

# City of Karratha Annual Report 2022/23



## 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 2022/23 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 2022/23 financial year not only includes the public-facing elements of the work the City does but also encompasses our financial performance and the governance and statutory regulations by which we operate.

Throughout the 2022/23 financial year, the City of Karratha continued to provide a high level of services and amenities for residents.

The City also completed several facility upgrade projects including the multi-million dollar club and change rooms at Kevin Richard Memorial Oval.



## Why we report

*Under the Local Government Act 1995, local governments are required to produce an Annual Report. 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](http://karratha.wa.gov.au)



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## Mayor's Report

*The 2022/23 Financial year saw Council move out of the pandemic and focus on a smooth transition in leadership as we welcomed a new Chief Executive Officer.*



Throughout the financial year, we continued to work towards our vision of Karratha becoming Australia's most liveable regional City. Given this, we continued to support our community, worked on our infrastructure, and addressed issues impacting the liveability of City.

Over the financial year, the City awarded several contracts for projects to revitalise our community with \$32.4m allocated to local businesses.

Highlights from this period included \$8.1m Kevin Richards Memorial Oval Redevelopment, \$1.59m for housing in Jingarri Estate and \$434,000 for the Karratha Leisureplex Outdoor Court Shading.

The City successfully hosted the 4th Meeting of Mining Regions and Cities Conference in partnership with the Organisation for Economic Development and Coordination in June 2023 welcoming over 180 delegates from around Australia and overseas.

Our Council and City staff have accomplished a great deal in 2022/23 including rolling out a dedicated service worker accommodation program, and continued to develop plans for the Walgu apartment development.

The lack of available housing continues to be a focus of council and we are working with other key stakeholders to improve outcomes for our community and increase the liveability of our City.

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



*... we continue... to work towards our vision of Karratha becoming Australia's most liveable regional City.*

## CEO's Report

*The 2022/23 Financial Year has seen the City of Karratha undergo significant changes in senior leadership. Throughout this transition period, our organisation has worked hard to maintain the high standard of service, events, and infrastructure our community deserves.*



Over the past year, we have focused on delivering services and programs that respond to and meet our community's needs and preparing for their future needs.

The 2022/23 capital works program was one of the largest in our history included with a value of more than \$60m, with highlights ranging from land and housing developments to the Roebourne Streetscape Master Plan and continuing to progress upgrades to the Karratha Leisureplex and Kevin Richards Memorial development.

A responsible and sustainable financial management approach by the City has minimised the impact to ratepayers with two thirds of revenue coming from sources other than rates such as income generated from The Quarter building, grants, funding and fees & charges.

The City did this while maintaining an average rate increase of just three percent for all properties.

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.

We continued to implement programs to help provide affordable accommodation for service workers. This included the City partnering with Rio Tinto and Woodside to deliver 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.

**VIRGINIA MILTRUP**  
CEO, City of Karratha



*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.*



SECTION 1

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# 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:



More than 680 young people attended our Youth Week celebration program, featuring seven engaging events.



Renewed Community Infrastructure and Services Partnership with Rio Tinto, securing a commitment of \$75 million over ten years to assist in program and infrastructure delivery in the City of Karratha and Shire of Ashburton.



The City was certified as a Gold Waterwise Council – just the second regional council nationally to receive this recognition.



Completed upgrades to the Club and change rooms at Kevin Richard Memorial Oval.



Hosted the 4<sup>th</sup> OECD Meeting of Mining Regions and Cities in June at our Red Earth Arts Precinct.



Online booking system implemented for Gnoorea Point nature-based camping



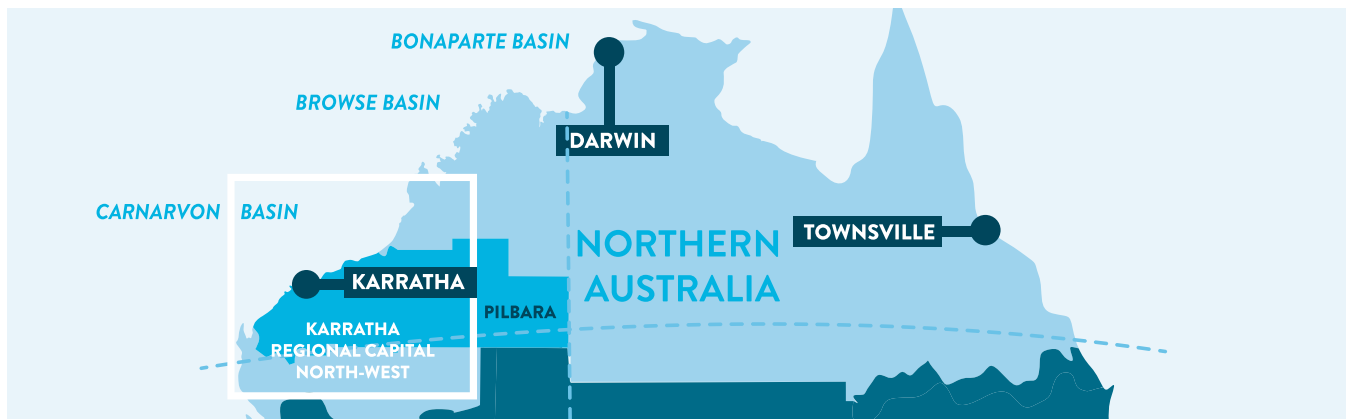
Achieved highest ever member numbers at Karratha Leisureplex.



Launched our new City of Karratha website offering improved user experience, online payment and search functionality.

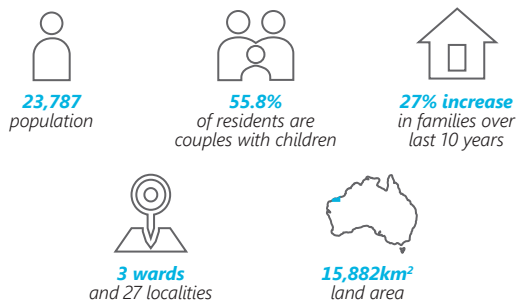
## 1.2 City Profile

*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 \$12.31 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



Grassing of the Karratha Golf Club greens was completed



Youth Week

## Economic

A large percentage of the City's industry output is derived from the mining industry, which in 2022/23 produced an estimated \$13.4 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.



**\$12.31  
billion**  
Gross Regional  
Product



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



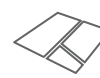
**9,646**  
employed  
residents



**\$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

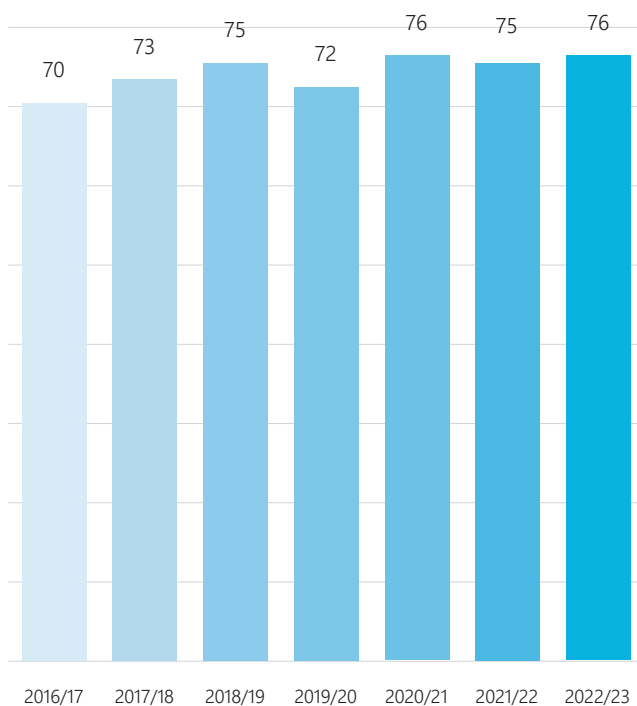


Performers at the Red Earth Arts Festival

## 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 \$1m 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:

2017/2018	60%
2018/2019	64%
2019/2020	62%
2020/2021	67%
2021/2022	63%
<b>2022/2023</b>	<b>71%</b>

2022/23



4 libraries

3 major  
recreational  
centres86 parks and  
open spaces7 community  
hubs and pavilion160.5km  
total footpaths639.8km  
total road109 sports clubs  
and associations12 primary and  
high schools and  
Pilbara University  
centre\$1.4m  
community grants  
funding available



## 2022/23 in numbers

### Facility activity and services statistics



#### Processed waste (tonnes)

<b>86,770t</b> Waste accepted to landfill	<b>4,794t</b> Liquid waste accepted
<b>5,373t</b> Waste collected kerbside residentially	<b>1,679t</b> Recycling collected kerbside residentially
<b>\$96,502</b> Tip Shop income	<b>4,627t</b> Waste diverted from landfill



#### Environmental health inspections and registrations

<b>214</b> Food premises	<b>55</b> Public buildings
<b>28</b> Public swimming pools	<b>40</b> Hair and beauty premises
<b>5</b> Caravan parks	<b>34</b> Lodging houses
<b>207</b> Applications and Enquiries handled	<b>5</b> Healthy Dog Day Events
<b>281</b> Health nuisances/ complaints investigated	



#### Ranger Services inspections / audits

<b>147</b> Abandoned vehicles	<b>35</b> Off-road vehicles
<b>70</b> Camping Inspections	<b>151</b> Litter Inspections
<b>187</b> Parking Inspections	<b>101</b> Cyclone Inspections and Fire Permits
<b>2,334</b> Animal (dog/cat trapping, sterilisation, rehoming, euthanising)	



#### 565,736 visits to Karratha Leisureplex

<b>20,592</b> visits to Group Fitness classes	<b>97,147</b> visits to Aquatic Centre
<b>39,298</b> visits to Gym Facilities	



#### 47,108 visits to Wickham Recreation Precinct

<b>2,903</b> Group Fitness participants	<b>6,708</b> visits to Recreation/Play Programs
<b>21,551</b> visits to Wickham Pool	<b>15,858</b> visits to Gym Facilities



#### 96,508 visits to the libraries

<b>59,664</b> visits to Karratha	<b>19,577</b> visits to Wickham
<b>3,927</b> visits to Roebourne	<b>13,340</b> visits to Dampier



#### Children and Youth

<b>15,234</b> Youth Centre visits	<b>681</b> Youth Week attendance
<b>28,159</b> Indoor Play Centre visits	



#### Community Survey

<b>909</b> Responses	<b>76</b> Overall Score (Out of 100)
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#### Karratha Airport

<b>557,420</b> Passengers	<b>25,863</b> Aircraft movements
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#### Planning and Building Services

<b>694</b> Building permits issued	<b>37</b> Certificates (Approval/Demolition/ Occupancy)	<b>147</b> Development Applications determined
<b>182</b> Land Tenure/ Use Referrals responded to	<b>98</b> Applications for other councils	<b>7</b> Private certificates



#### Red Earth Arts Precinct

<b>20,704</b> movie attendees	<b>38</b> performances
<b>9</b> workshops	<b>780</b> total events



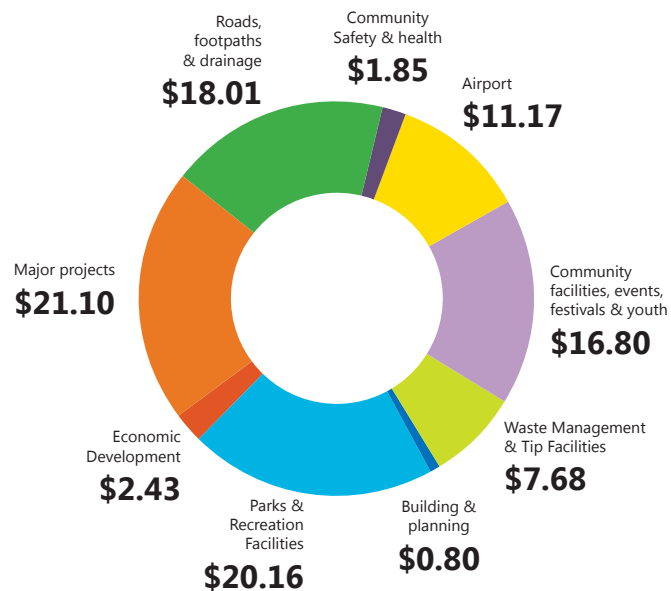
### 1.3 Your rates at work

*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.

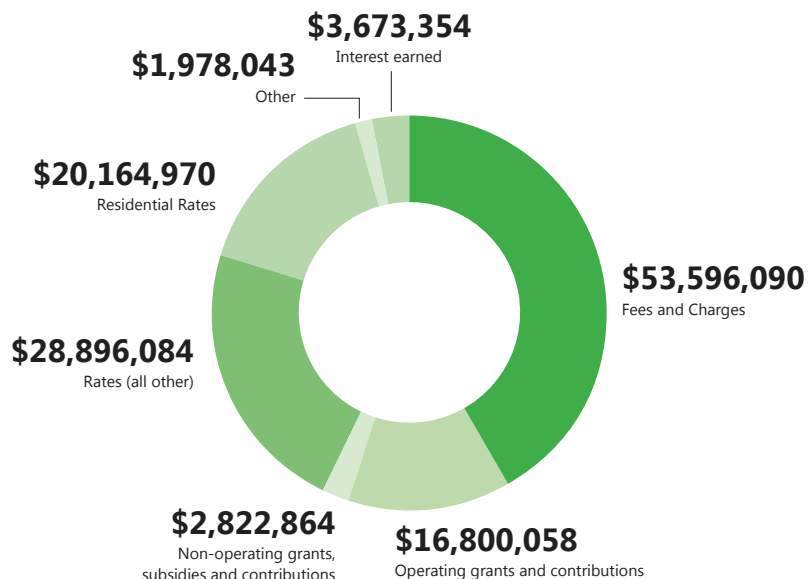
#### Where do your rates go?

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 2022/23 was **\$127,931,643** 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. The City offers training for staff to provide a framework determining the 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](http://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 2022



NAIDOC Concert 2022



Red Earth Arts Festival 2022



FeNACING 2022

## 1.6 Major events

### 2022

<b>JULY</b> <ul style="list-style-type: none"> <li>Cossack Art Awards</li> <li>Citizenship Ceremony</li> <li>NAIDOC Week</li> </ul>	<b>SEPTEMBER</b> <ul style="list-style-type: none"> <li>Multicultural Comedy Gala</li> <li>By a Thread theatre show</li> <li>Edward the Emu theatre show</li> </ul>	<b>NOVEMBER</b> <ul style="list-style-type: none"> <li>Remembrance Day</li> </ul>
<b>AUGUST</b> <ul style="list-style-type: none"> <li>Cossack Art Awards Public Program, Education Program &amp; Family Day</li> <li>FeNaCING Festival</li> </ul>	<b>OCTOBER</b> <ul style="list-style-type: none"> <li>Emergency Services Volunteer Recognition Awards</li> <li>Citizenship Ceremony</li> <li>Walkington Awards</li> <li>Community Sports Awards</li> </ul>	<b>DECEMBER</b> <ul style="list-style-type: none"> <li>International Day of People with Disability</li> <li>Sharpe Avenue Christmas Light Walk</li> <li>Christmas on the Green</li> <li>Seniors Christmas Lunch – Karratha and Roebourne</li> <li>KDCCI Christmas Markets</li> </ul>



Cossack Art Awards Children's Family Day



Citizenship Ceremony January 2022



Red Earth Arts Festival 2023



Remembrance Day 2022

## 2023

### JANUARY

- Australia Day Awards & Citizenship Ceremony
- Australia Day Fireworks

### APRIL

- ANZAC Day
- Warlu Way Tourism Conference

### MAY

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

### JUNE

- Fourth OECD Meeting of Mining Regions and Cities

### 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
- 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
- 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



2022 Community Sports Awards

## 1.7 Awards and recognition

*The 2022/23 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.*

### July 2022

*Developing Northern Australia Conference 2022 – Mayor Long, Cr Harris, Cr Furlong, Cr Scott*

### August 2022

*Town Team WA State Conference 2022 – Cr Furlong*

### October 2022

*Local Government Convention 2022 – Mayor Long, Cr Furlong*

*National Economic Development Conference 2022 – Mayor Long*

### June 2023

*OECD Mining Regions & Cities Conference – Mayor Long, Cr Nunn, Cr Waterstrom Muller, Cr Furlong*

## 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 three 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 2023 Australia Day Award winners were:

- Citizen of the Year – Robert Graham  
Presented by Rio Tinto
- Young Citizen of the Year – Emer O'Brien  
Presented by Pilbara Ports Authority
- Active Citizen Award – Brenton Johannsen  
Presented by Woodside Energy North West-operated Shelf Project

## City of Karratha Community Sports Awards

The 2022 City of Karratha Community Sports Awards saw 71 nominations received across eight categories. These annual awards recognise volunteers, players, officials, and coaches who have made a significant contribution to their code.

The 2022 Community Sports Award recipients were:

- Santos Junior Sportswoman of the Year – Legacy Harris
- Santos Junior Sportsman of the Year – Joshua Vernon
- Rio Tinto Sportswoman of the Year – Geraiyah Wiggan
- Pilbara Ports Authority Sportsman of the Year – Mat Norman
- Triple M Karratha Coach of the Year – Clayton McIntosh
- Sport & Recreation WA Official of the Year – Fiona Haigh
- PLI Powerlift Industries Volunteer of the Year – Anouska Angove
- City of Karratha Sporting Group of the Year  
– Northern Spirit Basketball Club

## 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.

Karratha Senior High School Year 12 student, Samuel Carter received the prestigious 2022 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 2022 City of Karratha Employee of the Year was Fleet and Plant Coordinator Wesley Francks.



Australia Day Awards, January 2023



Community Sportswoman of the Year 2022 Geraiyah Wiggan



2022 Walkington Award recipient Samuel Carter



## SECTION 2

# ACHIEVEMENTS

This section provides an in-depth look at the work Council completed across the 2022/23 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.

<div></div> <div><b>OUR COMMUNITY</b> Inclusive and engaged</div> <div>To activate safe, healthy and liveable communities</div>	<div></div> <div><b>OUR ECONOMY</b> Well managed and diversified</div> <div>To attract diverse and sustainable business and employment opportunities</div>	<div></div> <div><b>OUR ENVIRONMENT</b> Thriving and sustainable</div> <div>To protect our natural and built environment</div>	<div></div> <div><b>OUR LEADERSHIP</b> Proactive and accountable</div> <div>To provide accessible, transparent and responsive leadership</div>
<div><b>OUR OUTCOMES</b> The end result we would like to achieve</div> <div><div>1.a</div><div>Quality Community Facilities</div></div> <div><div>1.b</div><div>Improved Community Safety</div></div> <div><div>1.c</div><div>Accessible Services</div></div> <div><div>1.d</div><div>Healthy Residents</div></div> <div><div>1.e</div><div>Recognition of Diversity</div></div> <div><div>1.f</div><div>Connected Communities</div></div>	<div><b>OUR OUTCOMES</b> The end result we would like to achieve</div> <div><div>2.a</div><div>Diverse Industry</div></div> <div><div>2.b</div><div>Business prosperity</div></div> <div><div>2.c</div><div>Quality infrastructure to support business investment</div></div> <div><div>2.d</div><div>Role clarity</div></div>	<div><b>OUR OUTCOMES</b> The end result we would like to achieve</div> <div><div>3.a</div><div>Well managed natural assets</div></div> <div><div>3.b</div><div>Attractive built environment</div></div> <div><div>3.c</div><div>Improved resource recovery and waste management</div></div> <div><div>3.d</div><div>Sustainable use and management of resources</div></div>	<div><b>OUR OUTCOMES</b> The end result we would like to achieve</div> <div><div>4.a</div><div>Raised profile of the City</div></div> <div><div>4.b</div><div>Continuous improvement and innovation</div></div> <div><div>4.c</div><div>Financial Sustainability</div></div> <div><div>4.d</div><div>Strong partnerships and indigenous relations</div></div> <div><div>4.e</div><div>Services that meet community needs</div></div>

## 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



### 20,704 MOVIE PATRONS

THE RED EARTH ARTS PRECINCT COMPLETED ITS FIFTH YEAR OF OPERATION, SCREENING 401 MOVIES WITH A TOTAL OF 20,704 MOVIE PATRONS



*Gogi Dance Collective at the Dampier Foreshore*

## KEY ACHIEVEMENTS

- › The City supported 31 Meet the Street parties to the value of \$5,510 while 258 properties benefited from the Security Subsidy Scheme.
- › The City saw more than half a million visits across the Karratha Leisureplex, Wickham Recreation Precinct, and the Roebourne Aquatic Centre, with the Leisureplex achieving its highest membership base since opening in 2014 (1,981).
- › The City continued to support the Arts with the 30<sup>th</sup> 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.
- › The 'Kids Swim and Shoot Free' initiative saw 7,100 entries waived across January 2023, improving community access to Karratha Leisureplex, Wickham Recreation Precinct and Roebourne Aquatic Centre by removing entry fees for children.

### 1.a Quality community facilities

- The 10-year Footpath Strategy and Road Reseals program continued. Throughout the year our teams completed 440km of maintenance grading of the rural road network, resheeted 6.2km of unsealed road and installed 145 lineal metres of footpath on Meares Drive in Point Samson.
- Revitalisation works at Catrall Park saw the delivery of new nature inspired playground equipment including a balance beam, monkey bars, ladder run and high rope climb, with the total investment for play equipment and landscaping totalling \$327,163. This work formed part of the City Playground Replacement Program.
- The City completed Stage One of the Kevin Richards Memorial Oval Master Plan in July 2023 with the opening of the new multi-million-dollar northern Car Park and two-storey Change and Club Rooms. The construction of the two-storey facility and associated work was part of a \$9.4m capital works program.
- With our funding partner, Rio Tinto, the City completed the upgrade of the Wickham Aquatic Centre, including the new swimming pool, plant and lighting. This upgrade also included the installation of a 24-metre pole to connect Wickham and Mount Welcome as part of the City's communication link. The total combined project cost was approximately \$2.0m, with \$110,550 expended in 2022/23 to complete these works.
- Wickham Recreation Precinct held the inaugural Point Samson Mother's Day Classic with more than 100 participants, as well as hosting the Northern Swimming Association Short Course bringing clubs from Karratha, Tom Price, Port Hedland, Exmouth and Onslow to the facility.
- Our team replaced five shade structures across Bulgarra Oval, Deleambre Park and Ausburn Park.
- The 'Grassing of the Greens' project at Karratha Country Club was completed with all 18 holes now featuring fully grassed and reticulated greens.
- The Red Earth Arts Precinct celebrated five years of operation – this financial year saw 780 events held throughout the Precinct, including 337 movies, 38 performances, nine workshops and 351 local hires.



*Cossack Art Awards Children's Day*

### 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 278 jobs per month for the reporting period, including weekend jobs and after-hours call outs.
- City officers completed 700 private pool inspections as part of the Private Swimming Pool Inspection program during the 2022/23 period. The City now has more than 2,000 residential swimming pools or spas, with 91 new swimming pools approved in 2022/23. Our four-yearly swimming pool barrier inspection program is on track with zero overdue inspections.
- 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 \$250 back on eligible food/drink. During the 2022/23 period, the City supported 31 events with a total of \$5,510 in reimbursements.
- We engaged local contractors to remove graffiti throughout the city, spending more than 430 hours inspecting and removing graffiti within 24 hours of it being reported.
- 2022/23 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 offers up to \$500 towards the cost of installing security measures. There were 258 properties that benefited from the subsidy with a total cost of \$93,050 and a total local spend of \$251,573.
- The Ready Set Grow competition saw 35 registrations across nine categories. The goal of the competition is to enhance neighbourhood appearance, addressing community safety perception and build community/neighbourhood connection.
- Building upon our CCTV Strategy, the City remains committed to enhancing CCTV infrastructure in collaboration with key stakeholders such as the WA Police. This ongoing effort involves reviewing and upgrading our CCTV equipment and capabilities across vital facilities. This initiative aims to bolster community safety by ensuring effective surveillance, measurement, and management of site-related issues and activities.

- Subsidised motorcycle locks were re-introduced through the return of our 'Lock it or lose it' campaign. This partnership with Rio Tinto allows residents to purchase secure motorcycle locks from local business Coastal Powersports at a subsidised rate.

### 1.c Accessible services

- Our efforts to engage with the local youth saw more than 681 attendees enjoy Youth Week – an increase of more than 480 per cent.
- Council's 'Kids Swim and Shoot Free' initiative saw 7,100 entries issued across January 2023, improving community access to Karratha Leisureplex, Wickham Recreation Precinct and Roebourne Aquatic Centre by removing entry fees for children.
- Youth facilities in our area continued to see strong numbers with Wickham's The Base and Youth Shed recording a combined total of 15,234 attendees.
- The City ran a series of workshops as part of the Club Development Program including a variety of topics from strategic planning to social media with a total of 38 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 opened up the grounds Friday afternoon for our community organisations and members to go through and experience the "festival" with fewer crowds and less noise.
- 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

- In partnership with the Department of Local Government, Sport and Cultural Industries, the City provided free sporting equipment to eligible junior athletes. The initiative was aimed at supporting local and talented young sportspeople, ensuring they have the equipment they need to pursue their passions.
- We continued our partnership with Mawarnkarra Health Service to deliver the Healthy Dog Day Program.
- 2022 marked the 30<sup>th</sup> Cossack Arts Awards which transformed the town of Cossack. More than \$85,000 in prize money was awarded across 10 categories. The 2022 Awards saw more than 6,000 visitors enjoy the gallery, 400 take part in the education program and 500 attendees to the Children's Art Day.
- The Arts Development & Events Plan included the delivery of the six art exhibitions at the Red Earth Arts Precinct, five Artist talks/ networking opportunities and 13 Skill development workshops. 2022/23 included the continuation of our Arts Development partnerships with the WA Ballet, Black Swan Theatre Company, Perth Symphony Orchestra and Barking Gecko.
- The 2023 Red Earth Arts Festival (REAF) attracted 3,172 attendees and boasted 40 programs. There were 144 artists as well as volunteers and community members involved.
- The City of Karratha's local Public Health Plan (PHP) was finalised and adopted by Council in October 2022. The City renewed its contract with Saving Animals From Euthanasia to provide the City with animal rehoming services. The Environmental Health premises inspection program continued with the average inspections increasing to 31 per month. Resourcing increased to provide for high rate of inspections.
- Our swim school programs at Karratha Leisureplex and Wickham Recreation Precinct welcomed 2,159 children, teaching comprehensive water safety and swimming techniques.
- Bulgarra Oval, Smith Delambre Park and Ausburn Park each received shade structure replacements, five replacements were made across these recreational areas in total.



City of Karratha Mayor with the KDCCI Business Excellence Awards 2022 Best Home Business winner

- The City's new Mosquito Management Plan was finalised and is currently being implemented. This new plan included an active mosquito monitoring program, which highlights trends and identifies mosquito types to enable the team to determine the most effective control methods, thereby reducing the risk of mosquito-borne illnesses amongst residents.
- In collaboration with key stakeholders in the local Emergency Management Committee, the City of Karratha remains steadfast in its commitment to the safety of our community. From conducting regular training exercises to enhancing our communication networks and resource allocation strategies, we continue to prioritise the safety and security of our residents.



### 1.e Recognition of diversity

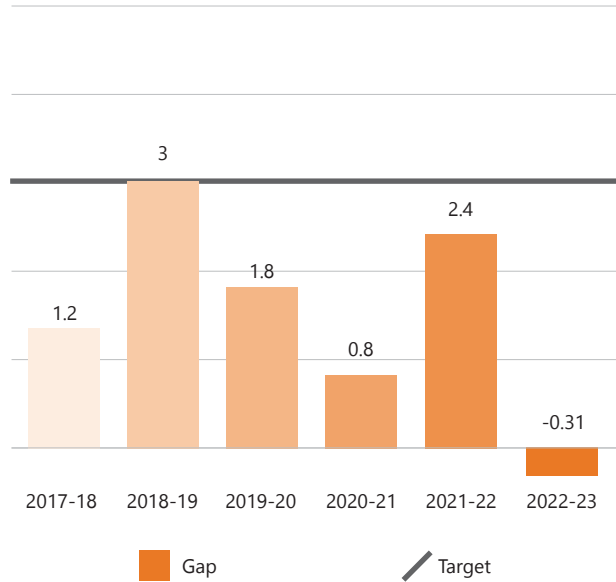
- 2022 NAIDOC Week was held in July and included a flag raising ceremony with Traditional owners and youth participating. Song writing workshops led by Big hART were completed across the week, these workshops were then showcased in a performance at a local NAIDOC community concert.
- Twenty-five designated seniors parking spaces were installed throughout the city's most popular areas and facilities to increase accessibility to services for older community members.
- Introduction of the Silver Sneakers come-and-try program at Karratha Leisureplex for senior residents who would like to stay healthy, active and connected to the community. Guided by the Aged Friendly Strategy, this six-week program was free to attend.
- Forty-four seniors attended our free high tea and movie screening event in February at the Red Earth Arts Precinct as part of the Perth Festival.
- We celebrated International Day of People with Disabilities with a free sensory sensitive screening of Finding Nemo at Red Earth Arts Precinct encouraging residents to challenge the way they think about disability and inclusivity.
- We held the Pilbara Launch of the SLWA Better Beginning's Little Fulla Yarns Program at our Roebourne Library.
- Adult programming across our four libraries increased with the inclusion of two author talks, two photography workshops, Digital Drop In and Memory Preservation Station sessions and two Mini Museum experiences.

### 1.f Connected communities

- The City delivered 14 civic events in 2022/23 in line with our Arts Development and Events Plan. Much loved events such as the Seniors Christmas lunch saw seniors enjoy entertainment, lunch, and a gift. Four Citizenship Ceremonies with nearly 82 new citizens welcomed to Australia.
- The City hosted Community Information Sessions in Karratha, Dampier, Wickham, Roebourne and Point Samson, presenting updates on projects in each community and Q&A sessions with the Mayor.
- 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 76, up one point on the 2022 score and above the target of 68 with a total of 909 completed responses.
- Establishment of a Youth Collaboration Zone at Karratha Library.
- A new Facebook page was established to focus on delivering events and programming information to residents. Named 'City of Karratha Programming and Events' the popular page showcases movies, theatre performances, workshops, concerts and events that are run or supported by Council.

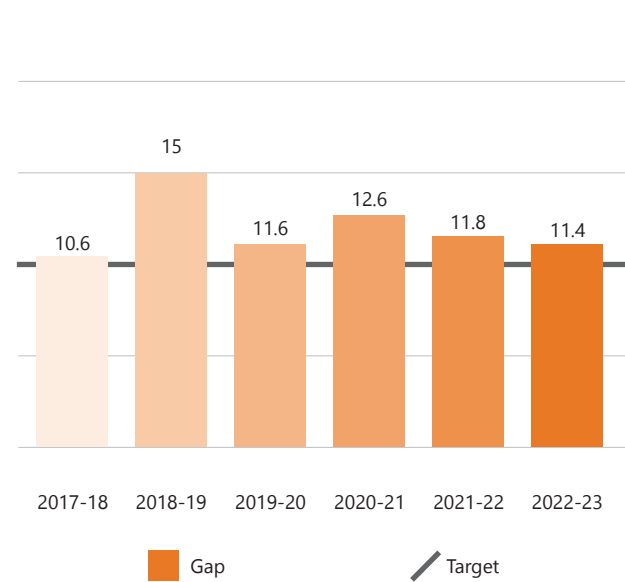
**Maintain a positive gap between performance and importance in Annual Community Survey for footpaths and cycleways**

*Please note the target is a positive gap of 3*

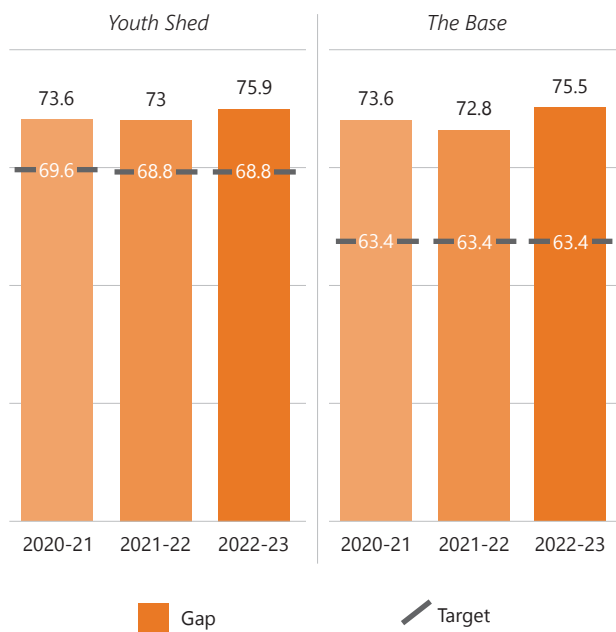


**Community Services: Maintain or improve a positive gap between performance and importance in Annual Community Survey for Library Services**

*Please note the target is a positive gap of 10*

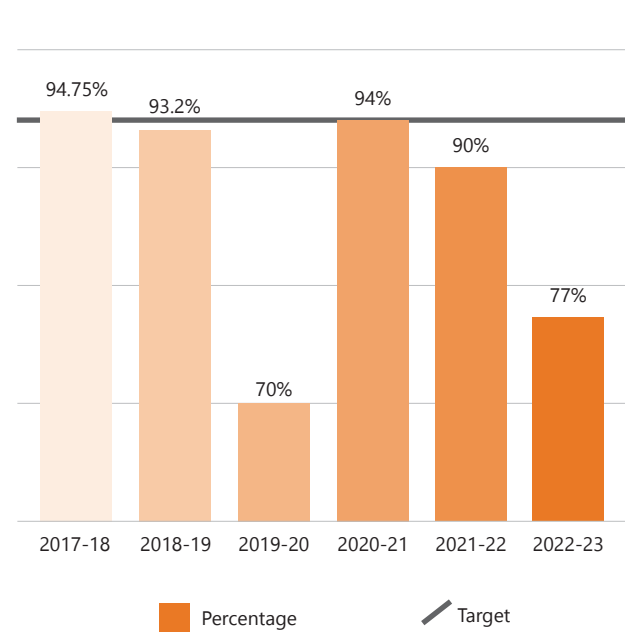


**Community Services: Maintain or improve a positive gap between performance and importance in Annual Community Survey for Facilities**



**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 \$90,000 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 provided continued funding of \$140,000 to support skills and education development through the Pilbara Universities Centre.
- › The City hosted the Fourth OECD Meeting of Mining Regions and Cities, bringing dignitaries and experts from across the world to Karratha.
- › Provided more than \$200,000 through the Major Event Sponsorship and Attraction Program

### 2.a Diverse industry

- The City provided grant funding of \$232,000 through the Major Event Sponsorship and Attraction Program. In addition, the City successfully hosted the 4th Meeting of Mining Regions and Cities Conference in partnership with the Organisation for Economic Development and Coordination in June 2023 welcoming over 180 delegates from around Australia and overseas. Other events to receive funding included Warlu Way Tourism Conference held between 30 March 2023 and 5 April 2023 and Activ Foundation Incorporated to run the Chevron City to Surf for Activ event over two years in Karratha.

- The City provided continued funding of \$140,000 to support skills and education development through the Pilbara Universities Centre.
- Karratha Tourism and Visitor Centre recorded strong visitation and booking numbers, boasting more than 28,000 tourists through the Centre.
- The Ganilili Centre in Roebourne welcomed over 2,000 visitors before it closed at the request of Juluwarlu in September 2022.
- The City allocated \$110,000 to two local not-for-profit business support organisations to run programs, events and initiatives to help businesses grow and network and to grow our tourism industry.

### 2.b Business prosperity

- The City allocated \$93,000 across 26 local businesses through the Take Your Business Online (TYBO) grant program to improve their online presence.
- The Small Business Friendly Approvals program was further improved via a collaboration with our Environmental Health team to streamline business enquiry and applications processes.
- 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.
- With all the positions in the Environmental Health department now filled, the team has successfully cleared the backlog of work and increased the average monthly health premise inspection rate from 17 to 31.



Karratha City Precinct

- The global Organisation for Economic Co-operation and Development Meeting of Mining Regions and Cities was held at the Red Earth Arts Precinct in June, bringing together a diverse range of stakeholders including government officials, industry representatives and community leaders. The conference focused on diversification, green value chains and liveable and sustainable mining communities.

## 2.c Quality Infrastructure to support business investment

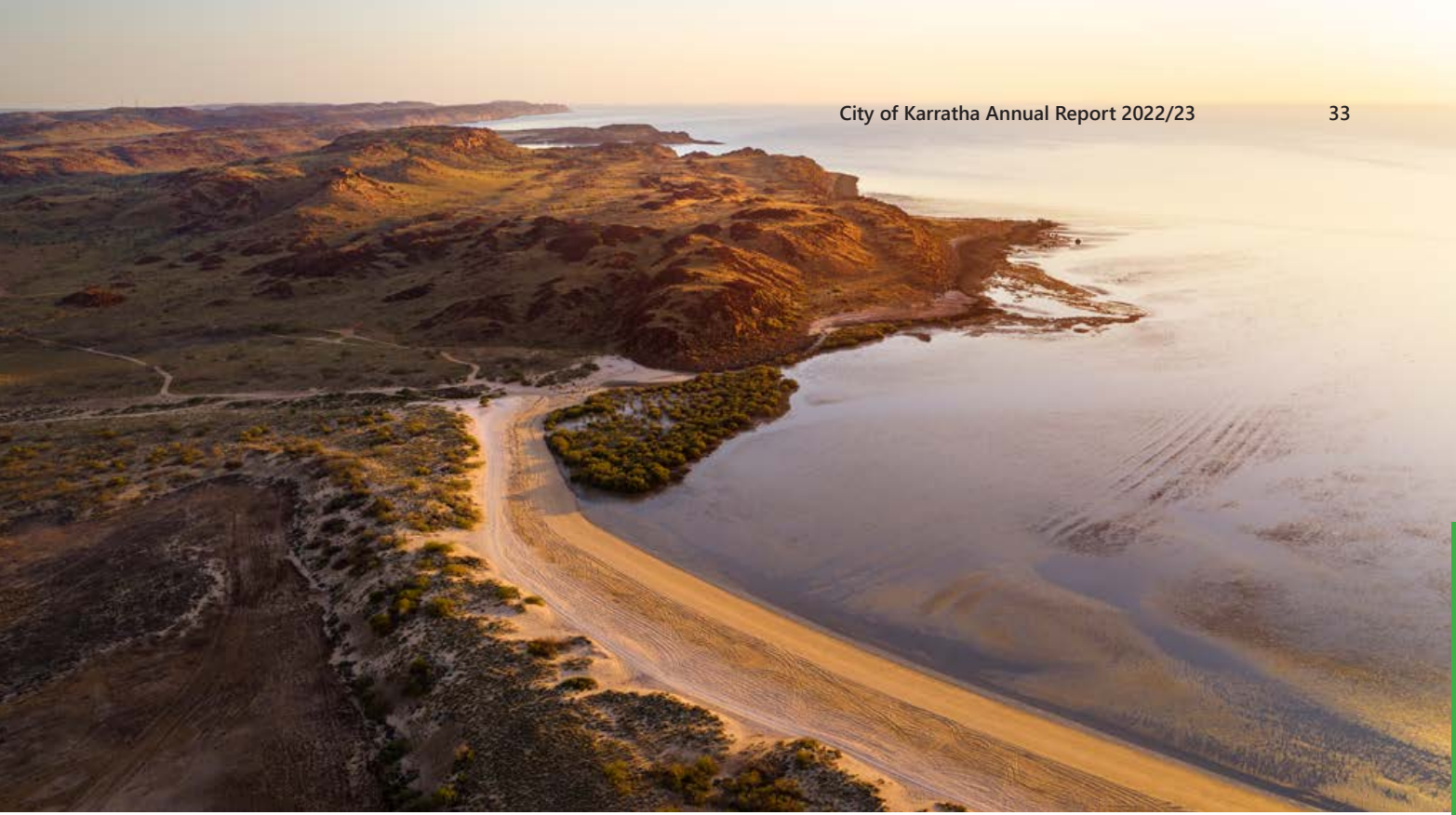
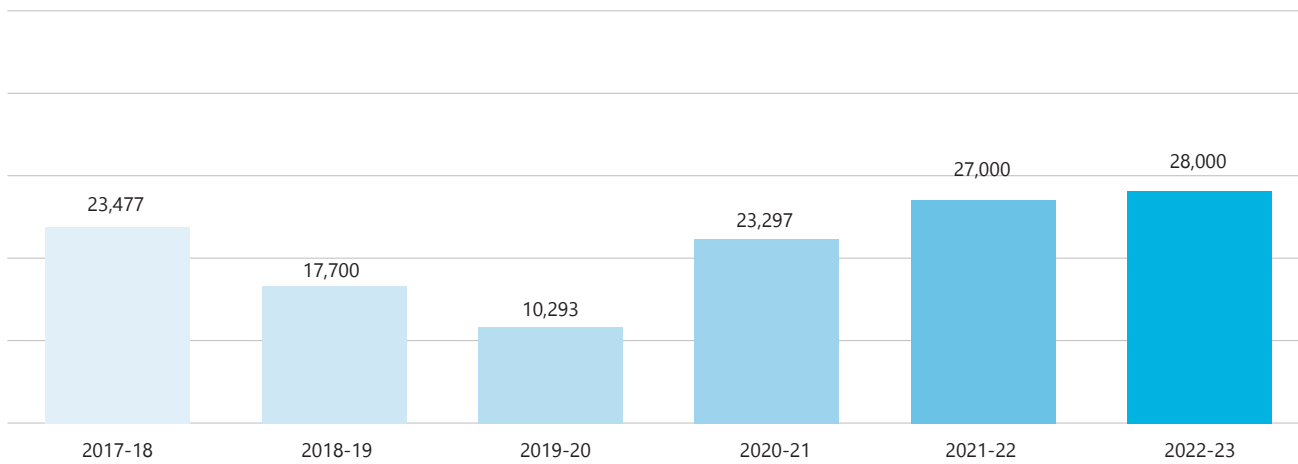
- Support of Wedgetail Aerospace Pty Ltd for funding to deliver a Pilbara Drone Operational Hub Proof of Concept through the Economic Development Grant Policy.
- A new ticketless parking system was installed at Karratha Airport. Machines now scan car license plates on entry with any payments able to be made via credit card, cash or using the Mobile Ticket app.
- The City progressed a number of initiatives aimed at improving affordability and availability of housing in the district, including delivering a dedicated Service Worker Accommodation program, developing plans for the Walgu apartment development and delivering a joint venture with GBSC Yurra. The City continues to lobby the State and Federal Government on housing investment issues while exploring development and subdivision opportunities.
- The City also supported the development of our tourism industry by trialling and then implementing a new online booking system for the City managed nature based camping areas at Cleaverville and Gnoorea.
- We continued to manage leases at The Quarter facilities with currently 90 per cent of available area leased.

## 2.d Role Clarity

During the 2022/23 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 City continued to support the implementation of the Designated Area Migration Agreement that came into effect on 9 May 2022 in collaboration with the Town of Port Hedland and Regional Development Australia Pilbara, including subsidising the cost to businesses located in the City of Karratha.
- The annual Business Climate Scorecard was delivered, confirming the two priorities for local businesses were access to affordable housing and efforts to support and retain existing businesses.
- The City provided continued funding to support skills and education development through the Pilbara Universities Centre.

*Hearson Cove***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 <sub>2</sub> footprint
		3.d.2	Implement sustainable procurement practices



## KEY ACHIEVEMENTS

- › The Landfill Capping Project of Cell 0 at the 7 Mile Waste Facility was completed
- › The City of Karratha was the Winner of the General Appearance category in the Tidy Towns Sustainable Communities Awards 2022
- › The City was certified as a Gold Waterwise Council, making us just the second regional council in the state to receive this recognition.
- › 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 Mosquito Management Plan was finalised, implementing a more pro-active mosquito monitoring program, that highlights trends and identifies mosquito types, enabling the team to determine the most effective control methods and reduce the risk of mosquito-borne illnesses amongst residents. Implementation and completion of the Weed Management Program at Harding River and Miaree Pool.
- Investment in procurement of equipment and recruitment of staff to deliver weed spraying throughout the City in house.
- Slashing services through a local contractor included a large tidy up of Dampier verges and drains.

### 3.b Attractive built environment

- As part of the City's response to ensure an acceptable standard of appearance to residential properties is maintained, 75 notices issued to maintain residential properties to an acceptable standard.
- The City of Karratha was the Winner of the General Appearance category in the Tidy Towns Sustainable Communities Awards 2022.
- City officers continued to collect any reported abandoned vehicles, with officers collected 147 abandoned vehicles during the reporting period. As a result, 60 vehicles were impounded.
- Three new teardrop community gardens were established as part of our 'Adopt a Teardrop' program - Hackett Close, Lathwell Close and Kruer Close. The program aims to increase neighbourhood pride, social interaction and street beautification. Tree planting along Dampier Highway was completed along with the relandscaping of Galbraith and Bathgate roundabouts.

### 3.c Improved resource recovery and waste management

- The Landfill Capping Project of Cell 0 at the 7 Mile Waste Facility was completed with vegetation works assisting in restoring the natural environment.
- About 18 tonnes of residential household waste was responsibly recycled which includes gas bottles, cleaning chemicals, fuels, flares, fire extinguishers, batteries and aerosol cans.
- Introduction of the 'Seniors Pre-cyclone Clean Up' initiative providing weeding and pruning assistance to seniors living in the City of Karratha to prepare their green waste for collection in the annual city-wide pre-cyclone green waste kerbside collection.



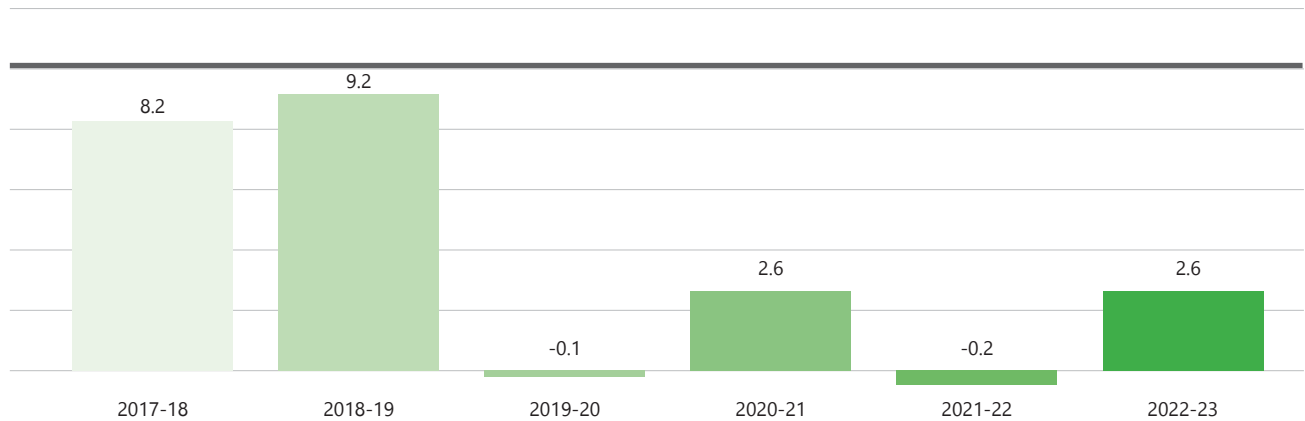
- The implementation of the State Waste Strategy 2030, Engagement and Education Support Plan and Engagement and Education Support Plan remain in progress.

### 3.d Sustainable use and management of resources

- The City was certified as a Gold Waterwise Council, making us just the second regional council in the state to receive this recognition. This award recognises the City as a leader in water efficiency, acknowledging our demonstrated achievement in best practice water management.
- 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.
- Continued monitoring of the Effluent Reuse Scheme used to irrigate parks, ovals and verge gardens to ensure public safety is not compromised. The use of treated effluent in this water reduces pressure on potable water sources.
- Upgrades to the Effluent Reuse Scheme data collection system, hardware and software moved into final design and investigation phase with construction set to being in the year ahead.
- The eco-friendly LED car park lighting upgrade at Karratha Airport was completed, while installation of a new water trunk mainline began.
- Tank inspections and repair works were carried out across City facilities including full replacement of tanks at Baynton West and the Karratha Leisureplex.
- Over the 2022/23 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

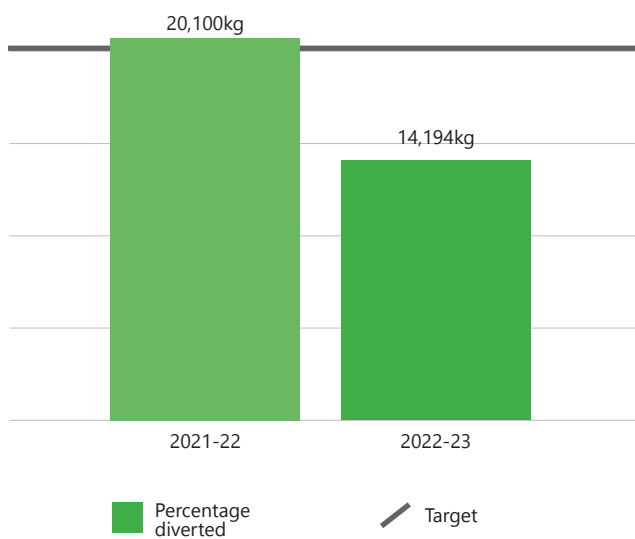


Roebourne and Point Samson have indicated the City is underperforming in this space. Focus will be placed on Roebourne to improve services with community education programs to be implemented in Wickham and Point Samson.

■ Gap    ▬ Target

### Amount of hazardous waste diverted from landfill

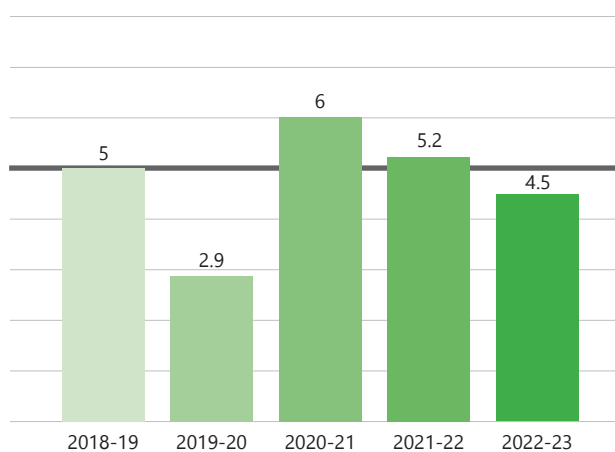
Please note the target is 20,000kg



■ Percentage diverted    ▬ Target

### 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



■ Gap    ▬ Target

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



CEO Virginia Miltrup speaking at the 4th OECD Meeting of Mining Regions and Cities

## 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

- › 84 per cent of the key performance measures were achieved or substantially achieved for the 2022/23 year.
- › Continued efforts to foster strong 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 2023, more than 900 residents participated and we received an overall score of 76 per cent.
- › The City continued to implement programs to help provide affordable accommodation for service workers.

### 4.a Raised profile of the City

- 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. An annual desktop review is conducted in collaboration with the annual budget and results of the 101 key performance measures are reported quarterly to Council. In 2022/23 year, 84.2% of the key performance measures were achieved or substantially achieved.
- During the 2022/23 financial year, the City put out 45 media releases with a pick up of 70 per cent. Highlights included the promotion of the Red Earth Arts Festival which received statewide coverage with an equivalent ad spend revenue of \$59,910.

- Ensured Councillors met their obligations under the new Elected Members training and professional Development program, established by the Department of Local Government to enable councillors to gain minimum competencies. Councillors who pass their course have a valid qualification for five years after which it will need to be renewed if they continue to remain on Council.
- 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 2022 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.
- Introduced amendments for the period have predominantly impacted the 2023 local government election process including the removal of the City's ward system and a reduction in councillor representations from 11 to eight over two election cycles. First past the post voting has now been replaced with a preferential voting method and the mayor is now elected by electors as a separate election to councillor elections.
- City of Karratha stalwart and integral community member, John Lally was named Honorary Freeman in recognition of his 30 years of service to the city.

#### 4.b Continuous improvement and innovation

- All new employees undertake a records management induction and training within two weeks of commencement. Additional training sessions are also provided.
- Local Government reforms saw Council approve a proposal to reduce from 11 Councillors to eight plus a mandatory publicly elected Mayor. In addition the ward system was abolished as it did not meet the requirements set out by the Local Government Advisory Board for the elector to Councillor ratio.
- The City continued to improve and refine our delivery of services through collaboration and investment in system and process improvements.
- The City progressed the design, configuration and testing of modules in Purchase Cards and Sourcing and Contracts as part of Release two of our Ci Anywhere OneCouncil ERP project with vendor TechnologyOne.

#### 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 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 2022 programs were presented in July including our NAIDOC Week Community Concert in Roebourne featuring Christine Anu, Tjaabi presented by Patrick Churnside and Big hART as well as Karla Hart. Other events during NAIDOC Week included Old People's Birthday at Old Roebourne Reserve; a flag-raising ceremony; Guma, Wangaba Exhibition opening at REAP; and the screening of the documentary Wash My Soul in the River's Flow.
- Support of Yindjibarndi Aboriginal Corporation Ganilili Transitional Housing Project through the offset of waste disposal fees paid. The City is supportive of this social housing initiative (10 transitional houses in Roebourne and associated commercial and training space).

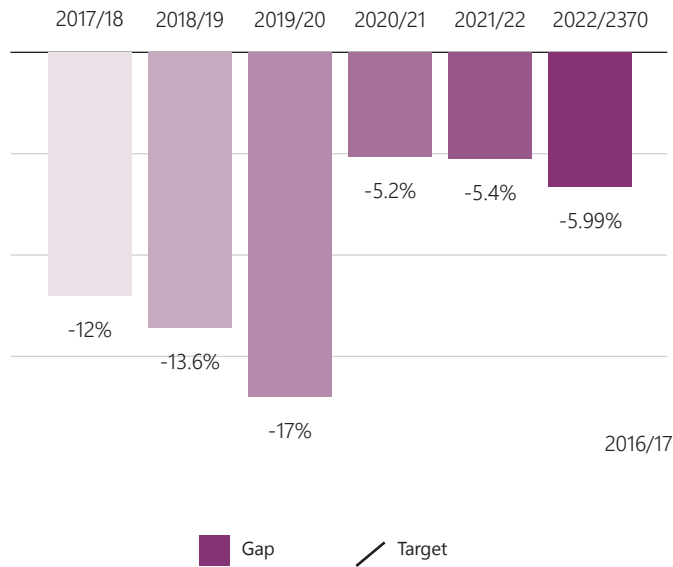
- The 30<sup>th</sup> Cossack Art Awards 2022 exhibition featured works by local Aboriginal Art Groups and offered more than \$80,000 in prizes. The 'Painting by Pilbara Indigenous Artist' section was won by Judith Coppin.
- The City supported the delivery of three Aboriginal Interagency meetings by providing the venue and catering for more than 150 attendees, collectively.
- 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 2023, more than 900 residents shared their thoughts on a range of City matters and we received an overall score of 76 per cent. This feedback was a valuable tool to inform budget allocations, track our performance, improve service delivery and advocate for our community.
- With rising housing costs seen as a concern by the community, the City continued to implement programs to help provide affordable accommodation for service workers. This included the City partnering with Rio Tinto and Woodside to deliver Service Worker Accommodation as well as the reintroduction of the Medical Services Housing Subsidy which saw 12 medical professionals reimbursed a total of \$86,659.
- We continued to provide quality service and support to members of the community who wish to bury loved ones in our local cemeteries. 21 burials were conducted in the year. Progress with the updating of the Cemetery Register remains an ongoing exercise to catch up and verify historical data and ensure important documentation and data is captured in our Cemetery Register.
- Our Community Infrastructure and Services Partnership with Rio Tinto was renewed with a commitment of a further \$75 million over the next ten years within the City of Karratha and Shire of Ashburton. This partnership supports the delivery of key infrastructure projects, local services and events within the community. The renewal follows the partnership's tremendous success over the last ten years enhancing the liveability of towns within the City of Karratha.

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

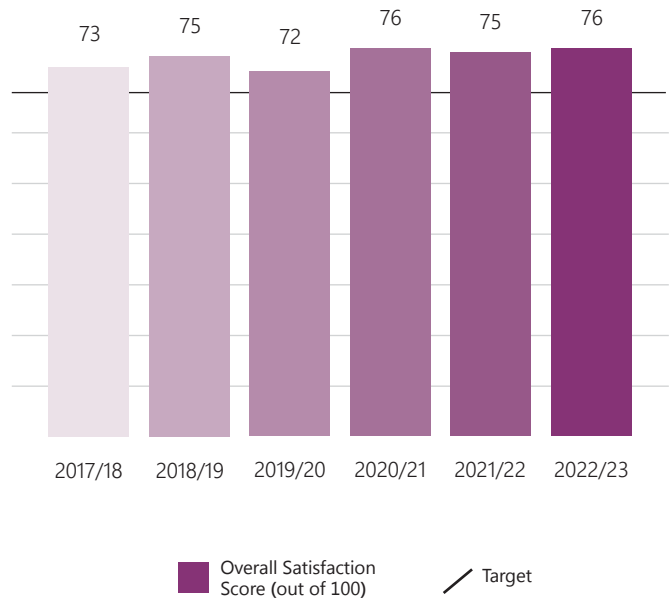
Please note the target is 0



Improved performance outweighed by a greater increase in importance.

### Increase in overall community satisfaction score through the Annual Community Survey

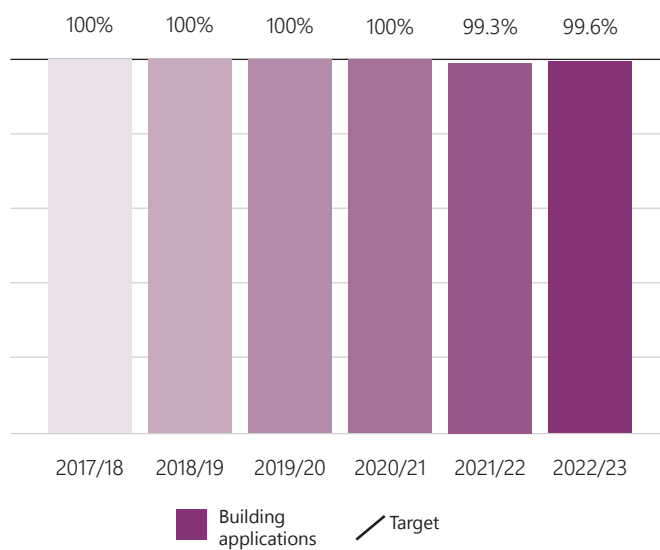
Please note the target is 68



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

### Assess all building applications within the statutory time frames

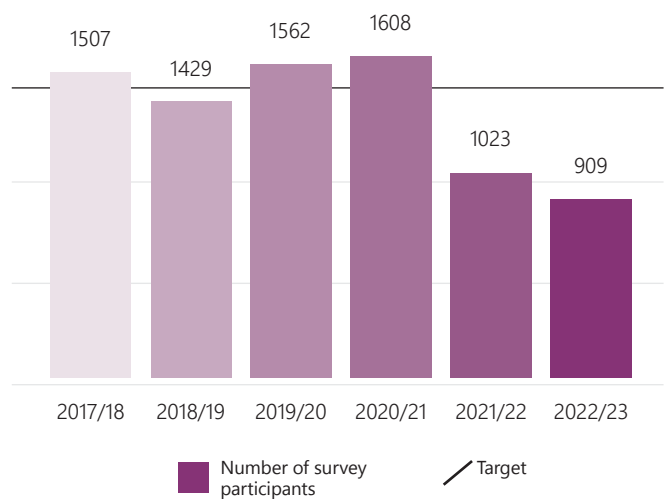
Please note the target is 100%



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:

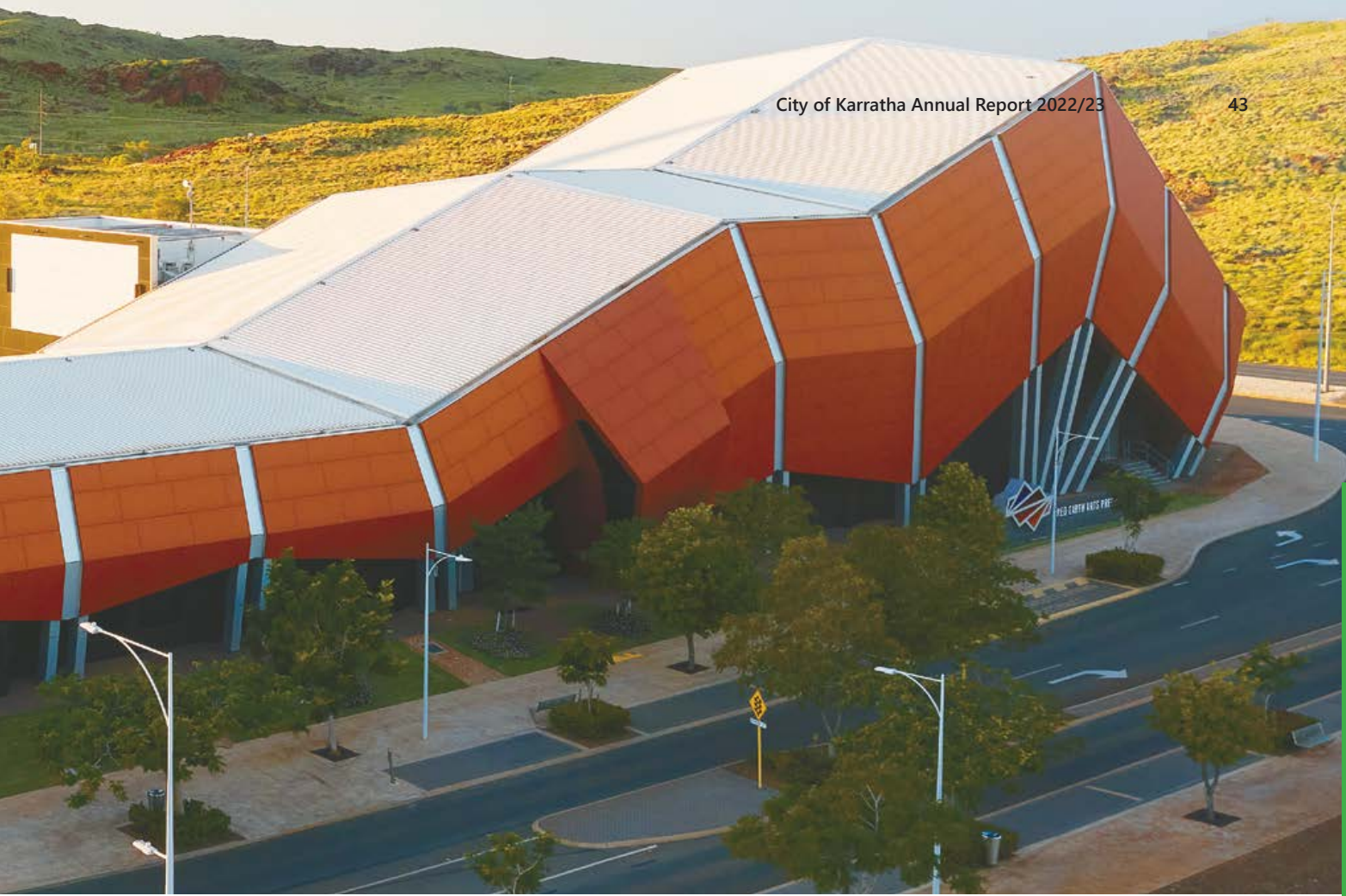
- Bushfire mitigation works in partnership with the Department of Fire and Emergency Services and Murujuga Aboriginal Corporation.
- 40% of Karratha Airport facility power requirements provided by solar.

### 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 26<sup>th</sup> 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.



### Resource industry growth

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.

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.

### Housing

Access to affordable housing, remains one of the most critical issues facing residents in the City of Karratha and a significant factor in achieving the City's vision of becoming Australia's most liveable regional city. Every year the City conducts a Community Survey, with residents continually highlighting housing costs as the biggest factors impacting their ability to live and remain in Karratha.

In 2022/23 the City progressed several initiatives aimed at improving the availability and affordability of housing in the district. The City delivered a dedicated service worker accommodation program including purchasing and refurbishing 30 of the Shakespeare Street Units, continued to progress plans for the Walgu Development and delivering a joint venture with GBSC Yurra for the construction of nine houses. We also finalised Scheme Amendment 56, providing the base for additional housing to be developed in Bulgarra.



*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.*



SECTION 3

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# 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







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.dlgsc.wa.gov.au](http://www.dlgsc.wa.gov.au).

- 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.
- A total of nine policies were reviewed over the 2022/23 period influenced by changes in direction by Council or legislative changes.

For the 2022 calendar year, the City obtained a compliance rate on 91.5%. Areas of non-compliance included recent legislative updates requiring publications on our website that were not addressed in time or minor misdemeanours related to delegations, interest non-disclosure by an employee, and audits not being completed in a timely manner.

#### 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 21<sup>st</sup> 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	25/07/2022	Chambers	Y	3	
Ordinary Council Meeting	22/08/2022	Chambers	Y	5	
Ordinary Council Meeting	19/09/2022	Chambers	Y	2	
Ordinary Council Meeting	24/10/2022	Chambers	Y	2	
Ordinary Council Meeting	21/11/2022	Chambers	Y	4	
Ordinary Council Meeting	12/12/2022	Chambers	Y	0	
Ordinary Council Meeting	30/01/2023	Chambers	Y	7	
Ordinary Council Meeting	27/02/2023	Chambers	Y	6	
Ordinary Council Meeting	27/03/2023	Chambers	Y	0	
Ordinary Council Meeting	26/04/2023	Chambers	Y	2	
Ordinary Council Meeting	29/05/2023	Chambers	Y	1	
Ordinary Council Meeting	30/06/2023	Chambers	Y	1	
<b>Totals</b>				<b>33</b>	
Special Council Meeting	22/05/2023	Chambers	N/A	0	
Electors' Meeting 2021-22	31/07/2023	Chambers	N/A	0	
<b>Totals</b>				<b>0</b>	



	CR BAILEY	CR BERTLING	CR FURLONG	CR GILLAM	CR HARRIS	CR LONG	CR MILLER	CR McNAUGHT	CR NUNN	CR SCOTT	CR WATERSTROM MULLER	TOTAL NUMBER OF COUNCILLORS IN ATTENDANCE
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	10
	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	10
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	10
	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	10
	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	✓	10
	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
	✓	✓	✓	✓	✓	X	X	✓	✓	✓	✓	9
	✓	✓	X	✓	✓	X	✓	✓	✓	✓	✓	9
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
	11	12	11	12	12	10	11	11	11	10	11	
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
	✓	X	✓	✓	✓	X	✓	✓	✓	✓	✓	9
	1	0	1	1	1	0	1	1	1	1	1	



	Name	Date	Term	Term Expires
<b>Elections</b>	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
<b>Resignations</b>				
<b>Retirement</b>				
<b>Councillors</b>	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



## 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: 2

## 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 2022/23.



Youth Week 2023

### 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	13	\$354,320
Small Community Grants	41	\$125,476
Computers for Communities	9	N/A
Major Event Sponsorship and Attraction Program	2	\$232,000
Take Your Business Online Grants	26	\$93,000

### 3.3 Corporate Governance

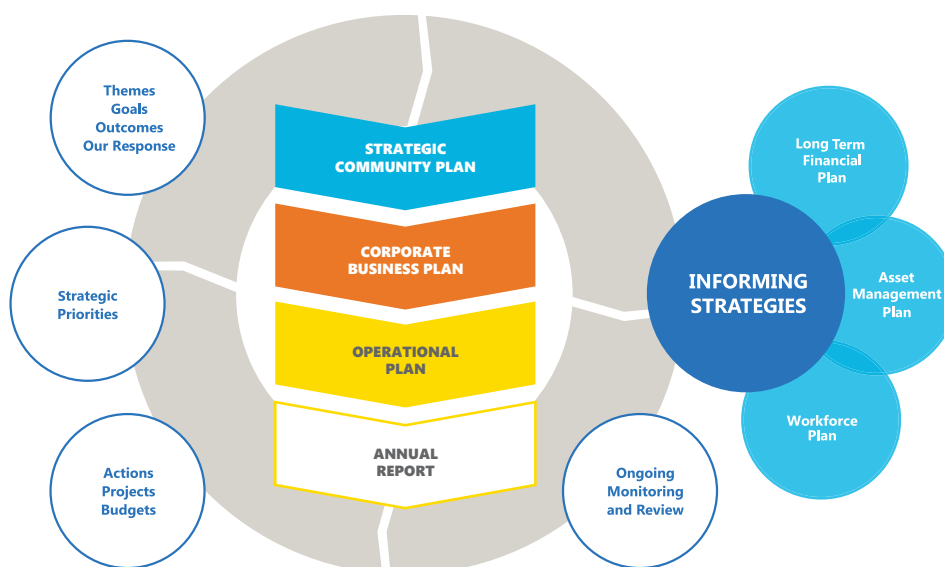
*Corporate governance is the framework that serves as a control for the decision-making of local governments. This system ensures that the decisions made by Council are informed, transparent and balanced.*

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 2022-2023



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				
OFFICE OF THE CEO	DIRECTOR CORPORATE SERVICES	DIRECTOR STRATEGIC PROJECTS AND INFRASTRUCTURE SERVICES	DIRECTOR COMMUNITY SERVICES	DIRECTOR DEVELOPMENT SERVICES
Manager Human Resources Manager Marketing and Communications Manager Corporate Development	Manager Financial Services/CFO Manager Governance and Organisational Strategy Manager Information Services	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.



### Virginia Miltrup

*Masters, Leadership & Management,  
Bachelor of Commerce,  
Chief Executive Officer, Appointed: October, 2022*

Virginia is an experienced Executive and Company Director with expertise in supporting businesses to adapt to change. She has a passion for bringing customer-centric thinking to the improvement of business performance.

Virginia is the Chief Executive Officer of the City of Karratha, having previously served as the Executive Director, Community & Business Services at the City of Vincent. She has lead Strategy, Corporate Services and Operational teams across the public and private sectors.

She has also led transformative programs at the CBH Group, Synergy, Unisys and Thomson Reuters.

She holds a Masters of Leadership and Management, Bachelor of Commerce, and a Graduate Diploma from the Australian Institute of Company Directors.

Virginia is the Chair of 100 Women and Mosaic Community Care.



### 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.



### Lee Reddell

*Bachelor of Arts  
Post Graduate Diploma Urban Planning  
Director Development Services  
Appointed: July, 2022*

Lee is a qualified town planner with over 16 years' experience working across local government and private consultancy in Western Australia and Victoria. Prior to joining the City of Karratha, Lee held leadership positions in both metropolitan and regional local governments including the City of Cockburn, Shire of Ashburton and the City of Busselton and has a broad range of experience across development issues. Raised in the Goldfields, Lee is conscious of issues faced by regional communities, particularly those around the resources industry. Lee has been an executive committee member for the Local Government Professionals (Pilbara Kimberley and South West branches) for a number of years, advocating for continuous improvement in the local government sector.



### 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 Freeman John Lally

## 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 491 staff members, working across four directorates and based in 16 locations, as well as 4 completely remote workers.



**281** Full Time Equivalent



**234** Full Time



**81** Part Time

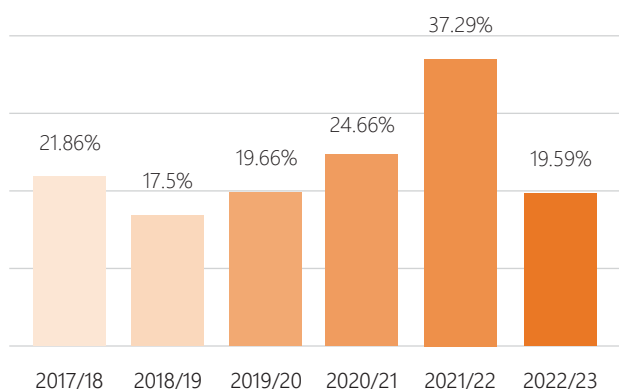


**176** Casual

## Employee turnover rate

Employee turnover rate for the 2022/23 financial year has decreased by 19.59 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	2022-23
\$100,000 - \$109,999	15
\$110,000 - \$119,999	3
\$120,000 - \$129,999	1
\$130,000 - \$139,999	0
\$140,000 - \$149,999	2
\$150,000 - \$159,999	2
\$160,000 - \$169,999	1
\$170,000 - \$179,999	1
\$180,000 - \$189,999	3
\$190,000 - \$199,999	1
\$200,000 - \$209,999	0
\$210,000 - \$219,999	0
\$220,000 - \$229,999	1
\$230,000 - \$239,999	1
\$240,000 - \$249,999	0
\$250,000 - \$259,999	1
\$300,000 - \$399,999	1



The City sponsored the Open water Swim Yara Burrup Classic

### Employee diversification statistics



#### Female Workforce

67.4% for Female Workforce



#### Mature Employees

11% for Mature employees



#### Aboriginal and Torres Strait Islander Australians

4.68% for Aboriginal and Torres Strait Islander Australians



#### Young People

19.9% 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 2022-23 the City provided seven 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 2022/23, the human resource team undertook 174 recruitment processes across all levels of the organisation.

### Workplace occupational safety and health

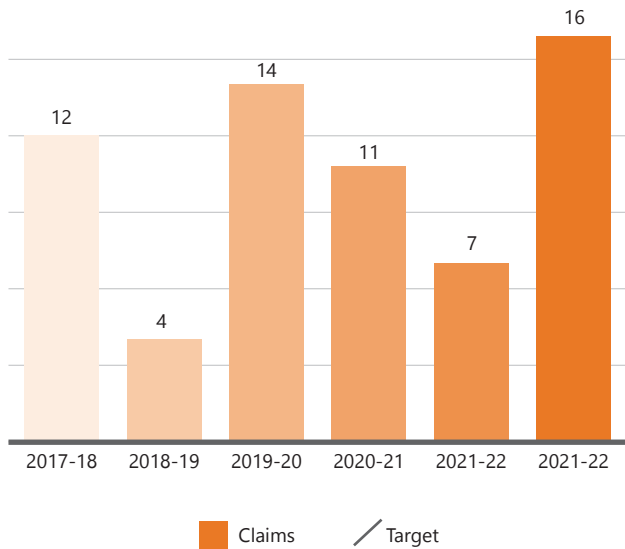
The City of Karratha has made a commitment to provide employees a safe working environment.

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 16 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.

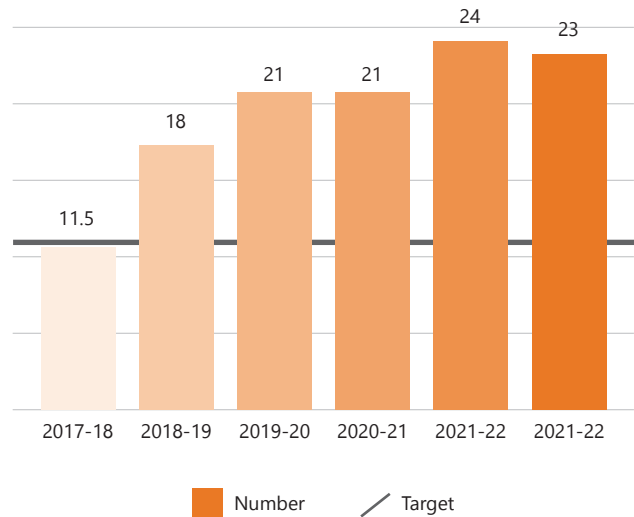
### Number of workers compensation claims per annum

Please note the target is 0



### Number of Indigenous staff employed

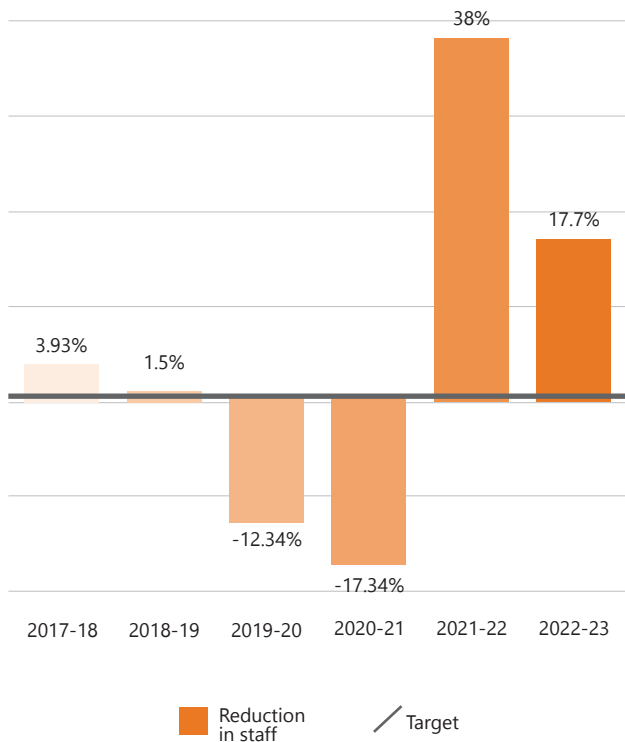
Please note the target is 12



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



### 2022/23 highlights



**168** work place inspections across City facilities



**145** employees undertook a skin screen



**70** employees completed a health risk assessment

87 staff left the organisation in 2022/23, making a total turnover figure of 17.7%. Increased demand for employees across the district continues with the cost of living continuing to rise. This 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 2022/23 financial year at the City of Karratha, no complaints against elected members 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 2022/2023 financial year, six FOI applications were received. Two applications were settled within the statutory 45-day period, two applicants chose not to proceed with their FOIs and two requests were dealt with outside of the FOI process.

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](http://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

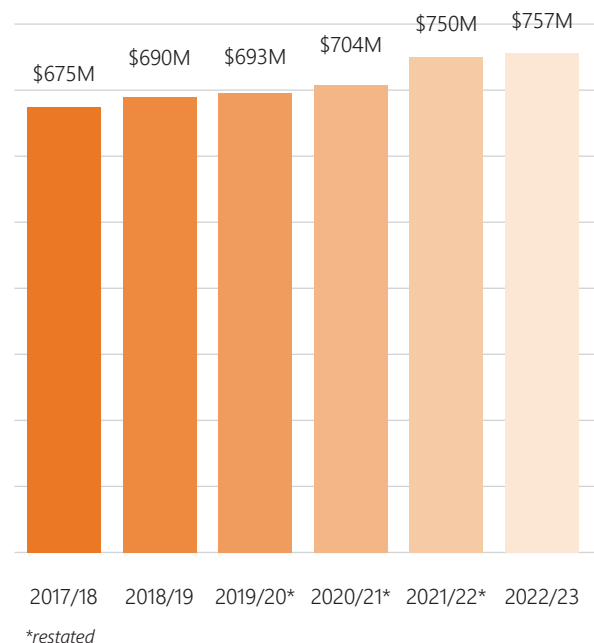
The City of Karratha manages an asset portfolio of more than \$650m and has extensive management policies in place to ensure best results for the community.

#### 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. The next review will take place in 2024.

#### 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 four elected members. During 2022/23 Mayor Peter Long held the position of Chair.

The Audit and Organisational Risk Committee met twice in the last financial year on March 23, 2023 and 19 June, 2023. One other meeting was scheduled in November 2022 that was pending the receipt of the interim and annual financial audits that had not been received by the City until 25 May 2023.

### 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 2022/23 financial year, the OAG identified one Emphasis of Matter related to the restatement of comparative figures where the 30 June 2022 figures were restated. Two significant matters were noted regarding the fixed asset register and reconciliations for the reserve bank. Three moderate findings were noted for the incorrect capitalisation date applied to some fixed assets and two applied to internal controls associated with access to financial systems and operations network and security management. Two significant, one moderate and three minor risks are being actioned from past audits.



City of Karratha Christmas Lights Competition

## 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 14 tenders and 46 formal requests for quotation during 2022/23.

Significant contracts awarded included:

- Supply and Laying of Concrete (\$8.25m over 6 years)
- City Housing Jingarri Estate – Residential Construction (\$1.59m)
- Amenity Tree Pruning (\$1m)
- Dampier Road Shared Footpath Stage 7 Construction (\$0.99m)
- Minor Works – Building Services (\$6m over 4 years)
- Playground Replacement (\$0.45m)

In 2022/23 the City issued 9,511 purchase orders with 44 per cent of all work allocated to local business, to the value of \$32.4 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 270 suppliers registered with the City's Tenderlink Portal for the purpose of tendering and more than 279 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.



**\$32.4 MILLION**

IN PURCHASE ORDERS  
FOR WORK ALLOCATED  
TO LOCAL BUSINESSES

## Information about trading undertakings

Regulation 19BB of the Local Government (Administration) Regulations 1996 states that we need to provide information about trading undertakings in the annual report.

In the 2022/23 financial year the City operated two trading undertakings: The Quarter, and Karratha Airport.

### The Quarter

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

	2022-2023 Actual \$	2022-2023 Budget \$
<b>Operating Revenue</b>		
Leases	\$ 2,828,944	\$ 2,802,368
Other Revenue	\$ 1,426,064	\$ 1,222,703
	<b>\$ 4,255,008</b>	<b>\$ 4,025,071</b>
<b>Operating Expenditure</b>		
Employee Costs	\$ -	\$ -
Materials & Contracts	-\$ 993,498	-\$ 755,158
Utilities	-\$ 372,338	-\$ 309,471
Insurance	-\$ 99,553	-\$ 99,554
Other Expenditure	-\$ 163,519	-\$ 163,519
	<b>-\$ 1,628,908</b>	<b>-\$ 1,327,702</b>
	<b>\$ 2,626,100</b>	<b>\$ 2,697,369</b>
<b>The Quarter Gain/(Loss)</b>	<b>\$ 2,626,100</b>	<b>\$ 2,697,369</b>
<b>Current Assets</b>		
Trade and other receivables	\$ 403,078	
	<b>\$ 403,078</b>	
<b>Non-Current Assets</b>		
Land	\$ 2,300,000	
Buildings	\$ 37,000,000	
	<b>\$ 39,300,000</b>	
<b>Current Liabilities</b>		
Trade and other payables	\$ -	
	<b>\$ -</b>	
<b>Net Assets</b>	<b>\$ 39,703,078</b>	
<b>Equity</b>		
Retained Surplus	\$ 39,703,078	
<b>Total Equity</b>	<b>\$ 39,703,078</b>	

### Karratha Airport

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

	2022-2023 Actual \$	2022-2023 Budget \$
<b>Operating Revenue</b>		
Fees and Charges	\$ 23,405,489	\$ 24,847,930
Terminal Leases	\$ 375,824	\$ 372,374
Grants and Contributions	\$ 1,137,432	\$ 871,521
Other Revenue	\$ 70,405	\$ 65,914
	<b>\$ 24,989,150</b>	<b>\$ 26,157,739</b>
<b>Operating Expenditure</b>		
Employee Costs	-\$ 1,773,387	-\$ 1,508,353
Materials & Contracts	-\$ 3,817,020	-\$ 3,323,019
Utilities	-\$ 1,716,213	-\$ 1,737,135
Insurance	-\$ 691,760	-\$ 662,869
Depreciation	-\$ 4,336,930	-\$ 4,491,007
Other Expenditure	-\$ 50,985	-\$ 46,284
	<b>-\$ 12,386,295</b>	<b>-\$ 11,768,667</b>
<b>Capital Revenue</b>		
Transfer to City Operations	\$ 3,055,284	\$ 102,493
	<b>\$ 3,055,284</b>	<b>\$ 102,493</b>
<b>Capital Expense</b>		
Capital Expenditure	-\$ 831,825	-\$ 1,904,554
	<b>-\$ 831,825</b>	<b>-\$ 1,904,554</b>
<b>Airport Gain/(Loss)</b>	<b>\$ 14,826,313</b>	<b>\$ 2,587,011</b>
<b>Current Assets</b>		
Trade and other receivables	\$ 2,955,912	
Reserves - Cash Backed	\$ 5,909,675	
	<b>\$ 8,865,587</b>	
<b>Non-Current Assets</b>		
Buildings	\$ 56,492,119	
Less Accumulated Depreciation	-\$ 8,551,882	
Infrastructure	\$ 107,308,224	
Less Accumulated Depreciation	-\$ 33,513,189	
Plant & Equipment	\$ 880,299	
Less Accumulated Depreciation	-\$ 393,720	
Furniture & Equipment	\$ 512,004	
Less Accumulated Depreciation	-\$ 217,553	
Artwork	\$ 147,500	
Less Accumulated Depreciation	-\$ 14,577	
	<b>\$ 122,649,226</b>	
<b>Current Liabilities</b>		
Trade and other payables	\$ 918,057	
	<b>\$ 918,057</b>	
<b>Net Assets</b>	<b>\$ 130,596,756</b>	
<b>Equity</b>		
Reserves - cash backed	\$ 5,909,675	
Retained Surplus	\$ 124,687,081	
<b>Total Equity</b>	<b>\$ 130,596,756</b>	

### Information about land transactions

Regulation 19BC of the Local Government (Administration) Regulations 1996 states that we need to provide information about land transactions in the annual report.

In the 2022/23 financial year no major land transactions occurred.

### Fees, expenses or allowances for the 2022/23 financial year

Elected Member	Mayor & Deputy Mayor Allowance	Meeting Attendance Fees	ICT Allowance	Travel and Accommodation Expenses	Other Approved Expenses	Total
Mayor - Cr Peter Long	\$ 89,753	\$ 47,516	\$ 3,500	\$ 2,312	\$ 417	\$ 143,498
Deputy Mayor - Cr Kelly Nunn	\$ 24,308	\$ 34,318	\$ 3,792	\$ 4,390	\$ 417	\$ 67,225
Cr Garry Bailey	\$ -	\$ 31,678	\$ 3,500	\$ 2,131	\$ 45	\$ 37,354
Cr Margaret Bertling	\$ -	\$ 31,678	\$ 3,500	\$ -	\$ 417	\$ 35,595
Cr Jamie Armstrong (retired)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cr Daniel Scott	\$ -	\$ 31,678	\$ 3,500	\$ -	\$ 417	\$ 35,595
Cr Evette Smeathers (retired)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cr Daiva Gillam (elected 17/10/2021)	\$ -	\$ 31,678	\$ 3,500	\$ -	\$ -	\$ 35,178
Cr Pablo Miller	\$ -	\$ 31,678	\$ 3,500	\$ -	\$ 417	\$ 35,595
Cr Travis McNaught (elected 16/10/2021)	\$ -	\$ 31,678	\$ 3,500	\$ -	\$ -	\$ 35,178
Cr Joanne Waterstrom-Muller	\$ -	\$ 31,678	\$ 3,500	\$ -	\$ 417	\$ 35,595
Cr Geoffrey Harris	\$ -	\$ 31,678	\$ 3,500	\$ -	\$ 417	\$ 35,595
Cr Gillian Furlong (elected 16/10/2021)	\$ -	\$ 31,678	\$ 3,500	\$ 1,295	\$ -	\$ 36,473

### Capital Grants for the Renewal of Assets

Income from capital grants, subsidies and contributions.

	2023 Actual \$	2022 Actual \$	2021 Actual \$
Law, order, public safety	-	14,324	-
Housing	-	500,000	-
Community amenities	-	338,303	70,000
Recreation and culture	674,071	1,461,698	1,789,467
Transport	2,148,793	827,334	2,864,870
	<b>2,822,864</b>	<b>3,141,659</b>	<b>4,724,337</b>



## SECTION 4

# FINANCE

The final section of this report outlines the City of Karratha's finances for 2022/23 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 2023**

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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 2023**


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

**STATEMENT BY CEO**

The accompanying financial report of the City of Karratha has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 30 day of April 2024



Chief Executive Officer

Virginia Miltrup

Name of Chief Executive Officer



**CITY OF KARRATHA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual	2023 Budget	Restated * 2022 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),27	49,061,054	48,462,680	45,601,161
Grants, subsidies and contributions	2(a)	16,800,058	17,340,943	13,055,738
Fees and charges	2(a)	53,596,090	49,589,580	46,281,698
Interest revenue	2(a)	3,673,354	2,499,083	1,191,500
Other revenue	2(a)	1,458,989	855,117	2,044,123
		124,589,545	118,747,403	108,174,220
<b>Expenses</b>				
Employee costs	2(b)	(38,920,864)	(39,789,913)	(36,634,734)
Materials and contracts		(31,418,003)	(32,376,754)	(31,201,210)
Utility charges		(6,354,674)	(6,141,090)	(6,799,911)
Depreciation		(27,394,053)	(21,597,922)	(20,721,518)
Finance costs	2(b)	(118,838)	(130,735)	(72,201)
Insurance		(3,313,238)	(2,741,850)	(2,388,056)
Other expenditure	2(b)	(1,930,745)	(11,964,323)	(3,133,537)
		(109,450,415)	(114,742,587)	(100,951,167)
		15,139,130	4,004,816	7,223,053
Capital grants, subsidies and contributions	2(a)	2,822,864	5,903,824	3,141,659
Profit on asset disposals		519,054	864,000	42,554
Profit on disposal of land held for sale		0	0	680,608
Loss on asset disposals		(1,528,097)	(56,000)	(271,217)
Fair value adjustments to investment property	12	4,174,392	0	3,547,229
		5,988,213	6,711,824	7,140,833
<b>Net result for the period</b>	26(b)	<b>21,127,343</b>	<b>10,716,640</b>	<b>14,363,886</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	18,32	220,098	0	44,492,500
<b>Total other comprehensive income for the period</b>	18	<b>220,098</b>	<b>0</b>	<b>44,492,500</b>
<b>Total comprehensive income for the period</b>		<b>21,347,441</b>	<b>10,716,640</b>	<b>58,856,386</b>

\*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 2023**

	NOTE	2023 \$	Restated * 2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	15,536,908	18,701,445
Trade and other receivables	5	12,200,400	11,593,034
Other financial assets	4(a)	73,024,711	63,776,470
Inventories	6	2,901,664	3,079,554
Other assets	7	654,000	635,000
<b>TOTAL CURRENT ASSETS</b>		<b>104,317,683</b>	<b>97,785,503</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	0	124,258
Other financial assets	4(b)	3,955,342	3,036,156
Property, plant and equipment	8,32	303,744,458	295,400,378
Infrastructure	9,32	414,283,217	419,300,181
Right-of-use assets	11(a)	1,044,196	1,224,578
Investment property	12	39,300,000	35,125,608
<b>TOTAL NON-CURRENT ASSETS</b>	<b>32</b>	<b>762,327,213</b>	<b>754,211,159</b>
<b>TOTAL ASSETS</b>	<b>32</b>	<b>866,644,896</b>	<b>851,996,662</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	12,187,618	13,019,974
Other liabilities	14	280,000	0
Lease liabilities	11(b)	134,325	168,429
Borrowings	15	24,765	16,854
Employee related provisions	16	4,061,537	4,449,364
Other provisions	17	0	8,935,350
<b>TOTAL CURRENT LIABILITIES</b>		<b>16,688,245</b>	<b>26,589,971</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	11(b)	940,327	1,074,652
Borrowings	15	19,186	0
Employee related provisions	16	340,444	397,152
Other provisions	17	6,231,423	2,857,059
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,531,380</b>	<b>4,328,863</b>
<b>TOTAL LIABILITIES</b>		<b>24,219,625</b>	<b>30,918,834</b>
<b>NET ASSETS</b>	<b>32</b>	<b>842,425,271</b>	<b>821,077,828</b>
<b>EQUITY</b>			
Retained surplus		472,216,783	457,512,213
Reserve accounts	30	84,448,299	78,025,524
Revaluation surplus	18,32	285,760,189	285,540,091
<b>TOTAL EQUITY</b>	<b>32</b>	<b>842,425,271</b>	<b>821,077,828</b>

\*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 2023**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2021</b>		<b>447,618,294</b>	<b>73,555,556</b>	<b>241,047,591</b>	<b>762,221,441</b>
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 reserve accounts	30	13,405,526	(13,405,526)	0	0
Transfers to reserve accounts	30	(17,875,493)	17,875,493	0	0
<b>Balance as at 30 June 2022</b>		<b>457,512,213</b>	<b>78,025,523</b>	<b>290,471,856</b>	<b>826,009,592</b>
Correction of error	32	0	0	(4,931,765)	(4,931,765)
<b>Restated balance at 1 July 2022</b>		<b>457,512,213</b>	<b>78,025,523</b>	<b>285,540,091</b>	<b>821,077,827</b>
Comprehensive income for the period					
Net result for the period		21,127,343	0	0	21,127,343
Other comprehensive income for the period	18	0	0	220,098	220,098
Total comprehensive income for the period		21,127,343	0	220,098	21,347,441
Transfers from reserve accounts	30	30,848,592	(30,848,592)	0	0
Transfers to reserve accounts	30	(37,271,365)	37,271,365	0	0
<b>Balance as at 30 June 2023</b>		<b>472,216,783</b>	<b>84,448,299</b>	<b>285,760,189</b>	<b>842,425,271</b>

\*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 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		48,125,347	49,640,264	46,354,878
Grants, subsidies and contributions		14,266,725	17,340,943	12,206,395
Fees and charges		55,062,702	49,589,580	42,693,083
Interest revenue		3,673,354	2,499,083	1,191,500
Other revenue		1,458,989	855,117	2,044,123
		122,587,117	119,924,987	104,489,979
<b>Payments</b>				
Employee costs		(38,612,277)	(39,789,913)	(37,060,922)
Materials and contracts		(38,706,284)	(31,951,829)	(34,072,007)
Utility charges		(6,354,674)	(6,141,090)	(6,806,905)
Finance costs		(22,598)	(130,735)	(72,201)
Insurance paid		(3,313,238)	(2,741,850)	(2,388,056)
Goods and services tax paid		160,382	0	231,509
Other expenditure		(1,930,745)	(11,964,323)	(2,572,260)
		(88,779,434)	(92,719,740)	(82,740,842)
<b>Net cash provided by (used in) operating activities</b>	19(b)	33,807,683	27,205,247	21,749,137
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for financial assets at amortised cost - loans to clubs/institutions		(900,000)	(1,700,000)	(2,244,386)
Payments for development of land held for resale		0	(11,673)	0
Payments for financial assets at amortised cost - self supporting loans		(50,000)	15,402	0
Payments for purchase of property, plant & equipment		(15,350,610)	(34,530,497)	(15,490,300)
Payments for construction of infrastructure		(17,054,113)	(25,635,831)	(3,663,824)
Payments for investment property	12	0	0	(278,379)
Capital grants, subsidies and contributions		2,822,864	5,903,824	3,141,659
Placements for financial assets at amortised cost		(11,597,825)	63,758,469	(47,208,417)
Proceeds from financial assets at amortised cost - self supporting loans		24,765	0	16,454
Proceeds for loans financial assets at amortised cost - loans to clubs/institutions		0	0	552
Adjustments to fair value of investment property		4,174,392	0	0
Proceeds from sale of land held for resale		0	0	1,268,410
Proceeds from sale of property, plant & equipment		1,099,639	2,951,050	684,932
<b>Net cash provided by (used in) investing activities</b>		(36,830,888)	10,750,744	(63,773,299)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	29(a)	(22,903)	(16,854)	(16,415)
Payments for principal portion of lease liabilities	29(c)	(168,429)	(152,829)	(129,806)
Proceeds from new borrowings	29(b)	50,000	16,000,000	0
<b>Net cash provided by (used in) financing activities</b>		(141,332)	15,830,317	(146,221)
<b>Net increase (decrease) in cash held</b>		(3,164,537)	53,786,308	(42,170,383)
Cash at beginning of year		18,701,445	12,346,981	60,871,828
<b>Cash and cash equivalents at the end of the year</b>	19(a)	15,536,908	66,133,289	18,701,445

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



**CITY OF KARRATHA**  
**STATEMENT OF FINANCIAL ACTIVITY**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
Restricted surplus brought forward - Pilbara Underground Power	28	124,258	124,258	248,516
Unrestricted surplus brought forward		4,745,519	1,342,416	452,221
<b>NET CURRENT ASSETS - At start of financial year - surplus/(deficit)</b>		<b>4,869,777</b>	<b>1,466,674</b>	<b>700,737</b>
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities (excluding general rate)</b>				
Rates excluding general rates	27	57,250	54,922	54,922
Grants, subsidies and contributions		16,800,058	17,340,943	13,055,738
Fees and charges		53,596,090	49,589,580	46,281,698
Interest revenue		3,673,354	2,499,083	1,191,500
Other revenue		1,458,989	855,117	2,044,123
Profit on asset disposals		519,054	864,000	723,162
Fair value adjustments to investment property	12	4,174,392	0	3,547,229
		80,279,187	71,203,645	66,898,372
<b>Expenditure from operating activities</b>				
Employee costs		(38,920,864)	(39,789,913)	(36,634,734)
Materials and contracts		(31,418,003)	(32,376,754)	(31,201,210)
Utility charges		(6,354,674)	(6,141,090)	(6,799,911)
Depreciation		(27,394,053)	(21,597,922)	(20,721,518)
Finance costs		(118,838)	(130,735)	(72,201)
Insurance		(3,313,238)	(2,741,850)	(2,388,056)
Other expenditure		(1,930,745)	(11,964,323)	(3,133,537)
Loss on asset disposals		(1,528,097)	(56,000)	(271,217)
		(110,978,512)	(114,798,587)	(101,222,384)
Non-cash amounts excluded from operating activities	28(a)	23,344,482	20,789,922	14,128,435
<b>Amount attributable to operating activities</b>		<b>(7,354,843)</b>	<b>(22,805,020)</b>	<b>(20,195,577)</b>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		2,822,864	5,903,824	3,141,659
Proceeds from disposal of assets		1,099,639	2,951,050	1,953,342
Proceeds from financial assets at amortised cost - self supporting loans	15	24,765	15,402	16,454
Payments for financial assets at amortised cost - loans to clubs/institutions		(900,000)	0	(2,244,386)
		3,047,268	8,870,276	2,867,069
<b>Outflows from investing activities</b>				
Payments for land held for resale		0	(11,673)	0
Payments for property, plant and equipment	8(a)	(18,369,555)	(34,530,497)	(15,490,300)
Payments for construction of infrastructure	9(a)	(23,083,053)	(25,635,831)	(3,663,824)
Purchase of investment property	12	0	0	(278,379)
Payments for financial assets at amortised cost - self supporting loans		(50,000)	0	0
Payments for loans receivable - clubs/institutions		0	(1,700,000)	0
		(41,502,608)	(61,878,001)	(19,432,503)
Non-cash amounts excluded from investing activities	28(b)	2,813,333	0	0
<b>Amount attributable to investing activities</b>		<b>(35,642,007)</b>	<b>(53,007,725)</b>	<b>(16,565,434)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from borrowings	29(a)	50,000	16,000,000	0
Transfers from reserve accounts	30	30,848,592	42,879,829	13,405,526
		30,898,592	58,879,829	13,405,526
<b>Outflows from financing activities</b>				
Repayment of borrowings	29(a)	(22,903)	(16,854)	(16,415)
Payments for principal portion of lease liabilities	29(c)	(168,429)	(152,829)	(129,806)
Transfers to reserve accounts	30	(37,271,365)	(32,725,087)	(17,875,493)
		(37,462,697)	(32,894,770)	(18,021,714)
<b>Amount attributable to financing activities</b>		<b>(6,564,105)</b>	<b>25,985,059</b>	<b>(4,616,188)</b>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	28(c)	<b>4,745,520</b>	<b>1,466,674</b>	<b>700,737</b>
Amount attributable to operating activities		(7,354,843)	(22,805,020)	(20,195,577)
Amount attributable to investing activities		(35,642,007)	(53,007,725)	(16,565,434)
Amount attributable to financing activities		(6,564,105)	25,985,059	(4,616,188)
<b>Surplus/(deficit) before imposition of general rates</b>		<b>(44,815,435)</b>	<b>(48,361,012)</b>	<b>(40,676,462)</b>
<b>Total amount raised from general rates</b>	27	<b>49,003,804</b>	<b>48,407,758</b>	<b>45,546,239</b>
Restricted surplus June 30 c/fwd - Pilbara Underground Power		62,129	0	124,258
<b>Surplus or deficit after imposition of general rates</b>	28(c)	<b>4,126,240</b>	<b>46,746</b>	<b>4,745,519</b>

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



**CITY OF KARRATHA  
FOR THE YEAR ENDED 30 JUNE 2023  
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**CITY OF KARRATHA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**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 31 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;
- long service leave provision; and
- provision for rehabilitation of landfill; and
- estimation of uncertainties made in relation to lease accounting.

**Initial application of accounting standards**

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-3 *Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- AASB 2020-6 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date*
- AASB 2021-7a *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]*
- AASB 2022-3 *Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*

These amendments have no material impact on the current annual financial report

**New accounting standards for application in future years**

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

- AASB 2014-10 *Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture;*
- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current;*
- AASB 2021-2 *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*  
(This standard will result in a terminology change for significant accounting policies);
- AASB 2021-7c *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply];*
- AASB 2022-5 *Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback;*
- AASB 2022-6 *Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants;*
- AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards;* and
- AASB 2022-10 *Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*  
(The amendment may result in changes to the fair value of non-financial assets - The impact is yet to be quantified).

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2. REVENUE AND EXPENSES**

**(a) Revenue**

**Contracts with customers**

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	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
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

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

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
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
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

**CITY OF KARRATHA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

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
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

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

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

**Revenue Recognition**

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

**For the year ended 30 June 2023**

<b>Nature</b>	<b>Contracts with customers</b>	<b>Capital grant/contributions</b>	<b>Statutory Requirements</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates	0	0	49,003,804	57,250	49,061,054
Grants, subsidies and contributions	0	0	16,800,058	0	16,800,058
Fees and charges	53,596,090	0	0	0	53,596,090
Interest revenue	0	0	370,176	3,303,178	3,673,354
Other revenue	0	0	0	1,458,989	1,458,989
Capital grants, subsidies and contributions	0	2,822,864	0	0	2,822,864
<b>Total</b>	<b>53,596,090</b>	<b>2,822,864</b>	<b>66,174,038</b>	<b>4,819,417</b>	<b>127,412,409</b>

**For the year ended 30 June 2022**

<b>Nature</b>	<b>Contracts with customers</b>	<b>Capital grant/contributions</b>	<b>Statutory Requirements</b>	<b>Other</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates	0	0	45,546,239	54,922	45,601,161
Grants, subsidies and contributions	0	0	13,055,738	0	13,055,738
Fees and charges	46,281,698	0	0	0	46,281,698
Interest revenue	0	0	255,980	935,520	1,191,500
Other revenue	0	0	0	2,044,123	2,044,123
Capital grants, subsidies and contributions	0	3,141,659	0	0	3,141,659
<b>Total</b>	<b>46,281,698</b>	<b>3,141,659</b>	<b>58,857,957</b>	<b>3,034,565</b>	<b>111,315,879</b>

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2. REVENUE AND EXPENSES (Continued)**

**(a) Revenue (Continued)**

<b>Note</b>	<b>2023 Actual \$</b>	<b>2022 Actual \$</b>
<b>Assets and services acquired below fair value</b>		
Contributed assets	2,813,333	0
	2,813,333	0
<b>Interest revenue</b>		
Financial assets at amortised cost - self supporting loans	1,407	774
Interest on reserve account funds	2,364,930	786,051
Rates instalment and penalty interest	300,751	255,980
Trade and other receivables overdue interest	21,494	31,449
Other interest revenue	984,772	117,246
	3,673,354	1,191,500
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$36,000.		
<b>Fees and charges relating to rates receivable</b>		
Charges on instalment plan	60,920	154,585
The 2023 original budget estimate in relation to: Charges on instalment plan was \$60,000.		
<b>(b) Expenses</b>		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	86,000	72,060
- Other services – grant acquittals	5,150	3,500
	91,150	75,560
<b>Employee Costs</b>		
Employee benefit costs	38,148,729	36,153,621
Other employee costs	772,135	481,113
	38,920,864	36,634,734
<b>Finance costs</b>		
Waste Provisions: unwinding of discount	96,240	46,947
Borrowings	782	774
Lease liabilities	21,816	24,480
	118,838	72,201
<b>Other expenditure</b>		
Impairment losses on rates and statutory receivables	28	38,655
Impairment losses on trade and other receivables	0	561,277
Sundry expenses	1,930,717	2,533,605
	1,930,745	3,133,537

**CITY OF KARRATHA**  
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**3. CASH AND CASH EQUIVALENTS**

Note	2023	2022
	\$	\$
Cash at bank and on hand	15,536,908	13,693,431
Term deposits	0	5,008,014
<b>Total cash and cash equivalents</b>	<b>15,536,908</b>	<b>18,701,445</b>
Held as		
- Unrestricted cash and cash equivalents	3,808,609	4,436,922
- Restricted cash and cash equivalents	11,728,299	14,264,523
	<b>15,536,908</b>	<b>18,701,445</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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 reserve accounts, 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 Note23.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

**Other financial assets at amortised cost**

Self supporting loans receivable

Term deposits

Loans receivable - clubs/institutions

Held as

- Unrestricted other financial assets at amortised cost

- Restricted other financial assets at amortised cost

**(b) Non-current assets**

Financial assets at amortised cost

Financial assets at fair value through profit or loss

**Financial assets at amortised cost**

Self supporting loans receivable

Loans receivable - clubs/institutions

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

Units in Local Government House Trust - opening balance

Units in Local Government House Trust - closing balance

	2023	2022
	\$	\$
	73,024,711	63,776,470
	73,024,711	63,776,470
	24,711	15,470
	73,000,000	63,758,469
	0	2,531
	73,024,711	63,776,470
	24,711	15,470
	73,000,000	63,761,000
	73,024,711	63,776,470
	3,819,186	2,900,000
	136,156	136,156
	3,955,342	3,036,156
	19,186	0
	3,800,000	2,900,000
	3,819,186	2,900,000
	136,156	136,156
	136,156	136,156

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 29(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

**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 25 (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 or loss**

The City has elected to classify the following financial assets at fair value through profit or 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 elected to recognise as fair value gains and losses through profit or loss.

**Impairment and risk**

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

**CITY OF KARRATHA**  
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**5. TRADE AND OTHER RECEIVABLES**

	Note	2023	2022
		\$	\$
<b>Current</b>			
Rates and statutory receivables		2,076,385	1,144,144
Trade receivables		7,060,294	6,891,507
Other receivables		609,110	0
GST receivable		88,345	248,727
Allowance for credit losses of rates and statutory receivables		(43,201)	(55,046)
Allowance for credit losses of trade receivables	23(b)	(1,262,907)	(1,406,094)
Accrued income		2,913,967	3,353,267
Prepayments		758,407	1,416,529
		12,200,400	11,593,034
<b>Non-current</b>			
Service Charge		0	124,258
		0	124,258

**Reconciliation of changes in the allowance for impairment of receivables**

Balance at start of period	1,461,140	2,002,015
Unused amount reversed	(155,060)	20,402
Amounts written off during the period	28	(561,277)
Balance at end of period	1,306,108	1,461,140

**Disclosure of opening and closing balances related to contracts with customers**

	Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
		\$	\$	\$
Information about receivables from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:				
Trade and other receivables from contracts with customers		10,583,371	12,034,288	9,578,074
Contract assets	7	654,000	635,000	0
Allowance for credit losses of trade receivables	5	(1,262,907)	(1,406,094)	(1,884,228)
Total trade and other receivables from contracts with customers		9,974,464	11,263,194	7,693,846

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates and statutory receivables**

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

**Trade receivables**

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations as part of the ordinary course of business.

**Other receivables**

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers including grants for the construction of recognisable non financial assets.

**Measurement**

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

**Classification and subsequent measurement**

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

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

**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.

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**6. INVENTORIES**

Note	2023	2022
	\$	\$
<b>Current</b>		
Fuel and materials	604,570	507,744
Corporate Uniform	32,525	38,000
Food, drinks & merchandise Roebourne Aquatic Centre	159	45,470
Food, drinks & merchandise Indoor Play Centre	3,089	6,232
Food, drinks & merchandise Wickham Recreation Precinct	2,545	2,687
Food, drinks & merchandise Karratha Leisureplex	5,404	7,004
Food, drinks & merchandise Red Earth Arts Precinct	11,277	24,390
Food, drinks & merchandise Karratha Visitor Centre	12,124	10,124
Land held for resale		
Cost of acquisition	255,568	463,500
Development costs	2,562,206	2,562,206
Disposal costs	(587,803)	(587,803)
Impairment loss	0	0
	<b>2,901,664</b>	<b>3,079,554</b>
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	3,079,554	1,412,128
Inventories expensed during the year	(2,334,013)	(1,547,788)
Transfers from Inventory to PPE	(207,933)	0
Additions to inventory	2,364,056	3,215,214
<b>Balance at end of year</b>	<b>2,901,664</b>	<b>3,079,554</b>

**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 2023**

**7. OTHER ASSETS**

**Other assets - current**

Contract assets

<b>2023</b>	<b>2022</b>
<b>\$</b>	<b>\$</b>
654,000	635,000
<b>654,000</b>	<b>635,000</b>

**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 23(b).

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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 not subject to operating lease	Total land and buildings	Furniture and equipment	Plant	Equipment	Artwork & sculptures	Work in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	10,723,980	216,198,025	226,922,005	226,922,005	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	1,301,302	690,568	1,779,160	150,845	0	11,568,425	15,490,300
Disposals	0	(76,475)	(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	42,922,430	0	0	0	0	0	42,922,430
Depreciation	10(a)	0	(5,285,446)	(5,285,446)	(820,355)	(1,369,609)	(240,502)	(47,116)	0	(7,763,028)
Correction of prior period error	32	0	(5,123,269)	(5,123,269)	0	0	0	0	0	(5,123,269)
<b>Balance at 30 June 2022</b>	16,588,850	249,194,966	265,783,816	265,783,816	3,249,298	10,715,249	671,668	2,185,314	12,795,033	295,400,378
<b>Comprises:</b>										
Gross balance amount at 30 June 2022	16,588,850	249,194,966	265,783,816	265,783,816	5,229,909	13,702,392	1,161,285	2,357,620	12,795,033	301,030,055
Accumulated depreciation at 30 June 2022	0	0	0	0	(1,980,611)	(2,987,143)	(489,617)	(172,306)	0	(5,629,677)
<b>Balance at 30 June 2022</b>	16,588,850	249,194,966	265,783,816	265,783,816	3,249,298	10,715,249	671,668	2,185,314	12,795,033	295,400,378
Additions*	384,759	15,516,234	15,900,993	15,900,993	314,977	1,182,756	17,224	7,492	2,226,996	19,650,438
Disposals	0	(387,278)	(387,278)	(387,278)	(3,845)	(243,077)	(3,986)	0	(271,623)	(909,809)
Revaluation increments / (decrements) transferred to revaluation surplus	2,257,308	(2,037,210)	220,098	220,098	0	0	0	0	0	220,098
Transfers from Inventory	207,933	0	207,933	207,933	0	0	0	0	0	207,933
Depreciation	10(a)	0	(8,727,472)	(8,727,472)	(696,607)	(1,529,567)	(282,281)	(45,255)	0	(11,281,182)
Transfers	1,729,631	8,452,010	10,181,641	10,181,641	187,988	0	4,111	93,868	(10,011,006)	456,602
<b>Balance at 30 June 2023</b>	21,168,481	262,011,250	283,179,731	283,179,731	3,051,811	10,125,361	406,736	2,241,419	4,739,400	303,744,458
<b>Comprises:</b>										
Gross balance amount at 30 June 2023	21,168,481	277,722,691	298,891,172	298,891,172	5,717,848	14,505,800	1,171,806	2,458,386	4,739,400	327,484,412
Accumulated depreciation at 30 June 2023	0	(15,711,441)	(15,711,441)	(15,711,441)	(2,666,037)	(4,380,439)	(765,070)	(216,967)	0	(23,739,954)
<b>Balance at 30 June 2023</b>	21,168,481	262,011,250	283,179,731	283,179,731	3,051,811	10,125,361	406,736	2,241,419	4,739,400	303,744,458

\* Asset additions included additions received at substantially less than fair value:

During the year ended 30 June 2023

\* Asset disposals include transfers of

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**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Value Measurements**

(i) Fair Value						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

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**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
<b>Balance at 1 July 2021</b>		\$ 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/(Disposals)		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)
Correction of prior period error	32	0	0	0	200,704	(9,200)	0	0	0	191,504
<b>Balance at 30 June 2022</b>		206,374,441	35,878,791	25,166,727	56,281,091	76,685,466	8,831,951	7,577,693	2,504,021	419,300,181
<b>Comprises:</b>										
Gross balance at 30 June 2022		206,374,441	35,878,791	25,166,727	56,281,091	76,685,466	8,831,951	7,577,693	3,338,695	420,134,855
Accumulated depreciation at 30 June 2022		0	0	0	0	0	0	0	(834,674)	(834,674)
<b>Balance at 30 June 2022</b>		206,374,441	35,878,791	25,166,727	56,281,091	76,685,466	8,831,951	7,577,693	2,504,021	419,300,181
<b>Restated balance at 1 July 2022</b>		206,374,441	35,878,791	25,166,727	56,281,091	76,685,466	8,831,951	7,577,693	2,504,021	419,300,181
<b>Additions*</b>		6,449,778	543,174	1,062,086	1,571,833	172,060	0	806,480	3,278,124	13,883,535
(Disposals)		(1,181,732)	(112,496)	(86,439)	(108,460)	0	0	(1,022,282)	0	(2,511,409)
Depreciation	10(a)	(6,680,404)	(945,833)	(590,200)	(3,375,237)	(2,649,612)	(1,273,865)	0	(417,337)	(15,932,488)
Transfers		719,192	910,881	443,456	3,187,505	755,131	195,924	(6,668,691)	0	(456,602)
<b>Balance at 30 June 2023</b>		205,681,275	36,274,517	25,995,630	57,556,732	74,963,045	7,754,010	693,200	5,364,808	414,283,217
<b>Comprises:</b>										
Gross balance at 30 June 2023		212,361,321	37,220,351	26,585,830	60,931,968	77,612,657	9,027,874	693,200	5,782,145	430,215,346
Accumulated depreciation at 30 June 2023		(6,680,046)	(945,834)	(590,200)	(3,375,236)	(2,649,612)	(1,273,864)	0	(417,337)	(15,932,129)
<b>Balance at 30 June 2023</b>		205,681,275	36,274,517	25,995,630	57,556,732	74,963,045	7,754,010	693,200	5,364,808	414,283,217
* Asset additions included additions received at substantially less than fair value:										
During the year ended 30 June 2023		1,438,594	277,367	42,804	0	0	0	0	0	1,758,765
* Asset disposals include transfers		0	0	0	0	0	0	9,199,518	0	9,199,518

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**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Value Measurements**

<b>(i) Fair Value</b>	<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of Valuation</b>	<b>Date of Last Valuation</b>	<b>Inputs Used</b>
	<b>Infrastructure - Roads</b>	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
	<b>Infrastructure - Footpaths</b>	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
	<b>Infrastructure - Drainage</b>	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
	<b>Infrastructure - Parks, Recreation and C</b>	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
	<b>Infrastructure - Aerodromes</b>	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
	<b>Infrastructure - Miscellaneous Structures</b>	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
	<b>Landfill Post Closure Asset</b>	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.

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**10. FIXED ASSETS**

**(a) Depreciation**

	Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
Buildings	8(a)	8,727,473	5,315,596	5,285,446
Furniture and equipment	8(a)	696,607	829,000	820,355
Plant	8(a)	1,529,567	1,366,582	1,369,609
Equipment	8(a)	282,281	238,337	240,502
Artwork & Sculptures	8(a)	45,255	47,374	47,116
Infrastructure - Roads	9(a)	6,680,404	12,203,097	4,980,033
Infrastructure - Footpaths	9(a)	945,833	0	791,014
Infrastructure - Drainage	9(a)	590,200	0	325,324
Infrastructure - Parks, Recreation and Open Space	9(a)	3,375,237	0	3,760,345
Infrastructure - Aerodromes	9(a)	2,649,612	0	2,071,128
Infrastructure - Miscellaneous Structures	9(a)	1,273,865	0	432,090
Landfill Post Closure Asset	9(a)	417,337	1,443,634	417,337
Right-of-use assets - Buildings	11(a)	180,382	154,302	181,219
		27,394,053	21,597,922	20,721,518

**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)

**Revision of useful lives of plant and equipment**

The useful lives of plant and equipment are reviewed annually in consideration of management judgements, estimates and assumptions, and the Australian Accounting Standards.

**(b) Fully Depreciated Assets in Use**

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

	2023 \$	2022 \$
Furniture and equipment	980,107	592,605
Equipment	8,420	8,420
Infrastructure - Roads	40,439	0
Infrastructure - Footpaths	25	0
Infrastructure - Drainage	1,536	0
	1,030,527	601,025

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**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 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.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, 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 City's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair. They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

**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 consistent with *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 asset classes 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.

**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.
- (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).

**Impairment**

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 or losses on disposal**

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.

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**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.

	<b>Note</b>	<b>Right-of-use assets</b>	<b>Right-of-use assets Total</b>
		<b>\$</b>	<b>\$</b>
Depreciation		(181,219)	(181,219)
<b>Balance at 30 June 2022</b>		<b>1,224,578</b>	<b>1,224,578</b>
Gross balance amount at 30 June 2022		1,405,797	1,405,797
Reclassification		132,695	132,695
Restated gross balance amount at 30 June 2022		1,538,492	1,538,492
Accumulated depreciation at 30 June 2022		(181,219)	(181,219)
Reclassification		(132,695)	(132,695)
Restated accumulated depreciation at 30 June 2022		(313,914)	(313,914)
<b>Balance at 30 June 2022</b>		<b>1,224,578</b>	<b>1,224,578</b>
Depreciation		(180,382)	(180,382)
<b>Balance at 30 June 2023</b>		<b>1,044,196</b>	<b>1,044,196</b>
Gross balance amount at 30 June 2023		1,538,492	1,538,492
Accumulated depreciation at 30 June 2023		(494,296)	(494,296)
<b>Balance at 30 June 2023</b>		<b>1,044,196</b>	<b>1,044,196</b>

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

		<b>2023 Actual</b>	<b>2022 Actual</b>
		<b>\$</b>	<b>\$</b>
Depreciation on right-of-use assets		(180,382)	(181,219)
Finance charge on lease liabilities	29(c)	(21,816)	(24,480)
<b>Total amount recognised in the statement of comprehensive income</b>		<b>(202,198)</b>	<b>(205,699)</b>
Total cash outflow from leases		(190,245)	(154,286)
<b>(b) Lease Liabilities</b>			
Current		134,325	168,429
Non-current		940,327	1,074,652
	29(c)	<b>1,074,652</b>	<b>1,243,081</b>

**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 29(c).

**Right-of-use assets - measurement**

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised 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 depreciated over the useful life of the underlying asset.

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**12. INVESTMENT PROPERTY**

**Non-current assets - at fair value**

	<b>2023 Actual \$</b>	<b>2023 Budget \$</b>	<b>2022 Actual \$</b>
Carrying balance at 1 July	35,125,608	35,125,608	31,300,000
Acquisitions	0	0	101,670
Capitalised subsequent expenditure	0	0	176,709
Net gain from fair value adjustment	4,174,392	0	3,547,229
Closing balance at 30 June	39,300,000	35,125,608	35,125,608

**Amounts recognised in profit or loss for investment properties**

Rental income	4,255,008	3,732,000	3,911,156
Direct operating expenses from property that generated rental income	(1,628,908)	(1,494,053)	(2,410,097)
Fair value gain recognised in profit or loss	4,174,392	0	3,547,229

**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	2,846,366	0	2,602,907
1 to 5 years	8,287,391	0	8,295,539
> 5 years	5,369,776	0	6,416,471
	16,503,533	0	17,314,917

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the City is a lessor is recognised in income on a straightline basis over the lease term.

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 group 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 11 for details of leased property, plant and equipment not classified as investment property

**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 AASB140.

**Fair value of investment properties**

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

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**13. TRADE AND OTHER PAYABLES**

**Current**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Sundry creditors	3,763,672	7,156,870
Prepaid rates	568,952	572,418
Income received in advance	4,117,805	3,350,493
Accrued payroll liabilities	738,713	752,903
Other liabilities	924,543	368,043
Bonds and deposits	596,934	484,266
Accrued expenses	1,476,999	334,981
	<b>12,187,618</b>	<b>13,019,974</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

**Prepaid rates**

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

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**14. OTHER LIABILITIES**

**Current**

Contract liabilities from capital grant/contributions

<b>2023</b>	<b>2022</b>
<b>\$</b>	<b>\$</b>
280,000	0
280,000	0
<b>Reconciliation of changes in contract liabilities</b>	
Opening balance	973,681
Additions	0
Revenue from contracts with customers included as a contract liability at the start of the period	(973,681)
280,000	0

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$280,000 (2022: \$0)

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

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 by the City which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, 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 25(i)) due to the unobservable inputs, including own credit risk.

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**15. BORROWINGS**

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Long term borrowings - self supporting loans		24,765	19,186	43,951	16,854	0	16,854
<b>Total secured borrowings</b>	29(a)	24,765	19,186	43,951	16,854	0	16,854

The City of Karratha has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 years.

**SIGNIFICANT ACCOUNTING POLICIES**

**Borrowing costs**

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part 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 23(i)) due to unobservable inputs including own credit risk.

**Risk**

Details of individual borrowings required by regulations are provided at Note 29(a). Information regarding exposure to risk can be found at Note 23.

**CITY OF KARRATHA**  
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**16. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	2,629,092	2,694,123
Long service leave	1,432,445	1,755,241
	<b>4,061,537</b>	<b>4,449,364</b>
<b>Total current employee related provisions</b>	<b>4,061,537</b>	<b>4,449,364</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	340,444	397,152
	<b>340,444</b>	<b>397,152</b>
<b>Total non-current employee related provisions</b>	<b>340,444</b>	<b>397,152</b>
<b>Total employee related provisions</b>	<b>4,401,981</b>	<b>4,846,516</b>

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:

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>\$</b>	<b>\$</b>
<b>Amounts are expected to be settled on the following basis:</b>			
Less than 12 months after the reporting date		4,061,537	4,449,364
More than 12 months from reporting date		340,444	397,152
		<b>4,401,981</b>	<b>4,846,516</b>

**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.

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**17. OTHER PROVISIONS**

	<b>Make good provisions</b>	<b>Provision for remediation costs</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2022</b>			
Current provisions	0	8,935,350	8,935,350
Non-current provisions	60,000	2,797,059	2,857,059
	60,000	11,732,409	11,792,409
Additional provision	0	3,762,917	3,762,917
Reversal Upon Completion	0	(9,420,143)	(9,420,143)
Charged to profit or loss			
- unwinding of discount	0	96,240	96,240
<b>Balance at 30 June 2023</b>	60,000	6,171,423	6,231,423
<b>Comprises</b>			
Non-current	60,000	6,171,423	6,231,423
	60,000	6,171,423	6,231,423

**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 provisions**

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.

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**18. REVALUATION SURPLUS**

	2023 Opening Balance	2023 Revaluation Increment	2023 Revaluation (Decrement)	2023 Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	2022 Revaluation Increment	2022 Revaluation (Decrement)	2022 Revaluation Adjustment	2022 Total Movement on Revaluation	Restated * 2022 Closing Balance
Revaluation surplus - Land - freehold land	11,210,266	2,257,308	0	2,257,308	13,467,574	5,345,396	5,864,870	0	0	5,864,870	11,210,266
Revaluation surplus - Buildings	41,647,544	0	(2,037,210)	(2,037,210)	39,610,334	9,713,253	37,057,560	0	(5,123,269)	31,934,291	41,647,544
Revaluation surplus - Plant	19,018	0	(19,018)	(19,018)	0	19,018	0	0	0	0	19,018
Revaluation surplus - Equipment	47,248	19,018	0	19,018	66,266	47,248	0	0	0	0	47,248
Revaluation surplus - Artwork & Sculptures	47,997	0	0	0	47,997	47,997	0	0	0	0	47,997
Revaluation surplus - Infrastructure - Roads	133,235,450	0	0	0	133,235,450	147,263,789	0	(14,028,339)	0	(14,028,339)	133,235,450
Revaluation surplus - Infrastructure - Footpaths	30,323,273	0	0	0	30,323,273	35,598,190	0	(5,274,917)	0	(5,274,917)	30,323,273
Revaluation surplus - Infrastructure - Drainage	24,088,567	0	0	0	24,088,567	17,642,055	6,446,512	0	0	6,446,512	24,088,567
Revaluation surplus - Infrastructure - Parks, Recreation and Open Space	3,716,676	0	0	0	3,716,676	5,691,516	0	(2,175,544)	200,704	(1,974,840)	3,716,676
Revaluation surplus - Infrastructure - Aerodromes	37,658,426	0	0	0	37,658,426	17,215,720	20,451,906	0	(9,200)	20,442,706	37,658,426
Revaluation surplus - Infrastructure - Miscellaneous Structures	3,250,413	0	0	0	3,250,413	2,463,409	787,004	0	0	787,004	3,250,413
Revaluation surplus - Landfill Post Closure Asset	295,213	0	0	0	295,213	0	295,213	0	0	295,213	295,213
	285,540,091	2,276,326	(2,056,228)	220,098	285,760,189	241,047,591	70,903,065	(21,478,800)	(4,931,765)	44,492,500	285,540,091

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

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**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:

	<b>Note</b>	<b>2023 Actual \$</b>	<b>2022 Actual \$</b>
Cash and cash equivalents	3	15,536,908	18,701,445
<b>Restrictions</b>			
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	11,728,299	14,264,523
- Financial assets at amortised cost	4	73,000,000	63,761,000
		84,728,299	78,025,523
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	30	84,448,299	78,025,523
Contract liabilities	14	280,000	0
<b>Total restricted financial assets</b>		84,728,299	78,025,523

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

Net result		21,127,343	14,363,886
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		0	(6,994)
Adjustments to fair value of investment property		(4,174,392)	(3,547,229)
Depreciation/amortisation		27,394,053	20,721,518
(Profit)/loss on sale of asset		1,009,043	228,663
(Profit)/loss on land held for resale		0	(680,608)
Revaluation increments / (decrements) transferred to revaluation surplus		0	295,213
Assets received for substantially less than fair value		(2,813,333)	0
Changes in assets and liabilities:			
Decrease/(Increase) in trade and other receivables		694,753	(2,019,772)
(Increase)/decrease in other assets		(226,933)	56,479
Decrease /(Increase) in inventories		177,890	(2,255,228)
(Decrease)/Increase in trade and other payables		(832,356)	1,446,369
(Decrease) in employee related provisions		(444,535)	(447,365)
(Decrease) in other provisions		(5,560,986)	(2,290,455)
Increase/(decrease) in other liabilities		280,000	(973,681)
Capital grants, subsidies and contributions		(2,822,864)	(3,141,659)
Net cash provided by operating activities		33,807,683	21,749,137

**(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	(15,919)	(16,581)
<b>Total amount of credit unused</b>	1,094,081	1,093,419

**Loan facilities**

Loan facilities - current	24,765	16,854
Loan facilities - non-current	19,186	0
<b>Total facilities in use at balance date</b>	43,951	16,854

<b>Unused loan facilities at balance date</b>	0	0
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**CITY OF KARRATHA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**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**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Contracted for:		
City Housing	196,439	1,088,859
Karratha Leisureplex Facility Improvement Study	48,998	183,788
Kevin Richards Memorial Oval	43,364	53,410
Kevin Richards Memorial Oval Change and Club Room	304,261	8,001,171
Murujuga Access Road	133,505	133,505
Roebourne Streetscape	8,268	72,881
Walgu Park	2,385	2,385
Windy Ridge & Hampton Oval	40,725	47,275
Lot 7020 Development Proposal	138,950	147,450
KLP Gym and Function Room Redevelopment	0	27,891
Housing Construction - Jingarri Sites	953,092	1,284,893
Shakespeare Precinct Redevelopment	194,705	2,780,293
Building Improvements	190,532	443,985
Equipment Purchases	0	3,986
Information Technology Projects	49,076	75,913
Playground Replacement/Upgrade	690	170,497
Road Projects	18,533	3,181,939
Plant Purchases	103,285	400,579
	<b>2,426,808</b>	<b>18,100,700</b>
Payable:		
- not later than one year	<b>2,426,808</b>	<b>18,100,700</b>

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**22. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

Fees, expenses and allowances to be paid or reimbursed to elected council members.

	<b>2023 Actual</b>	<b>2023 Budget</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Mayor's annual allowance	89,753	89,753	89,753
Deputy Mayor's annual allowance	24,308	22,438	22,438
Meeting attendance fees	366,936	364,296	355,010
Expense reimbursement	45	0	932
Other expenses	0	57,000	13,286
Annual allowance for ICT expenses	38,792	38,500	37,476
Travel and accommodation expenses	10,128	41,195	450
Non cash benefits	2,919	0	2,919
	<b>532,881</b>	<b>613,182</b>	<b>522,264</b>

**(b) Key Management Personnel (KMP) Compensation**

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

	<b>Note</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
		<b>\$</b>	<b>\$</b>
Short-term employee benefits		1,487,987	1,430,878
Post-employment benefits		134,059	135,378
Employee - other long-term benefits		145,893	209,281
Employee - termination benefits		229,078	52,261
Council member costs	22(a)	532,881	522,264
		<b>2,529,897</b>	<b>2,350,062</b>

*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).

*Council member costs*

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

**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.

**CITY OF KARRATHA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**(b) RELATED PARTY TRANSACTIONS (Continued)**

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

	<b>2023 Actual</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>
Sale of goods and services	25,992	6,196
Purchase of goods and services	70,007	121,492
<b>Amounts outstanding from related parties:</b>		
Trade and other receivables	646	706
<b>Amounts payable to related parties:</b>		
Trade and other payables	5,359	795

**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 2023**

**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.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
<b>Market risk - interest rates</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
<b>Liquidity risk</b>	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 department under policies approved by the council. The finance department 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, and self supporting loans held disclosed as financial assets at amortised cost are reflected in the table below.

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2023</b>					
Cash and cash equivalents	3.95%	15,536,908	0	15,536,908	0
Financial assets at amortised cost - term deposits	4.71%	73,000,000	73,000,000	0	0
Financial assets at amortised cost - self supporting loans	3.72%	43,951	43,951	0	0
Loans receivable - clubs/institutions	4.00%	3,800,000	3,800,000	0	0
<b>2022</b>					
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

**Sensitivity**

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit or loss and equity*	155,369	136,934

\* 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 29(a).

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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 and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2022 or 1 July 2023 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 users 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 2023 and 30 June 2022 was determined as follows for rates receivable:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2023</b>					
Rates receivable					
Expected credit loss	1.12%	2.74%	4.70%	12.44%	
Gross carrying amount	997,744	229,257	114,911	163,580	1,505,492
Loss allowance	11,155	6,292	5,404	20,350	43,201
<b>30 June 2022</b>					
Rates receivable					
Expected credit loss	0.96%	2.44%	3.58%	31.02%	
Gross carrying amount	658,695	221,921	120,757	125,809	1,127,182
Loss allowance	6,292	5,404	4,324	39,026	55,046

The loss allowance as at 30 June 2023 and 30 June 2022 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
<b>30 June 2023</b>					
Trade receivables					
Expected credit loss	0.24%	0.68%	6.80%	101.58%	
Gross carrying amount	5,103,968	50,294	85,314	1,225,231	6,464,807
Loss allowance	12,158	341	5,800	1,244,608	1,262,907
<b>30 June 2022</b>					
Trade 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

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**23. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

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

	<b>Rates receivable</b>		<b>Trade receivables</b>		<b>Contract Assets</b>	
	<b>2023 Actual</b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2022 Actual</b>	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>Opening loss allowance as at 1 July</b>	\$ 55,046	\$ 117,787	\$ 1,406,094	\$ 1,884,228	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	0	0	0	83,143	0	0
Receivables written off during the year as uncollectible	28	0	28	(561,277)	0	0
Unused amount reversed	(11,873)	(62,741)	(143,215)	0	0	0
<b>Closing loss allowance at 30 June</b>	<b>43,201</b>	<b>55,046</b>	<b>1,262,907</b>	<b>1,406,094</b>	<b>0</b>	<b>0</b>

Trade, other 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 rates and statutory receivables, trade, other receivables and contract assets are presented as net impairment losses within other expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

**CITY OF KARRATHA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**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 19(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.

	Note	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
		\$	\$	\$	\$	\$
<b>2023</b>						
Trade and other payables		12,187,618	0	0	12,187,618	12,187,618
Borrowings		25,981	19,484	0	45,465	43,951
Contract liabilities		280,000	0	0	280,000	280,000
Lease liabilities		153,517	585,755	366,218	1,105,490	1,074,652
		12,647,116	605,239	366,218	13,618,573	13,586,221
<b>2022</b>						
Trade and other payables		13,019,974	0	0	13,019,974	13,019,974
Borrowings		17,188	0	0	17,188	16,854
Contract liabilities		0	0	0	0	0
Lease liabilities		173,645	619,673	515,816	1,309,134	1,243,081
		13,210,807	619,673	515,816	14,346,296	14,279,909

**CITY OF KARRATHA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

The City has not incurred any significant financial loss from events occurring after the end of the reporting period, and has not entered into any material agreements which are anticipated to impact the future capacity of the City to meet its future financial obligations.

**CITY OF KARRATHA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**25. 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 report 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 revenue**

Interest revenue 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 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.

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**26. 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
<b>Governance</b> To provide a decision making process for the efficient allocation of scarce resources.	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.
<b>General purpose funding</b> To collect revenue to allow for the provision of services.	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.
<b>Law, order, public safety</b> To provide services to help ensure a safer and environmentally conscious community.	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.
<b>Health</b> To provide an operational framework for environmental and community health.	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.
<b>Education and welfare</b> To provide services to disadvantaged persons, the elderly, children and youth.	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.
<b>Housing</b> To provide and maintain staff housing.	Maintenance and operational expenses associated with the provision of staff housing.
<b>Community amenities</b> To provide services required by the community.	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.
<b>Recreation and culture</b> To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	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.
<b>Transport</b> To provide safe, effective and efficient transport services to the community.	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.
<b>Economic services</b> To help promote the local government and its economic wellbeing.	Includes expenditure associated with operation of visitor services and camping grounds, in addition to the administration of building controls.
<b>Other property and services</b> To monitor and control operating accounts.	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.

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**26. FUNCTION AND ACTIVITY (Continued)**

**(b) Income and expenses**

	<b>2023</b>	<b>2022</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions</b>		
Governance	87,090	790,683
General purpose funding	56,670,251	50,073,619
Law, order, public safety	155,856	138,851
Health	192,475	177,085
Education and welfare	77,846	74,447
Housing	1,477,998	713,816
Community amenities	15,948,586	14,293,262
Recreation and culture	6,496,961	5,621,385
Transport	24,593,448	22,565,538
Economic services	824,087	866,307
Other property and services	364,713	526,651
	<b>106,889,311</b>	<b>95,841,644</b>
<b>Grants, subsidies and contributions</b>		
Governance	0	147,764
General purpose funding	5,202,841	2,420,826
Law, order, public safety	316,594	469,335
Health	13,295	14,066
Housing	500,000	800,000
Community amenities	197,693	513,056
Recreation and culture	9,171,535	7,657,177
Transport	5,411,354	4,001,924
Economic services	14,250	173,249
Other property and services	214,590	0
	<b>21,042,152</b>	<b>16,197,397</b>
<b>Total Income</b>	<b>127,931,463</b>	<b>112,039,041</b>
<b>Expenses</b>		
Governance	(2,400,447)	(2,895,878)
General purpose funding	(2,271,714)	2,876,795
Law, order, public safety	(1,403,355)	(1,812,398)
Health	(816,184)	(1,202,632)
Education and welfare	(59,492)	(156,558)
Housing	(2,058,783)	(1,099,573)
Community amenities	(11,644,013)	(16,266,518)
Recreation and culture	(40,416,466)	(42,368,284)
Transport	(27,048,827)	(29,765,936)
Economic services	(2,025,083)	(3,670,530)
Other property and services	(16,659,756)	(1,313,643)
<b>Total expenses</b>	<b>(106,804,120)</b>	<b>(97,675,155)</b>
<b>Net result for the period</b>	<b>21,127,343</b>	<b>14,363,886</b>

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**26. FUNCTION AND ACTIVITY (Continued)**

	<b>2023 Actual</b>	<b>2022 Actual</b>
<b>(c) Fees and Charges</b>	<b>\$</b>	<b>\$</b>
Governance	54,947	12,163
General purpose funding	3,432,916	3,227,273
Law, order, public safety	79,611	80,811
Health	192,475	177,085
Education and welfare	77,846	74,447
Housing	1,025,274	713,816
Community amenities	15,752,122	13,829,254
Recreation and culture	6,445,004	5,599,972
Transport	23,775,406	21,505,210
Economic services	824,087	863,828
Other property and services	170,232	197,839
	<b>51,829,921</b>	<b>46,281,698</b>

	<b>2023 Actual</b>	<b>Restated * 2022 Actual</b>
<b>(d) Total Assets</b>	<b>\$</b>	<b>\$</b>
Governance	40,013,889	47,248,299
General purpose funding	18,803,358	7,736,131
Law, order, public safety	3,025,311	3,519,537
Health	687,852	1,292,427
Education and welfare	200,507	2,464,850
Housing	40,267,491	53,106,136
Community amenities	26,495,196	71,497,780
Recreation and culture	243,638,769	217,367,239
Transport	456,617,514	428,579,009
Economic services	4,462,959	1,984,596
Other property and services	32,484,530	193,177
Unallocated	(52,480)	21,939,246
	<b>866,644,896</b>	<b>856,928,427</b>

\*See Note 32 for details regarding the prior period restatements as a result of the correction of pr

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**27. RATING INFORMATION**

(a) General Rates

RATE TYPE	Rate Description	Rate in \$	Number of Properties	2022/23 Actual Rateable Value*	2022/23 Actual Rate	2022/23 Actual Interim Rates	2022/23 Actual Total Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
<b>Gross rental valuations</b>										
Residential		0.071058	7,081	250,919,590	17,680,738	57,962	17,736,700	52,000	17,781,380	17,153,211
Commercial Industrial		0.097252	791	85,517,039	8,028,794	99,685	8,128,479	52,000	8,232,869	7,669,840
Airport/Strategic Industry		0.142115	31	12,923,430	1,830,591	7,721	1,838,312	32,000	1,860,892	2,144,123
Transient Workforce Accommodation/Workforce Accommodation		0.281389	26	28,848,720	7,353,741	654,646	8,008,387	1,102,000	8,296,633	6,590,742
<b>Unimproved valuations</b>										
Pastoral		0.107708	10	1,997,400	215,136	0	215,136	11,000	226,136	182,989
Mining/Other		0.138119	238	8,999,600	1,001,058	110,246	1,111,304	11,000	1,103,814	991,226
Strategic Industry		0.19214	31	47,366,064	9,100,916	0	9,100,916	1,000	8,103,744	7,862,817
<b>Total general rates</b>			8,208	436,571,843	45,210,974	930,260	46,141,234	1,261,000	45,605,468	42,594,948
<b>Minimum payment</b>										
<b>Gross rental valuations</b>										
Residential		1,610	1,489	21,666,663	2,426,270	0	2,426,270	0	2,395,680	2,405,457
Commercial Industrial		1,610	371	2,844,161	595,700	1,610	597,310	0	571,550	631,452
Airport/Strategic Industry		1,610	3	9,700	4,830	0	4,830	0	4,830	4,689
Transient Workforce Accommodation/Workforce Accommodation		1,610	0	0	0	0	0	0	0	0
<b>Unimproved valuations</b>										
Pastoral		338	0	0	0	0	0	0	0	0
Mining/Other		338	171	184,973	65,074	0	65,074	0	62,868	61,992
Strategic Industry		338	11	11	3,718	0	3,718	4,056	4,056	3,936
<b>Total minimum payments</b>			2,045	24,705,508	3,095,592	1,610	3,097,202	0	3,038,984	3,107,526
<b>Exempt properties</b>										
<b>Gross rental valuations</b>			1,294	4,722,777	0	0	0	0	0	0
<b>Unimproved valuations</b>			16	2,554,802	0	0	0	0	0	0
<b>Total exempt properties</b>			1,310	7,277,579	0	0	0	0	0	0
<b>Total general rates and minimum payments</b>			11,563	461,277,351	48,306,566	931,870	49,238,436	1,261,000	48,644,452	45,702,474
<b>Ex-gratia Rates</b>										
Karratha Solar Power					0	0	0	0	1,400	1,400
DBNGP Corridor					57,250	0	57,250	53,522	53,522	53,522
<b>Total amount raised from rates (excluding general rates)</b>					57,250	0	57,250	54,922	54,922	54,922
Waivers										
Concessions										
<b>Total Rates</b>										
							(203,432)	(205,494)	(205,494)	(125,975)
							(31,200)	(31,200)	(31,200)	(30,260)
							49,061,054	48,462,680	48,462,680	45,601,161
Rate instalment interest							119,136			
Rate overdue interest							251,040			

The rate revenue was recognised from the rate record as soon as practicable after the City resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

\* Rateable value is based on the value of properties at the time the rate is raised.

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**27. RATING INFORMATION (Continued)**

**(b) Specified Area Rate**

The City did not raise specified area rates for the year ended 30 June 2023.

**(c) Service Charges**

The City did not raise service charges for the year ended 30th June 2023.

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**

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Type</b>	<b>Discount %</b>	<b>Discount \$</b>	<b>2023 Actual \$</b>	<b>2023 Budget \$</b>	<b>2022 Actual \$</b>
Cossack (GRV)	Concession		\$ 1,560	\$ 31,200	\$ 31,200	\$ 30,260
Fees and Charges	Waiver	As determined on application		184,074	278,529	166,422
Rates	Waiver	As determined on application		203,432	205,494	125,975
Rates and Penalty interest	Write Off	As determined on application		28	0	38,655
Fees and Charges	Write Off	As determined on application		0	0	561,277
				418,734	515,223	922,589
Total discounts/concessions				418,734	515,223	922,589

<b>Rate or Fee and Charge to which the Waiver or Concession is Granted</b>	<b>Circumstances in which the Waiver or Concession is Granted and to whom it was available</b>	<b>Objects of the Waiver or Concession</b>	<b>Reasons for the Waiver or Concession</b>
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 it's 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 2023**

**27. RATING INFORMATION (Continued)**

**(d) Interest Charges & Instalments**

<b>Instalment Options</b>	<b>Date Due</b>	<b>Instalment Plan Admin Charge</b>	<b>Instalment Plan Interest Rate</b>	<b>Unpaid Rates Interest Rate</b>
		<b>\$</b>	<b>%</b>	<b>%</b>
<b>Option One</b>				
Single full payment	6/09/2022	0	0.00%	7.00%
<b>Option Two</b>				
First instalment	6/09/2022	0	4.50%	7.00%
Second instalment	24/01/2023	10	4.50%	7.00%
<b>Option Three</b>				
First instalment	6/09/2022	0	4.50%	7.00%
Second instalment	15/11/2022	10	4.50%	7.00%
Third instalment	24/01/2023	10	4.50%	7.00%
Fourth instalment	4/04/2023	10	4.50%	7.00%

	<b>2023 Actual</b>	<b>2023 Budget</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Interest on unpaid rates	181,615	154,000	165,874
Interest on instalment plan	119,136	100,000	90,106
Instalment charges	60,920	60,000	60,305
Deferred pensioner interest	1,117	850	837
	<b>362,788</b>	<b>314,850</b>	<b>317,122</b>

	<b>2023 Actual</b>	<b>2023 Budget</b>	<b>2022 Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
PUPP penalty interest	4,639	5,400	4,175
PUPP instalment interest	42,093	40,800	42,616
PUPP instalment charges	3,570	3,680	3,940
	<b>50,302</b>	<b>49,880</b>	<b>50,731</b>

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**28. DETERMINATION OF SURPLUS OR DEFICIT**

		2022/23 2022/23 Budget 2022/23	2022/23 2022/23 Budget 2022/23	2022/23 2022/23 Budget 2022/23
		(30 June 2023 Carried Forward)	(30 June 2023 Carried Forward)	(1 July 2022 Brought Forward)
	Note	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals		(519,054)	(864,000)	(723,162)
Less: Non-cash grants and contributions for assets		(2,813,333)	0	0
Add: Loss on disposal of assets		1,528,097	56,000	271,217
Add: Depreciation	10(a)	27,394,053	21,597,922	20,721,518
Non-cash movements in non-current assets and liabilities:				
Financial assets at amortised cost		8,937,451	0	(2,244,386)
Investment property	12	(4,174,392)	0	(3,547,229)
Pensioner deferred rates		(280)	0	0
Assets held for sale	7	(226,933)	0	0
Employee benefit provisions		(56,708)	0	(76,692)
Waste provision		(5,560,986)	0	181,220
Service concession liabilities		(1,341,323)	0	(454,051)
Inventory		177,890	0	0
<b>Non-cash amounts excluded from operating activities</b>		<b>23,344,482</b>	<b>20,789,922</b>	<b>14,128,435</b>
<b>(b) Non-cash amounts excluded from investing activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to investing activities</b>				
Property, plant and equipment received for substantially less than fair value	8(a)	1,054,568	0	0
Infrastructure received for substantially less than fair value	9(a)	1,758,765	0	0
<b>Non-cash amounts excluded from investing activities</b>		<b>2,813,333</b>	<b>0</b>	<b>0</b>
<b>(c) Surplus or deficit after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	30	(84,448,299)	(60,640,138)	(78,025,523)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(24,711)	0	(15,470)
Add: Movement in accruals		173,360	0	161,994
Less: Provision for doubtful debts		(155,060)	0	0
Less: Movement in restricted surplus		(62,129)	0	(124,258)
Less: Current loans - clubs/institutions		(25,239)	0	(2,531)
Less: Current assets not expected to be received at end of year				
- Land held for resale	6	(2,229,971)	(2,942,021)	(2,138,479)
- Work In Progress Disposals		(1,293,905)	0	0
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15	24,765	1,300,234	16,854
- Current portion of contract liability	14	280,000	0	0
- Current portion of lease liabilities	11(b)	134,325	134,325	168,429
- Cash backed current provisions		4,061,537	4,820,037	13,384,714
Add: Restricted Surplus/(Deficit) June 30 b/fwd		124,258	0	248,516
Less: Restricted Surplus/(Deficit) June 30 b/fwd		(62,129)	0	(124,258)
<b>Total adjustments to net current assets</b>		<b>(83,503,198)</b>	<b>(57,327,563)</b>	<b>(66,450,012)</b>
<b>Net current assets used in the Statement of Financial Activity</b>				
Total current assets		104,317,683	74,733,376	97,785,503
Less: Total current liabilities		(16,688,245)	(17,359,067)	(26,589,971)
Less: Total adjustments to net current assets		(83,503,198)	(57,327,563)	(66,450,012)
<b>Surplus or deficit after imposition of general rates</b>		<b>4,126,240</b>	<b>46,746</b>	<b>4,745,520</b>

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**29. BORROWING AND LEASE LIABILITIES**

**(a) Borrowings**

Purpose	Note	Actual				Budget			
		Principal at 1 July 2021	New Loans During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022	New Loans During 2022-23	Principal Repayments During 2022-23	Principal at 1 July 2022	Principal at 30 June 2023
Walgu Development		\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,000,000
<b>Total</b>		0	0	0	0	0	0	0	16,000,000
<b>Self Supporting Loans</b>									
Karratha RSL		33,269	0	(16,415)	16,854	0	(16,854)	16,854	0
Karratha Kats Football and Sporting Club Inc		0	0	0	0	50,000	(6,049)	0	0
<b>Total Self Supporting Loans</b>		33,269	0	(16,415)	16,854	50,000	(22,903)	16,854	0
<b>Total Borrowings</b>		33,269	0	(16,415)	16,854	50,000	(22,903)	16,854	16,000,000

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.

**Self Supporting Loans Finance Cost Payments**

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
Karratha RSL		General purpose funding	100	WATC *	2.65%	(336)	(335)	(774)
Karratha Kats Football and Sporting Club Inc		General purpose funding	2023-1	WATC *	3.72%	(446)	0	0
<b>Total Self Supporting Loans Finance Cost Payments</b>						(782)	(335)	(774)
<b>Total Finance Cost Payments</b>						(782)	(335)	(774)

\* WA Treasury Corporation





**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**30. 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:

<b>Name of reserve account</b>		<b>Purpose of the reserve account</b>
<b>Restricted by legislation/agreement</b>		
(a)	Employee Entitlement Reserve	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	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.
<b>Restricted by council</b>		
(c)	Aerodrome Reserve	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	This reserve is for the purpose of preserving projects funds carried over.
(e)	Community Development Reserve	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	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	To fund economic development activities within the City, including Destination Marketing, Business Attraction, Property Development and Tourism.
(h)	Infrastructure Reserve	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 Package Reserve	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	The purpose of this reserve is to fund mosquito control programmes inclusive of the purchase of replacement equipment as required.
(k)	Partnership Reserve	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	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	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	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 2023**

**31. 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:

	<b>1 July 2022</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
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	4,229	0	26,577
VAST	96	23	0	119
North West Defence Alliance	1,104	15,500	(16,604)	0
Ranger Bonds	4,665	0	0	4,665
Unclaimed Monies	2,983	0	0	2,983
	<b>849,743</b>	<b>19,752</b>	<b>(16,604)</b>	<b>852,891</b>

**CITY OF KARRATHA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**32. CORRECTION OF ERRORS**

In 2022 the City undertook a revaluation of all fixed assets other than those held at cost. The nature of the 4 categories of errors made were:

- (i) PPE assets that did not belong to the City were incorrectly recognised in FY 2022. ("Error 1")
- (ii) PPE assets whose values were incorrectly recorded in FY 2022 due to incorrect take up of fair values from a valuation report. ("Error 2")
- (iii) PPE assets whose valuation report values were incorrectly updated in the books in FY 2022 ("Error 3")
- (iv) Infrastructure assets whose values were incorrectly updated in the books in FY 2022 ("Error 4")

Each affected financial statement line item has been restated for the prior period as follows:

<b>Statement of Comprehensive Income (Extract)</b>	<b>2022</b>	<b>Increase/ (Decrease)</b>	<b>2022 (Restated)</b>
	\$	\$	\$
<b>Other comprehensive income for the period</b>			
Changes in asset revaluation surplus	49,424,265	(4,931,765)	44,492,500
<b>Statement of Financial Position (Extract)</b>	<b>30 June 2022</b>	<b>Increase/ (Decrease)</b>	<b>30 June 2022 (Restated)</b>
	\$	\$	\$
<b>Non-Current Assets</b>			
Property, plant and equipment	300,523,647	(5,123,269)	295,400,378
Infrastructure	419,108,677	191,504	419,300,181
<b>TOTAL NON-CURRENT ASSETS</b>	759,142,924	(4,931,765)	754,211,159
<b>TOTAL ASSETS</b>	856,928,427	(4,931,765)	851,996,662
<b>NET ASSETS</b>	826,009,593	(4,931,765)	821,077,828
Revaluation surplus	290,471,856	(4,931,765)	285,540,091
<b>TOTAL EQUITY</b>	826,009,593	(4,931,765)	821,077,828
<b>Note 8 Property, Plant and Equipment (Extract)</b>	<b>Buildings</b>	<b>Total land and buildings</b>	<b>Total property, plant and equipment</b>
	\$	\$	\$
Balance at 30 June 2022	254,318,235	270,907,085	300,523,647
Adjustment for Error 1	(7,449,591)	(7,449,591)	(7,449,591)
Adjustment for Error 2	2,481,019	2,481,019	2,481,019
Adjustment for Error 3	(154,697)	(154,697)	(154,697)
Balance at 30 June 2022 (Restated)	249,194,966	265,783,816	295,400,378
<b>Comprises:</b>			
Gross balance amount at 30 June 2022 (Restated)	249,194,966	265,783,816	301,030,055
<b>Balance at 30 June 2022 (Restated)</b>	249,194,966	265,783,816	295,400,378
<b>Restated balance at 1 July 2022</b>	249,194,966	265,783,816	295,400,378
<b>Note 9 Infrastructure (Extract)</b>	<b>Recreation and Open Space</b>	<b>Infrastructure - Aerodromes</b>	<b>Total Infrastructure</b>
	\$	\$	\$
Balance at 30 June 2022	56,080,387	76,694,666	419,108,677
Adjustment for Error 4	200,704	(9,200)	191,504
Balance at 30 June 2022 (Restated)	56,281,091	76,685,466	419,300,181
<b>Comprises:</b>			
Gross balance amount at 30 June 2022 (Restated)	56,281,091	76,685,466	420,134,855
<b>Balance at 30 June 2022 (Restated)</b>	56,281,091	76,685,466	419,300,181
<b>Restated balance at 1 July 2022</b>	56,281,091	76,685,466	419,300,181



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2023 City of Karratha

**To the Council 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 as of 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity 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 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the 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 2022 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 the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, 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 (CEO) of the City is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the 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](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

### **My independence and quality management 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management 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 2023 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  
1 May 2024

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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](mailto:enquiries@karratha.wa.gov.au)  
Web – [karratha.wa.gov.au](http://karratha.wa.gov.au)  
Facebook – [facebook.com/cityofkarratha](https://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](http://karratha.wa.gov.au/report-it)

This report is available in alternative formats on request.

