profit and loss | 0 | 243,536 | (6,542) |
| Add: Loss on disposal of assets | 10(b) 271,217 | 201,800 | 439,137 |
| Add: Depreciation | 10(a) 20,721,518 | 18,924,084 | 19,991,488 |
| Non-cash movements in non-current assets and liabilities: | | | |
| Investment property | 12 (3,547,229) | 0 | (5,438,861) |
| Financial assets at amortised cost | (2,244,386) | 0 | 0 |
| Employee benefit Non-Current provision | (76,692) | 0 | 16,764 |
| Waste Non-Current provision | 0 | 0 | (393,793) |
| Contract Assets | 181,220 | 0 | 0 |
| Service concession liabilities | (454,051) | 0 | 0 |
| Inventory | | 0 | 394,988 |
| Non-cash amounts excluded from operating activities | 14,128,435 | 17,203,662 | 14,967,680 |
| (b) Surplus/(deficit) after imposition of general rates | | | |
| The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates. | | | |
| Adjustments to net current assets | | | |
| Less: Reserve accounts | 29 (78,025,524) | (62,183,851) | (73,555,557) |
| Less: Financial assets at amortised cost - self supporting loans | 4(a) (15,470) | 0 | (16,454) |
| Add: Movement in accruals | 161,994 | (30,581) | 196,089 |
| Less: Provision for doubtful debts | 0 | (1,768,054) | (2,002,015) |
| Less: Movement in restricted surplus | (124,258) | 0 | (204,530) |
| Less: Current loans - clubs/institutions | (2,531) | 0 | (3,083) |
| - Land held for resale | 6 (2,138,479) | (1,445,969) | (370,130) |
| Add: Current liabilities not expected to be cleared at end of year | | | |
| - Current portion of borrowings | 15 16,854 | 91,548 | 16,416 |
| - Current portion of contract liability | 0 | 541,260 | 0 |
| - Current portion of lease liabilities | 11(b) 168,429 | 132,763 | 145,406 |
| Add: - Cash Backed Current Provisions | 13,384,714 | 4,618,608 | 4,820,037 |
| Add: Restricted Surplus/(Deficit) June 30 b/fwd | 248,516 | 298,260 | 453,046 |
| Less: Restricted Surplus/(Deficit) June 30 b/fwd | (124,258) | (150,000) | (248,516) |
| Total adjustments to net current assets | (66,450,013) | (59,896,016) | (70,769,291) |
| Net current assets used in the Rate Setting Statement | | | |
| Total current assets | 97,785,503 | 73,142,618 | 88,300,652 |
| Less: Total current liabilities | (26,589,971) | (13,242,080) | (17,079,140) |
| Less: Total adjustments to net current assets | (66,450,013) | (59,896,016) | (70,769,291) |
| Net current assets used in the Rate Setting Statement | 4,745,519 | 4,522 | 452,221 |

*See Note 32 for details regarding the prior period restatements as a result of the correction of prior year errors.

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

28. BORROWING AND LEASE LIABILITIES

(a) Borrowings

| Purpose | Note | Actual | | | | Principal at 30 June 2021 | New Loans During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 | Budget | | | |
|------------------------------------|-----------|--------------------------|--------------------------|---------------------------|-------------------------------------|---------------------------|--------------------------|-------------------------------------|---------------------------|--------------------------|--------------------------|-------------------------------------|---------------------------|
| | | Principal at 1 July 2020 | New Loans During 2020-21 | Principal at 30 June 2021 | Principal Repayments During 2020-21 | | | | | Principal at 1 July 2021 | New Loans During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 |
| Self Supporting Loans | | | | | | | | | | | | | |
| Karratha Country Club | | 213,756 | 0 | (213,756) | 0 | 0 | 0 | 0 | 0 | 144,225 | 0 | (69,531) | 74,694 |
| Karratha RSL | | 49,258 | 0 | (15,989) | 33,269 | 0 | (16,415) | 16,854 | 0 | 33,269 | 0 | (16,415) | 16,854 |
| Total Self Supporting Loans | | 263,014 | 0 | (229,745) | 33,269 | 0 | (16,415) | 16,854 | 0 | 177,494 | 0 | (85,946) | 91,548 |
| Total Borrowings | 15 | 263,014 | 0 | (229,745) | 33,269 | 0 | (16,415) | 16,854 | 0 | 177,494 | 0 | (85,946) | 91,548 |

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Interest Repayments

| Purpose | Note | Function and activity | Loan Number | Institution | Interest Rate | Actual for year ending 30 June 2022 | Budget for year ending 30 June 2022 |
|--|-------------|-------------------------|-------------|-------------|---------------|-------------------------------------|-------------------------------------|
| Self Supporting Loans Interest Repayments | | | | | | | |
| Karratha Country Club | | General purpose funding | 1 | WATC | 2.44% | 0 | (3,087) |
| Karratha RSL | | General purpose funding | 100 | WATC | 2.65% | (774) | (774) |
| Total Self Supporting Loans Interest Repayments | | | | | | (774) | (3,861) |
| Total Interest Repayments | 2(b) | | | | | (774) | (3,861) |

(b) Lease Liabilities

| Purpose | Note | Actual | | | | Principal at 30 June 2021 | New Leases During 2021-22 | Principal Repayments During 2021-22 | Principal at 30 June 2022 | Budget | | |
|--------------------------------|--------------|--------------------------|---------------------------|---------------------------|-------------------------------------|---------------------------|---------------------------|-------------------------------------|---------------------------|--------------------------|---------------------------|-------------------------------------|
| | | Principal at 1 July 2020 | New Leases During 2020-21 | Principal at 30 June 2021 | Principal Repayments During 2020-21 | | | | | Principal at 1 July 2021 | New Leases During 2021-22 | Principal Repayments During 2021-22 |
| ERP Project Office | | 0 | 82,434 | (19,299) | 63,135 | 0 | (28,396) | 34,739 | 0 | 0 | 0 | 0 |
| Roebourne Library | | 27,829 | 42,732 | (13,352) | 57,209 | 0 | (14,447) | 42,762 | 12,830 | 0 | (12,830) | 0 |
| Tambrey Indoor Play Centre | | 0 | 1,310,921 | (58,378) | 1,252,543 | 0 | (86,963) | 1,165,580 | 1,281,801 | 0 | (119,933) | 1,161,868 |
| Total Lease Liabilities | 11(b) | 27,829 | 1,436,087 | (91,029) | 1,372,887 | 0 | (129,806) | 1,243,081 | 1,294,631 | 0 | (132,763) | 1,161,868 |

Lease Interest Repayments

| Purpose | Note | Function and activity | Lease Number | Institution | Interest Rate | Actual for year ending 30 June 2022 | Budget for year ending 30 June 2022 | Lease Term |
|----------------------------------|-------------|------------------------|--------------|----------------------|---------------|-------------------------------------|-------------------------------------|------------|
| ERP Project Office | | Governance | | Glensaid Pty Ltd | 1.20% | (604) | 0 | 3 years |
| Roebourne Library | | Recreation and culture | | Wawardu Ltd | 2.30% | (1,153) | (170) | 5 years |
| Tambrey Indoor Play Centre | | Recreation and culture | | Tambrey Developments | 1.90% | (22,723) | (36,326) | 10 years |
| Total Interest Repayments | 2(b) | | | | | (24,480) | (36,496) | |

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

29. RESERVE ACCOUNTS

| | 2022 Actual | | 2022 Actual | | 2022 Budget | | 2022 Budget | | 2021 Actual | | 2021 Actual | |
|--|-----------------|-------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|-----------------|-----------------|------------|
| | Opening Balance | Transfer to | Transfer (from) | Closing Balance | Opening Balance | Transfer (from) | Closing Balance | Opening Balance | Transfer to | Transfer (from) | Closing Balance | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| Restricted by legislation/agreement | | | | | | | | | | | | |
| (a) Employee Entitlement Reserve | 5,293,881 | 58,764 | 0 | 5,352,645 | 4,990,956 | 46,219 | 0 | 5,037,175 | 5,075,016 | 218,865 | 0 | 5,293,881 |
| (b) Public Open Space Reserve | 0 | 131,009 | 0 | 131,009 | 0 | 131,013 | 0 | 131,013 | 0 | 0 | 0 | 0 |
| | 5,293,881 | 189,773 | 0 | 5,483,654 | 4,990,956 | 177,232 | 0 | 5,168,188 | 5,075,016 | 218,865 | 0 | 5,293,881 |
| Restricted by council | | | | | | | | | | | | |
| (c) Aerodrome Reserve | 3,524,751 | 39,126 | (709,486) | 2,854,391 | 3,525,063 | 32,640 | 0 | 3,557,703 | 3,490,740 | 34,011 | 0 | 3,524,751 |
| (d) Carry Forward Budget Reserve | 493,943 | 1,946,879 | 0 | 2,440,822 | 490,043 | 0 | 0 | 490,043 | 540,042 | 0 | (46,099) | 493,943 |
| (e) Community Development Reserve | 626,366 | 6,820 | (52,943) | 580,243 | 582,828 | 5,398 | (46,966) | 541,260 | 912,174 | 8,889 | (294,697) | 626,366 |
| (f) Dampier Drainage Reserve | 11,090 | 123 | 0 | 11,213 | 11,090 | 0 | 0 | 11,090 | 10,981 | 109 | 0 | 11,090 |
| (g) Economic Development Reserve | 1,336,789 | 14,839 | 0 | 1,351,628 | 1,174,546 | 10,878 | 0 | 1,185,424 | 1,323,650 | 13,139 | 0 | 1,336,789 |
| (h) Infrastructure Reserve | 36,292,721 | 15,394,115 | (12,566,560) | 39,120,276 | 29,953,464 | 18,334,572 | (24,449,023) | 23,839,013 | 25,669,325 | 14,115,922 | (3,492,526) | 36,292,721 |
| (i) Medical Services Assistance Package | 378,476 | 4,050 | (76,537) | 305,989 | 351,113 | 3,250 | (159,200) | 195,163 | 404,535 | 4,014 | (30,073) | 378,476 |
| (j) Mosquito Control Reserve | 10,098 | 112 | 0 | 10,210 | 10,100 | 93 | 0 | 10,193 | 9,999 | 99 | 0 | 10,098 |
| (k) Partnership Reserve | 6,542,071 | 72,619 | 0 | 6,614,690 | 6,226,468 | 9,457,655 | (3,548,111) | 12,136,012 | 7,361,482 | 4,612,090 | (5,431,501) | 6,542,071 |
| (l) Restricted Funds Reserve | 393,835 | 0 | 0 | 393,835 | 393,835 | 0 | 0 | 393,835 | 1,615,999 | 0 | (1,222,164) | 393,835 |
| (m) Waste Management Reserve | 18,254,991 | 202,635 | 0 | 18,457,626 | 17,511,379 | 186,177 | (3,441,882) | 14,255,674 | 19,854,280 | 197,755 | (1,797,044) | 18,254,991 |
| (n) Workers Compensation Reserve | 396,545 | 4,402 | 0 | 400,947 | 396,580 | 3,673 | 0 | 400,253 | 392,649 | 3,896 | 0 | 396,545 |
| (o) Walking Theatre Reserve | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 33,315 | 331 | (63,646) | 0 |
| (p) Plant Replacement Reserve | 68,261,676 | 17,685,720 | (13,405,526) | 72,541,870 | 60,626,509 | 28,034,336 | (31,645,182) | 57,015,663 | 62,431,587 | 18,998,318 | (13,168,229) | 68,261,676 |
| | 73,555,557 | 17,875,493 | (13,405,526) | 78,025,524 | 65,617,465 | 28,211,568 | (31,645,182) | 62,183,851 | 67,506,603 | 19,217,183 | (13,168,229) | 73,555,557 |

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets 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:

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

29. RESERVE ACCOUNTS (Continued)

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) Employee Entitlement Reserve | Ongoing | To fund employee leave entitlements when on extended leave, including long service leave as well as periods of Annual Leave for periods greater than 4 weeks duration, thereby retaining salary and wages budgets for the funding of replacement staffing during extended periods of leave. |
| (b) Public Open Space Reserve | Ongoing | To fund development of land set aside for the purpose of public enjoyment and protection of unique, environmental, social and cultural values for existing and future generations. |
| (c) Aerodrome Reserve | Ongoing | The purpose of this reserve is to fund the development, operation and maintenance of the Karratha Airport, inclusive of any repayments of borrowings and the funding of employee entitlements. |
| (d) Carry Forward Budget Reserve | Ongoing | This reserve is for the purpose of preserving projects funds carried over. |
| (e) Community Development Reserve | Ongoing | The purpose of this reserve is to hold Annual Community Association Grant Scheme unspent payments each year and to fund future projects initiated by Community Associations from time to time via the Annual Community Association Grant Scheme. |
| (f) Dampier Drainage Reserve | Ongoing | This reserve is maintained as part of an agreement between the City and Hamersley Iron. The purpose of the reserve is to ensure funds are available for the maintenance of drainage in Dampier. Hamersley Iron pay to the City each year a \$10,000 contribution towards this maintenance with any additional works required being drawn from this reserve and similarly, any funds remaining unspent being transferred to this reserve. |
| (g) Economic Development Reserve | Ongoing | To fund economic development activities within the City, including Destination Marketing, Business Attraction, Property Development and Tourism. |
| (h) Infrastructure Reserve | Ongoing | The purpose of this reserve is to allow for the use of these reserve funds for the enhancement, replacement, refurbishment and purchase of infrastructure assets or project works of the City inclusive of the associated repayment of borrowings on infrastructure. Project works funded from this reserve may not necessarily belong to the City but must be carried out for the benefit of the City. |
| (i) Medical Services Assistance Pack | Ongoing | The purpose of this reserve is to fund future assistance to Medical Services in accordance with the City's participation in the Medical Services Incentive Scheme. This is inclusive of retention payments to General Practitioner's in accordance with the Medical Services Incentive Scheme. |
| (j) Mosquito Control Reserve | Ongoing | The purpose of this reserve is to fund mosquito control programmes inclusive of the purchase of replacement equipment as required. |
| (k) Partnership Reserve | Ongoing | This reserve is maintained as part of the Community Infrastructure and Services Partnership (the Partnership) and the related funding agreements between the City and Rio Tinto Iron Ore. The purpose of the reserve is to preserve funds received under each funding agreement under the Partnership and restrict the funds for the purpose of each funding agreements. |
| (l) Restricted Funds Reserve | Ongoing | This reserve is for the purpose of holding Unexpended or Prepaid Grants (other than Royalties for Regions) and Capital Contributions provided for specific purposes. |
| (m) Waste Management Reserve | Ongoing | The purpose of this reserve is to fund development, operation and maintenance of the City's Waste Management facilities inclusive of repayments of borrowings and the funding of employee entitlements. |
| (n) Workers Compensation Reserve | Ongoing | The purpose of this reserve is to provide City with sufficient funds to cover its potential liability in regard to the performance based workers compensation scheme of Local Government Insurance Services of which the City of Karratha is a member. Funds within the reserve that become surplus to requirements will be transferred to the City's Employee Entitlements Reserve via way of the City's Annual Budget. |

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

30. TRUST FUNDS

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

| | <u>1 July 2021</u> | <u>Amounts Received</u> | <u>Amounts Paid</u> | <u>30 June 2022</u> |
|--|--------------------|-------------------------|---------------------|---------------------|
| | \$ | \$ | \$ | \$ |
| Public Open Space Contributions | 611,767 | 0 | 0 | 611,767 |
| Karratha Agistment Centre Compensation Funds | 206,780 | 0 | 0 | 206,780 |
| Other Bonds & Guarantees | 22,348 | 0 | 0 | 22,348 |
| VAST | 12,261 | 96 | (12,261) | 96 |
| North West Defence Alliance | 6,100 | 10,100 | (15,096) | 1,104 |
| Ranger Bonds | 0 | 4,665 | 0 | 4,665 |
| Unclaimed Monies | 2,983 | 0 | 0 | 2,983 |
| | <u>862,239</u> | <u>14,861</u> | <u>(27,357)</u> | <u>849,743</u> |

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

31. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

KARRATHA AIRPORT - OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

| | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
|--------------------------------------|----------------------|----------------------|----------------------|
| Revenue | | | |
| Fees and Charges | 21,155,244 | 14,675,567 | 15,863,989 |
| Terminal Leases | 349,216 | 309,298 | 219,208 |
| Grants and Contributions | 2,002,671 | 1,092,400 | 1,853,515 |
| Other Revenue | 57,055 | 2,699,584 | 1,849,364 |
| | <u>23,564,186</u> | <u>18,776,849</u> | <u>19,786,076</u> |
| Expenditure | | | |
| Employee Costs | (1,819,191) | (2,698,807) | (2,711,369) |
| Materials & Contracts | (4,202,350) | (15,205,332) | (4,430,483) |
| Utilities | (1,649,277) | (1,896,772) | (1,603,109) |
| Insurance | (586,265) | (457,620) | (510,322) |
| Depreciation | (3,427,791) | (3,005,086) | (3,314,470) |
| Other Expenditure | (42,699) | (44,657) | (172,282) |
| | <u>(11,727,573)</u> | <u>(23,308,274)</u> | <u>(12,742,035)</u> |
| Net Operating Result | 11,836,613 | (4,531,425) | 7,044,041 |
| Capital Expenditure | (1,528,049) | (10,301,263) | (8,138,031) |
| Total Net Trading Undertaking | 10,308,564 | (14,832,688) | (1,093,989) |
| CURRENT ASSETS | | | |
| Trade and other receivables | 5,572,769 | | 4,635,338 |
| Reserves - Cash Backed | 2,854,392 | | 3,524,751 |
| | <u>8,427,161</u> | | <u>8,160,089</u> |
| NON CURRENT ASSETS | | | |
| Buildings | 47,996,347 | | 46,588,706 |
| Less Accumulated Depreciation | (9,387,448) | | (5,798,901) |
| Infrastructure | 83,235,999 | | 84,551,362 |
| Less Accumulated Depreciation | (25,939,283) | | (20,206,683) |
| Plant & Equipment | 862,328 | | 780,442 |
| Less Accumulated Depreciation | (269,771) | | (145,642) |
| Furniture & Equipment | 417,652 | | 417,652 |
| Less Accumulated Depreciation | (154,320) | | (78,524) |
| Artwork | 147,500 | | 147,500 |
| Less Accumulated Depreciation | (11,808) | | (2,950) |
| | <u>96,897,196</u> | | <u>106,252,962</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 651,504 | | 1,985,679 |
| | <u>651,504</u> | | <u>1,985,679</u> |
| NET ASSETS | 104,672,853 | | 112,427,372 |
| EQUITY | | | |
| Reserves - cash backed | 2,854,392 | | 3,524,751 |
| Retained surplus | 101,818,461 | | 108,902,621 |
| TOTAL EQUITY | 104,672,853 | | 112,427,372 |
| Transfer to/(from) City Operations | 8,026,975 | | (4,469,579) |

The City operates the only public airport within the district and operates the aerodrome with the purpose of producing a profit.

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

31. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS (Continued)

THE QUARTER - OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

| | 2022 Actual \$ | 2022 Budget \$ | 2021 Actual \$ |
|---|--------------------------|-----------------------|---------------------------|
| Revenue | | | |
| Leases | 2,630,357 | 2,338,062 | 2,180,370 |
| Other Revenue | 1,280,799 | 764,532 | 980,958 |
| | <u>3,911,156</u> | <u>3,102,594</u> | <u>3,161,328</u> |
| Expenditure | | | |
| Employee Costs | (321) | 0 | 0 |
| Materials & Contracts | (1,068,707) | (787,164) | (841,146) |
| Utilities | (386,155) | (371,357) | (402,528) |
| Insurance | (87,434) | (82,368) | (74,879) |
| Other Expenditure | (867,480) | (972,618) | (356,948) |
| | <u>(2,410,097)</u> | <u>(2,213,507)</u> | <u>(1,675,501)</u> |
| Net Operating Result | <u>1,501,059</u> | <u>889,087</u> | <u>1,485,827</u> |
| Fair value adjustments to investment property | 3,547,229 | 0 | (5,922,835) |
| Total Net Trading Undertaking | <u>5,048,288</u> | <u>889,087</u> | <u>(4,437,008)</u> |
| CURRENT ASSETS | | | |
| Trade and other receivables | <u>180,462</u> | | <u>67,704</u> |
| | <u>180,462</u> | | <u>67,704</u> |
| NON CURRENT ASSETS | | | |
| Land | 2,500,000 | | 1,500,000 |
| Buildings | <u>32,625,608</u> | | <u>28,500,000</u> |
| | <u>35,125,608</u> | | <u>30,000,000</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables | <u>0</u> | | <u>3,893</u> |
| | <u>0</u> | | <u>3,893</u> |
| NET ASSETS | <u>35,306,070</u> | | <u>30,063,811</u> |
| EQUITY | | | |
| Retained surplus | <u>35,306,070</u> | | <u>30,063,811</u> |
| TOTAL EQUITY | <u>35,306,070</u> | | <u>30,063,811</u> |

As part of the City's investment strategy, a commercial property 'The Quarter', was purchased in June 2017.

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

32. CORRECTION OF PRIOR YEAR ERROR

Post Closure Asset Correction

The Karratha Landfill Post Closure Asset (PCA) for Cell 0 ceased operations in August 2020. The PCA is to be expensed in 2019/20 and any relating depreciation 2020/21 to be reversed. The error has been corrected by restating each of the affected financial statement line items for the prior period as follows.

| Statement of Financial Position (Extract) | 1 July 2020 | Adjustments | 1 July 2020 (Restated) |
|--|--------------------|--------------------|-----------------------------------|
| | \$ | \$ | \$ |
| Non Current Assets | | | |
| Infrastructure | 426,824,872 | (10,508,130) | 416,316,742 |
| Equity | | | |
| Retained surplus | 452,276,363 | (10,508,130) | 441,768,233 |

| Statement of Financial Position (Extract) | 30 June 2021 | Adjustments | 30 June 2021 (Restated) |
|--|---------------------|--------------------|------------------------------------|
| | \$ | \$ | \$ |
| Non Current Assets | | | |
| Infrastructure | 431,210,116 | (9,194,614) | 422,015,502 |
| Equity | | | |
| Retained surplus | 456,812,908 | (9,194,614) | 447,618,294 |

| Statement of Comprehensive Income (Extract) | 2021 | Adjustments | 2021 (Restated) |
|--|--------------|--------------------|----------------------------|
| | \$ | \$ | \$ |
| By Nature or Type | | | |
| Expenses | | | |
| Depreciation | (21,305,004) | 1,313,516 | (19,991,488) |

| Rate Setting Statement (Extract) | 2021 | Adjustments | 2021 (Restated) |
|---|--------------|--------------------|----------------------------|
| | \$ | \$ | \$ |
| By Nature or Type | | | |
| Expenditure from operating activities | | | |
| Depreciation | (21,305,004) | 1,313,516 | (19,991,488) |
| Non-cash amounts excluded from operating activities | 16,281,196 | (1,313,516) | 14,967,680 |

| Note 9 - Infrastructure Landfill Post Closure Asset | 2021 | Adjustments | 2021 (Restated) |
|--|-------------|--------------------|----------------------------|
| | \$ | \$ | \$ |
| Balance as at 1 July 2020 | 13,846,825 | (10,508,130) | 3,338,695 |
| Depreciation Expense | 1,730,853 | (1,313,516) | 417,337 |
| Carrying Amount at 30 June 2021 | 12,115,972 | (9,194,614) | 2,921,358 |
| Comprises | | 0 | |
| Gross carrying amount as at 30 June 2021 | 13,846,825 | (10,508,130) | 3,338,695 |
| Accumulated depreciation at 30 June 2021 | 1,730,853 | (1,313,516) | 417,337 |
| | 12,115,972 | (9,194,614) | 2,921,358 |

| Note 10 - Fixed Asset Depreciation | 2021 | Adjustments | 2021 (Restated) |
|---|-------------|--------------------|----------------------------|
| | \$ | \$ | \$ |
| Landfill Post Closure Asset | 1,730,853 | (1,313,516) | 417,337 |

| | <u>2021</u> | <u>Adjustments</u> | <u>2021 (Restated)</u> |
|--|-------------|--------------------|----------------------------|
| Note 19 - Notes to Statement of Cash Flows | \$ | \$ | \$ |
| Net Result | 15,631,007 | 1,313,516 | 16,944,523 |
| Depreciation | 21,305,004 | (1,313,516) | 19,991,488 |
| | <u>2021</u> | <u>Adjustments</u> | <u>2021 (Restated)</u> |
| Note 25 - Expenses by Function and Activity | \$ | \$ | \$ |
| Community amenities | 19,091,014 | (1,313,516) | 17,777,498 |
| | <u>2021</u> | <u>Adjustments</u> | <u>2021 (Restated)</u> |
| Note 25 -Total Assets Classified by Function and Activity | \$ | \$ | \$ |
| Community amenities | 37,731,301 | (9,194,614) | 28,536,687 |
| | <u>2021</u> | <u>Adjustments</u> | <u>2021 (Restated)</u> |
| Note 26 - Rate Setting Statement Information | \$ | \$ | \$ |
| Non-cash amounts excluded from operating activities | \$ | \$ | \$ |
| Adjustments to operating activities | | | |
| Add: Depreciation on non-current assets | 21,305,004 | (1,313,516) | 19,991,488 |



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 City of Karratha

To the Councillors of the City of Karratha

Opinion

I have audited the financial report of the City of Karratha (City) which comprises:

- the Statement of Financial Position at 30 June 2022, and the Statement of Comprehensive Income by Nature or Type, 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.

In my opinion, the financial report:

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

Basis for opinion

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

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

Emphasis of matter – restatement of comparative figures

I draw attention to Note 32 of the financial report which states that the amounts reported in the previously issued 30 June 2021 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

Other information

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

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent

with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

The Chief Executive Officer of the City is responsible for:

- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the City's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the City.

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

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

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

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

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

Matters relating to the electronic publication of the audited financial report

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



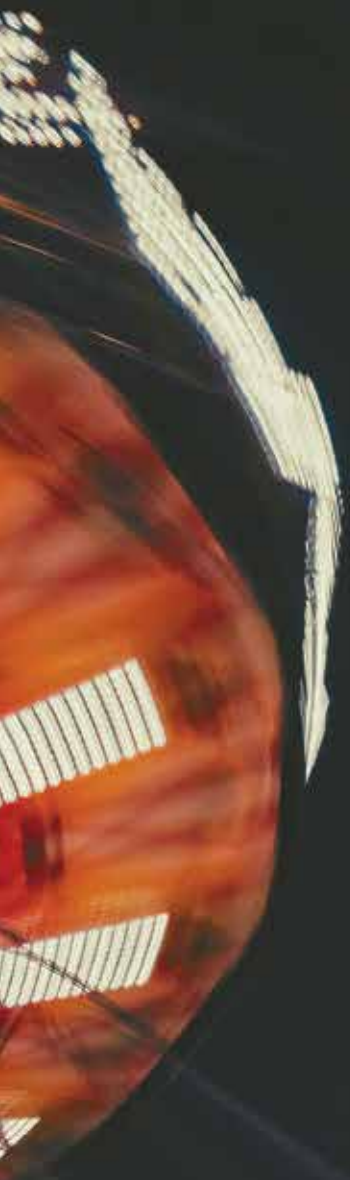
Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
25 May 2023

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TOKENS



The City of Karratha Main Administration Building is open Monday to Friday from 8.30am to 4.30pm

Physical address:

Lot 1083 Welcome Road,
Karratha, WA 6714

Postal address:

PO Box 219
Karratha, WA 6714
Phone – 08 9186 8555
Email – enquiries@karratha.wa.gov.au
Web – karratha.wa.gov.au
Facebook – facebook.com/cityofkarratha

The City of Karratha Operations Centre is open Monday to Friday from 8am to 4.30pm

Physical address:

Lot 4237 Cowle Road
Light Industrial Estate
Karratha, WA 6714

The City of Karratha Ranger Services can be contacted 24 hours a day, seven days a week by calling 08 9186 8555

Any damage to Council facilities, maintenance issues or suspicious activity such as illegal dumping or littering should be reported to the City of Karratha online reporting tool – Report It: karratha.wa.gov.au/report-it

