

City of Karratha Annual Report 2020/21



Acknowledgement of Country

Wayiba! Wanthiwa! Tharnardu!

This Acknowledgement of Country recognises the ancient and continuing connection of the Traditional Owners to the land we live and work on; and the cultural responsibilities that arise from this connection. For thousands of years, when Aboriginal and Torres Strait Islander people visited the country of others, there would be rituals of 'welcoming to country'. Today, these rituals have a national legacy in 'Welcome to Country' and Acknowledgment of Country.

The City of Karratha acknowledges the Ngarluma people as the traditional custodians of this land (ngurra) and their deep historical and spiritual connection to country, waterways, rivers and seas within our region. The City of Karratha accepts Aboriginal people as the first inhabitants of Australia. They have lived on this land for many thousands of years and are recognised as one of the oldest living populations of the world, with unique languages and spiritual relationships. We pay respect to the Ngarluma people and their Elders; past, present and emerging.

The name 'Karratha' originates from the Aboriginal word meaning 'good country' or 'soft earth'.





Welcome to the 2020/21 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 2020/21 financial year not only includes the public-facing elements of the work Council does but also encompasses our financial performance and the governance and statutory regulations by which we operate.

Throughout the 2020/21 financial year, The City of Karratha continued to provide a high level of services and amenities for residents while responding to ever changing COVID 19 restrictions.

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



Red Earth Arts Precinct

Why we report

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

While celebrating the major successes and continued growth of the City, this report also assesses areas for further development, allowing appropriate opportunity for reflection and review so that improvements can be made moving forward.

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



Red Earth Arts Precinct



Dampier Beach

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Dampier Community Hub



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Mayor's Report

The start to the 2020/21 financial year was like no other with governments and communities across Australia and the world still grappling with the COVID-19 pandemic.



While in the West we have been lucky to escape the lockdowns that have been taking such a terrible toll on the east coast, our own restrictions have caused anguish and heartache in our communities.

Supporting residents through these challenging times has been at the forefront of the City's work and service delivery.

The 2020/21 budget endorsed by Council committed to deliver more than 100 community and infrastructure projects throughout the year while freezing rates for ratepayers.

Highlights included commencing the reconstruction of Bayly Avenue, Wickham Aquatic Centre and Andover Park upgrades, progressing Designated Area Migration Agreement and signing of the Dampier Land Transfer agreement with Rio Tinto.

This was in addition to our annual programs such as maintaining a growing number of sport and recreational facilities, delivering youth and community events, waste services and continued management of more than \$700m of assets.

Despite the challenges of the COVID-19 pandemic we have achieved a great deal in 2020/21 and I would like to congratulate the Council and City staff for their efforts.

As we move into a new financial year I look forward to progressing our vision to become Australia's most liveable regional city and making our city an even greater place to live, work and invest.

Peter Long
Mayor, City of Karratha

CEO's Report

We have had large and unusual challenges thrown at us in 2020/21, but collectively we have found ways to keep the organisation operating and continue to provide high quality services and infrastructure to our local communities.



In 2020/21, the City undertook a review of its integrated strategic planning framework delivering an updated Strategic Community Plan 2020-2030 in alignment with our community's aspirations.

Activity over the past year has focused on delivering services and programs that respond to our community's needs while balancing the ongoing challenges of a global pandemic.

Despite revenue streams declining due to the pandemic and operating expenses increasing, the City committed to its largest ever capital works program with more than 100 projects valued at over \$40 million. This was achieved without increasing rates for ratepayers thanks to the City's responsible economic management and strong financial position. As our community recovers from the pandemic we are looking ahead to the next period of economic growth. This will bring many benefits to our community and boost the economy but also presents challenges. Like many other Cities across the

country, housing has become a critical issue in our community. While not traditionally an activity of local government, the availability and affordability of housing is an important factor of liveability and vital if we are to achieve our vision of being Australia's most liveable regional City. We have progressed a number of initiatives aimed at improving the availability and affordability of housing and look forward to continuing these in the 2021/22 financial year.

The team at the City of Karratha is hard working and passionate. Every day we get to go to work in the community we live in and I think that shows. I am extremely proud of my team and the achievements we have made and I look forward to another challenging yet rewarding year ahead.

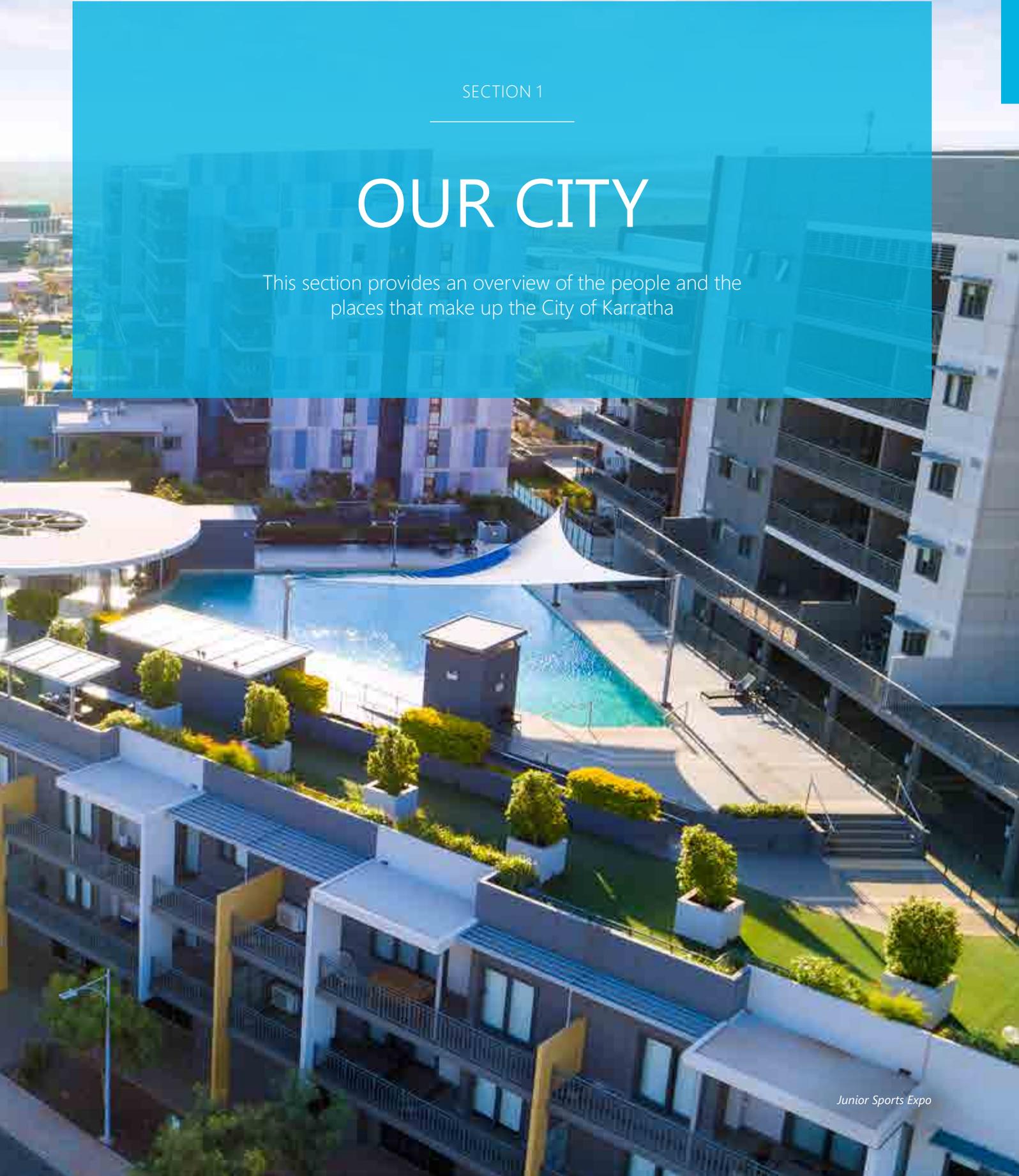
Chris Adams
CEO, City of Karratha



SECTION 1

OUR CITY

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



1.1 Highlights

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

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



Youth Advisory Group established as a platform for local young people's skills, perspectives and ideas to be incorporated into Council decisions.



\$1.9 million redevelopment of Andover Park in Roebourne featuring a new play space, a yarning circle, shade, landscaping, barbeques, lighting and boundary fencing was installed, enhancing the accessibility, safety and usability of the park.



Dampier Land Transfer agreement between the City and Rio Tinto Iron Ore was signed allowing for additional improvements to community facilities in the area across ten parcels of land and associated infrastructure transferred to the City.



The City progressed a number of initiatives aimed at improving affordability and availability of housing



Wickham Aquatic Centre upgrade



Continued management of more than \$700m of assets including roads, bridges, recreation and community facilities, commercial properties including The Quarter HQ, Karratha Airport and 7 Mile Waste Facility.



6,586t diverted from landfill



Stage one of an organics processing trial was successful with material recovered from verge side green waste collection and accommodation camps converted into 200m³ of mulch and 400m³ of soil conditioner that was used in the City's landscaping operations across all towns.

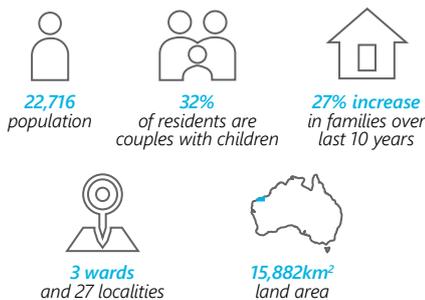
1.2 City profile

The City of Karratha lies on the coast of the Pilbara region, 1535km north of Perth and surrounded by a 2.5 billion year old landscape. The City consists of five towns; Karratha, Dampier, Roebourne, Wickham and Point Samson and includes the historic village of Cossack.



Bounded by the Shire of Ashburton to the south, the Town of Port Hedland to the east and the Indian Ocean to the north and west, the City of Karratha is home to four industrial ports and contributes approximately \$12.2 billion to the national economy each year. Characterised by the juxtaposition of this modern industry and an ancient natural landscape steeped in culture, the City of Karratha has national economic significance and the rich history of Australia's Ngarluma and Yindjibarndi people is of global heritage value.

Demographic



Natural

The natural environment in the City of Karratha is characterised by the Dampier Archipelago and the Murujuga National Park (Burrup Peninsula), promoting a lifestyle of world-class fishing alongside rich and historic culture. The Dampier Archipelago comprises a chain of 42 islands, islets and rock formations lying within a 45km radius from the towns of Dampier and Point Samson. Many of the islands resemble the Burrup Peninsula with coastal cliffs, sand plains and pristine beaches ideal for fishing, swimming and snorkelling. The Burrup Peninsula is home to the world's highest concentration of rock art with more than one million rock art engravings depicting 50,000 years of human occupation.



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



Street tree planting



Lookout

Economic

The City's largest industry output comes from the mining industry which in 2020/21 supported an estimated annual output of \$12.3 billion. Unlike mining towns in the region, the City's economy is underpinned by exports and oil and gas processing operations. 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 4,299 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. Over the last five years, Council has been working hard to ensure there are appropriate services and amenity in place to comfortably cater for a population of 50,000 residents.



\$11.2 billion
Gross Regional Product



13,572
local jobs, 4,299 in mining industry



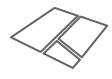
10,929
employed residents



\$2,626
Median weekly household income



1,044
local businesses



231ha
industrial land



4
industrial ports



11.2%
of all registered business in the City linked to construction



31.7%
of all registered business in the City linked to mining

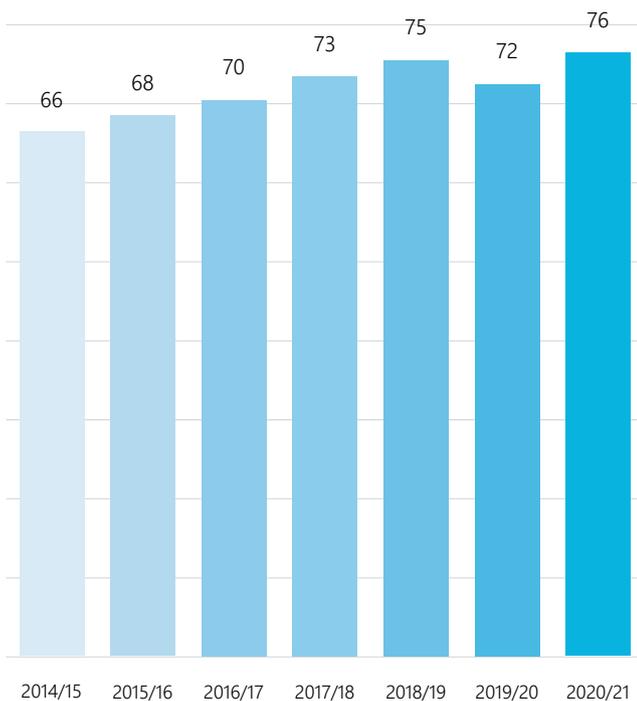


Miaree Pool

Community

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

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



Residents who rate the town as an excellent/good place to live:	
2015/2016	56%
2016/2017	57%
2017/2018	60%
2018/2019	64%
2019/2020	62%
2020/2021	67%



4 libraries



3 major recreational centres



86 parks and open spaces



7 community hubs and pavilion



166.571km total footpaths



675.261km total road



110 sports clubs and associations



12 primary and high schools and Pilbara University centre



\$1 million community grants funding available



2020/21 in numbers

Facility activity and services statistics



Processed waste (tonnes)

58,828t Waste accepted to landfill	11,639t Liquid waste accepted
6,877t Waste collected kerbside residentially	1,172t Recycling collected kerbside residentially
\$103,424 Tip Shop income	6,586t Waste diverted from landfill



Environmental health inspections and registrations

165 Food premises	19 Public buildings
14 Public swimming pools	45 Hair and beauty premises
4 Caravan parks	12 Lodging houses
286 Applications and Enquiries handled	5 Healthy Dog Day Events
547 Health nuisances/complaints investigated	



Ranger Services inspections / audits

289 Abandoned vehicles	163 Off-road vehicles
131 Camping Inspections	1,176 Litter Inspections
1,087 Parking Inspections	325 Cyclone Inspections and Fire Permits
2,613 Animal (dog/cat trapping, sterilisation, rehoming, euthanising)	



403,124 visits to Karratha Leisureplex

24,465 visits to Group Fitness classes	103,585 visits to Aquatic Centre
34,873 visits to Gym Facilities	



38,708 visits to Wickham Recreation Precinct

3,970 Group Fitness participants	3,022 visits to Recreation/Play Programs
1,683 visits to Wickham Pool	14,053 visits to Gym Facilities



100,535 visits to the libraries

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



Children and Youth

17,950 Youth Centre visits	790 Youth Week attendance
27,656 Indoor Play Centre visits	



Community Survey

1,608 Responses	76 Overall Score (Out of 100)
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Karratha Airport

412,533 Passengers	19,681 Aircraft movements
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Building Services

827 Building permits issued	14 Certificates (Approval/Demolition/Occupancy)
243 Applications for other councils	14 Private certificates



Red Earth Arts Precinct

40,699 movie attendees



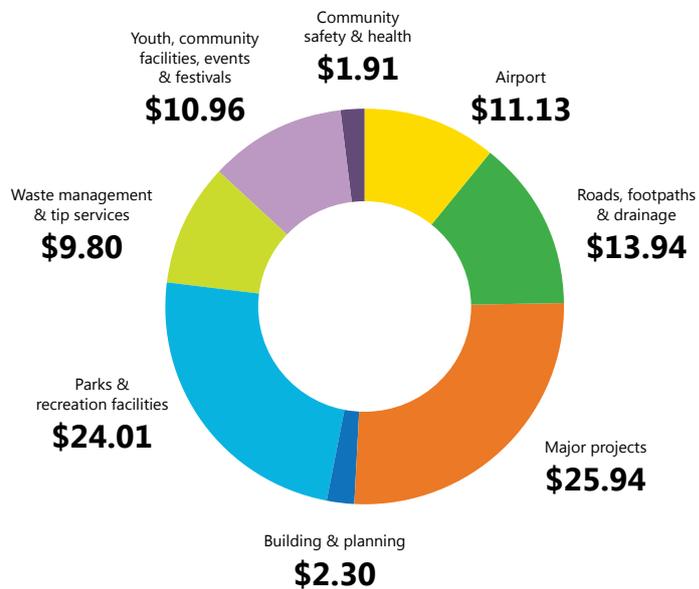
1.3 Your rates at work

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

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

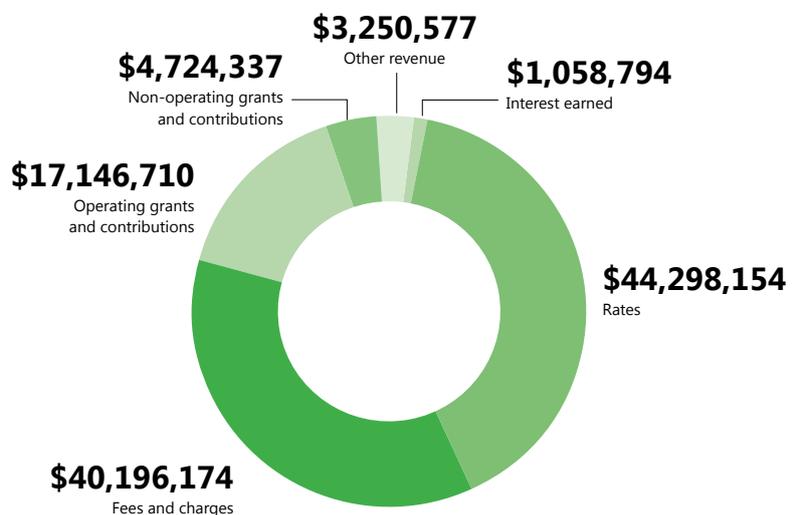
Where do your rates go?

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



Where does the City of Karratha get its money?

Our total revenue for 2020/21 was \$110,674,746 which came from the following sources:



1.4 Supporting our stakeholders

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

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





2020 Volunteer Employer Recognition Award from the Department of Fire and Emergency Services WA

1.5 Supporting our volunteers

The City of Karratha strongly supports volunteering in our local community and has a number of volunteering policies in place to ensure residents and employees carrying out these activities have the support they need to be successful.

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

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

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

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

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

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

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



Cossack Art Awards 2020



Citizenship Ceremony 2020



REAF 2021 –Opening Night



NAIDOC Community Concert

1.6 Major events

2020

JULY
<ul style="list-style-type: none"> Cossack Art Awards
<ul style="list-style-type: none"> Citizenship Ceremony

AUGUST
<ul style="list-style-type: none"> Cossack Art Awards Public Program, Education Program & Family Day
<ul style="list-style-type: none"> FeNaCING Festival

OCTOBER
<ul style="list-style-type: none"> FutureClubs Community Sports Awards
<ul style="list-style-type: none"> Volunteer Recognition Awards
<ul style="list-style-type: none"> Citizenship Ceremony

NOVEMBER
<ul style="list-style-type: none"> NAIDOC 2020
<ul style="list-style-type: none"> Guy Fawkes
<ul style="list-style-type: none"> NAIDOC Community Concert
<ul style="list-style-type: none"> Remembrance Day

DECEMBER
<ul style="list-style-type: none"> International Day of People with a Disability
<ul style="list-style-type: none"> Sharpe Avenue Christmas Light Walk
<ul style="list-style-type: none"> Christmas on the Green
<ul style="list-style-type: none"> Seniors Christmas Lunch – Karratha and Roebourne



Australia Day Awards 2021



ANZAC Day, Roebourne



REAF 2021 – Botanical Workshop



REAF 2021 – Sunrise Ngurrangga Tour

2021

JANUARY

- Australia Day Awards & Citizenship Ceremony
- Australia Day Fireworks

MARCH

- Red Earth Arts Festival

APRIL

- ANZAC Day
- Citizenship Ceremony

MAY

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

JUNE

- An Evening with John Butler Performances – presented by the City

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
- Songs for Peace 2020
- Guy Fawkes Night
- Dampier Art Awards
- KDCCI Business Excellence 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
- North West Championships (Netball)
- Dressage by the Ocean
- Pilbara for Purpose Excellence Awards
- Carols by Glowlight
- R U OK Day
- Legacy Long Table Dinner
- Yara Burrup Classic Open Water Swim
- Brew in the Moo



Australia Day Awards, January 2021

1.7 Awards and recognition

The 2020/21 financial year has seen City of Karratha representatives speak at national events as well as continue the provision of a number of community and sporting awards that celebrate leadership and high performance.

November 2020

Developing Northern Australia Conference, Rockhampton, QLD – Mayor

December 2020

Volunteer Recognition Award from the Department of Fire and Emergency Services WA

March 2021

Kimberley Pilbara Cattlemen's Association 2021 Conference, Karratha – Mayor

March 2021

2021 Regions Rising National Summit, Canberra – Mayor

May 2021

*Committee for Economic Development of Australia (CEDA)
Delivering on Western Australia's 2030 Hydrogen Ambition*

Australia Day Awards

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

The 2021 Australia Day Award winners were:

- Citizen of the Year – Ross Humphries
Presented by Horizon Power
- Young Citizen of the Year – Jace Bradley
Presented by Pilbara Ports Authority
- Community Service – TC Damien Response Service
Presented by Rio Tinto
- Environmental Award – Wickham Tidy Towns
Presented by the Woodside-operated North West Shelf Project
- Community Spirit – Lee Tattam
Presented by Rio Tinto
- Event/Activity of the Year – Funds for Firies Concert
Presented by Rio Tinto

City of Karratha Community Sports Awards

Presented by the City of Karratha, Rio Tinto and the Department of Local Government, Sport and Cultural Industries, these annual awards recognise volunteers, players, officials and coaches who have made a significant contribution to their code.

The 2020 Community Sports Award recipients were:

- NOVO Resources Junior Sportswoman of the Year – Jordi Perry
- NOVO Resources Junior Sportsman of the Year – Joshua Vernon
- Rio Tinto Sportswoman of the Year – Kayla May
- DLGSC Official of the Year – Lachlan Power
- Triple M Radio Coach of the Year – Felicity Lampard
- Powerlift Volunteer of the Year – Tracy Kitching
- Pilbara Ports Authority Sportsman of the Year – Ben Main
- City of Karratha Sporting Group of the Year – Karratha Districts Junior Soccer Association
- Long Service to Sports Awards – Tracy Kitching, Russell Turner and Hamish McLeod

Walkington Award

The City of Karratha annual Walkington Award is a \$5000 prize awarded to a student considered to have achieved academic excellence over the previous 12 months while also demonstrating a strong commitment to local community. This award is open to Year 12 students studying a full ATAR program at a local City of Karratha high school and aims to encourage students to continue full or part time study at a recognised educational institute.

St Luke's College Year 12 student, Sarah Lane received the prestigious 2020 Walkington Award.

Employee Recognition Awards

Quarterly, the City of Karratha Executive Management Team consider nominations for employee recognition awards 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.

In 2020, the City of Karratha Employee of the Year was awarded to Mickael Dequen, Ranger.



Community Sports Awards, Nic Naitanui and Tracey Kitching



Community Sports Awards, Nic Naitanui and Joshua Vernon



2020 Walkington Award recipient Sarah Lane



SECTION 2

ACHIEVEMENTS

This section provides an in-depth look at the work Council completed across the 2020/21 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 to town beautification, library and ranger services. These services all work to meet local community needs and support the priorities of the City of Karratha Strategic Community Plan.

Our vision:

To be Australia’s most liveable regional city.

Our mission:

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

Our values:

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

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

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

Strategic themes

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

 Our Community Inclusive and engaged	 Our Economy Well managed and diversified	 Our Environment Thriving and sustainable	 Our Leadership Proactive and accountable																																						
<i>To activate safe, healthy and liveable communities</i>	<i>To attract diverse and sustainable business and employment opportunities</i>	<i>To protect our natural and built environment</i>	<i>To provide accessible, transparent and responsive leadership</i>																																						
OUR OUTCOMES <i>The end result we would like to achieve</i>	OUR OUTCOMES <i>The end result we would like to achieve</i>	OUR OUTCOMES <i>The end result we would like to achieve</i>	OUR OUTCOMES <i>The end result we would like to achieve</i>																																						
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3.c	Improved resource recovery and waste management																																								
3.d	Sustainable use and management of resources																																								
4.a	Raised profile of the City																																								
4.b	Continuous improvement and innovation																																								
4.c	Financial Sustainability																																								
4.d	Strong partnerships and indigenous relations																																								
4.e	Services that meet community needs																																								

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



Junior Sports Expo

Key achievements

- › \$1.9 million redevelopment of Andover Park in Roebourne
- › Signage installed for 29 walking and jogging tracks across the City
- › Youth Advisory Group established
- › The Indoor Play Centre relocated

1.a Quality community facilities

- 10 year Footpath Strategy and road reseals program continued with more than \$790,000 spent on 869m of standard and shared footpaths connecting Karratha Golf Club to Searipple Lookout, Dampier Highway to Welcome Road, Cleaverville Road to Crawford Way, Teesdale Place to Gawthorne Drive and 242m along Tambrey Drive.
- Over \$1.2 million was invested in 7.7kms of asphalt reseals across 26 roads as part of our annual maintenance programming.
- City wide parks, gardens and ovals were allocated \$357,768 towards turf renovations, ensuring year-round high standard of lawn for City facilities. Ageing reticulation was assessed and replaced at Bulgarra Play Space, Michael Lewandowski Memorial Park (Millars Well), City Administration Office surrounds, Tambrey Park and Kookaburra Park.
- The Indoor Play Centre relocated from a secondary space at The Youth Shed to a brand new, fit-for-purpose home in the new Tambrey Village development. This move not only allowed for improved layout and service of the play centre itself, but also made way for additional youth support services and external agencies at The Youth Shed.

- The Red Earth Arts Precinct (REAP) completed its third year of operation screening 243 movies with 40,699 movie patrons, showing significant growth compared to 24,142 movie patrons last financial year. The REAP stage saw 23 productions with 2 sold out shows; an evening with John Butler proving to be popular. The centre totalled \$385,000 in ticket sales and 8605 boxes of popcorn were sold.
- Our four libraries had 108 070 patrons making use of a variety of services.
- In March 2021, \$1.9 million went towards the redevelopment of Andover Park in Roebourne. A new play space, a yarning circle, shade, landscaping, barbeques, lighting and boundary fencing was installed, enhancing the accessibility, safety and usability of the park.
- Wickham Community Hub was announced the winner of the Colorbond Award for Steel Architecture at The Australian Institute of Architects' 2020 WA Architecture Awards in July.
- The Kevin Richards Memorial Oval received a lighting upgrade following damage from Cyclone Damien.



40,699 MOVIE PATRONS

THE RED EARTH ARTS PRECINCT COMPLETED ITS THIRD YEAR OF OPERATION, SCREENING 243 MOVIES WITH A TOTAL OF 40,699 MOVIE PATRONS



Adopt a Teardrop

1.b Improved community safety

We continued to promote the Safer Communities Partnership (SCP) and implemented the SCP Action Plan through a number of initiatives:

- Meet the Street saw 41 parties held with 1295 residents participating. This was eight more parties compared to the previous financial year. Approved suppliers expanded to include local catering services.
- The inaugural *Ready Set Grow* garden competition attracted 47 entries from local residents and businesses.
- Three teardrops in Karratha were selected as part of the *Adopt a Teardrop* program. Underdeveloped median strips on cul-de-sacs at Datson Court, Garland Place and Green Court now have resident maintained native plants.
- 203 motorbike locks were provided through a partnership with local providers at a subsidised rate.
- 143 residents claimed \$57,023 through the *Security Subsidy Scheme*. Purchasing of eligible equipment totalled to \$158,269 spend with local suppliers. The subsidy saw an increase of 52 applications on the previous financial year.
- 259 graffiti reports received resulting in 431 hours of graffiti removal by local contractor, BRIDA.
- 39 solar footpath lights were installed along Bayview Road.

1.c Accessible services

- The City contracted Inclusion Solutions to conduct stakeholder meetings as part of the *Be Active Inclusion Project* where clubs and community groups workshopped barriers and solutions to welcome people of all abilities.
- International Day of People with Disability was celebrated with a breakfast event held at REAP. The centre illuminated orange representing Fragile X syndrome, the leading cause of intellectual disability.
- Red Earth Arts Festival (REAF) was delivered with support from DADAA WA who provided audio descriptions for events.
- As part of community consultation, our draft Age Friendly Strategy was released for public comment, addressing four main priority areas for action – accessibility, engagement, healthcare and housing.
- \$10,600 grant was received from Department of Communities for 'Age Friendly Activities', which will include Seniors IT Club, Conversation Cafes, and low-impact fitness classes.
- A sensory friendly and captioned version of 'Peter Rabbit' was screened at REAP in April, providing a safe and accepting cinema environment, adjusted lighting and reduced sound levels.
- The pool at the Wickham Recreation Precinct received accessibility upgrades.
- Our efforts to ensure youth specific facilities were appealing, relevant and engaging resulted in a 46% increase in numbers of unique youth members visiting the centres. Usability and attractiveness were key focuses.
- Our Local History service added 149 images to its library of assets over the 2020/21 financial year as well as completing 181 search requests and two visual exhibitions at REAP. Local schools loaned our *Travelling Treasure Cases* on three occasions.
- We applied and came fourth in the annual *Most Accessible Community in WA Awards, Leadership Category*. Feedback commended our efforts building an inclusive community and our use of technology to engage with stakeholders during COVID-19.
- In partnership with the Department of Communities, we continued to plan for a One-Stop-Shop project in Roebourne, aiming to meet the needs of the community and enhance service provisions.



Ready Set Grow

1.d Healthy residents

- Our annual Community Sports Awards saw 76 nominations across eight award categories. Sporting Group of the Year was awarded to Karratha Districts Junior Soccer Association.
- 65 children attended our 2021 Junior Sports Expo in March. The expo showcased 11 different sporting groups, enabling children to come-and-try a variety of sports on offer.
- As part of strategic plans to activate neighbourhoods and public spaces, 29 walking and jogging routes were identified along footpath networks City wide. Signage highlighting these routes were installed encouraging safe, healthy and connected activity.
- The City commenced preparation of a draft Public Health Plan aiming to improve the overall health of our community; minimising health risks, encouraging healthier living and enabling community connectedness. This includes extensive data collection combined with community and stakeholder consultation.
- Our Environmental Health team inspected 273 health premises; 175 of those were in the food industry, 26 beauty therapy, 19 hairdressing, 19 public buildings, 13 public pools, 12 lodging houses, 5 skin penetration premises and 4 caravan parks.
- The mosquito management program saw the number of requests drastically reduce from 59 call outs to 25 this financial year, known mosquito breeding spots were treated and the *Fight the Bite* Campaign was implemented.
- As part of our club development support, in response to COVID-19 impacts, community and sporting groups were offered a one-off COVID Assistance Payment. 37 groups participated and were reimbursed up to \$1000 each, after spending \$2000 within our local community.
- Healthy Dog Day is a program we continue to support and have since 2015. This financial year, more than 500 dogs were administered with a variety of procedures including; spaying, parasite treatment and microchipping.



Junior Sports Expo



Red Earth Arts Precinct

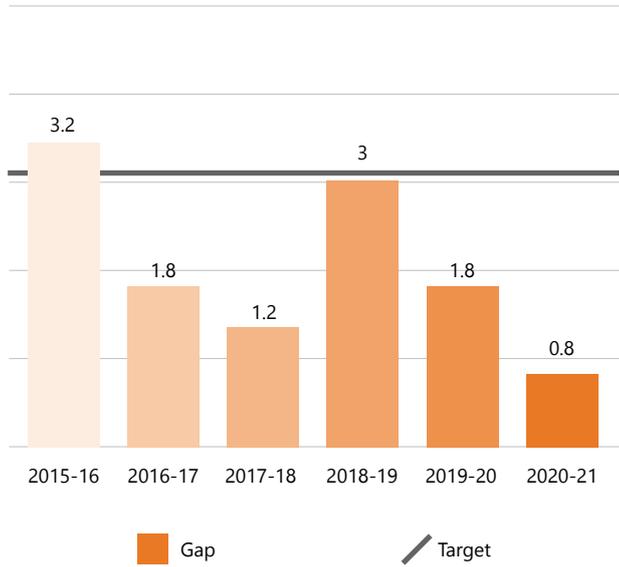
1.e Recognition of diversity

- COVID-19 restrictions saw NAIDOC Week events postponed until November. The 2020 theme, 'Always Was, Always Will Be' was reflected in our annual community concert, with performances by Indigenous dance troupe, Djuki Mala and an intimate flag raising ceremony traditional land owners and Clontarf students.
- Cossack Art Awards focused on celebrating Pilbara-based artists, in response to pandemic related travel restrictions. This saw the introduction of the Cossack Children's Art Awards featuring 150 works from children aged between 5 and 15. The reduced program exhibited 138 entries, included eight awards categories and offered nine ticketed workshops with 119 participants. Five local schools participated in a free education with 167 attendees.
- Weekly Rhyme Time and Story Time infant and toddler sessions run across City libraries saw 6784 adults and children attend over the 2020/21 financial year. In addition, 718 day-care students attended our Karratha and Dampier locations as part of their learning programs.

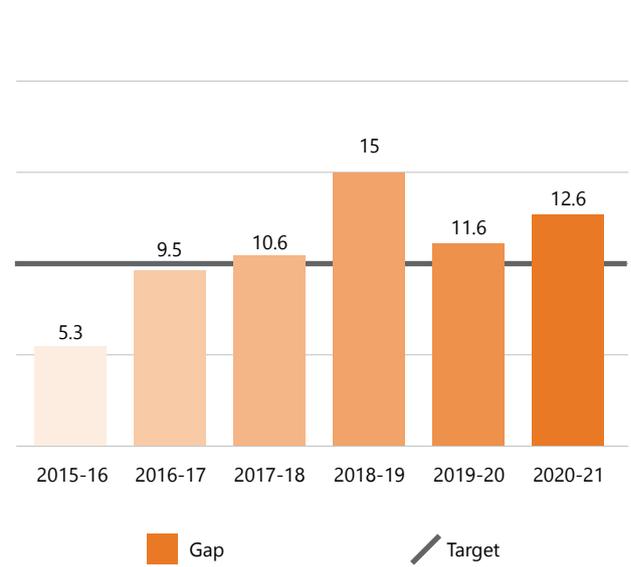
1.f Connected communities

- Council established the Youth Advisory Group in December 2020 as a platform for local young people's skills, perspectives and ideas to be incorporated into Council decisions.
- In March 2021, the City announced the continuation of the iconic FeNaCING festival following previous event organisers cancelling it. We were committed to working with community groups and local businesses to ensure the popular community-led event goes ahead in 2021.

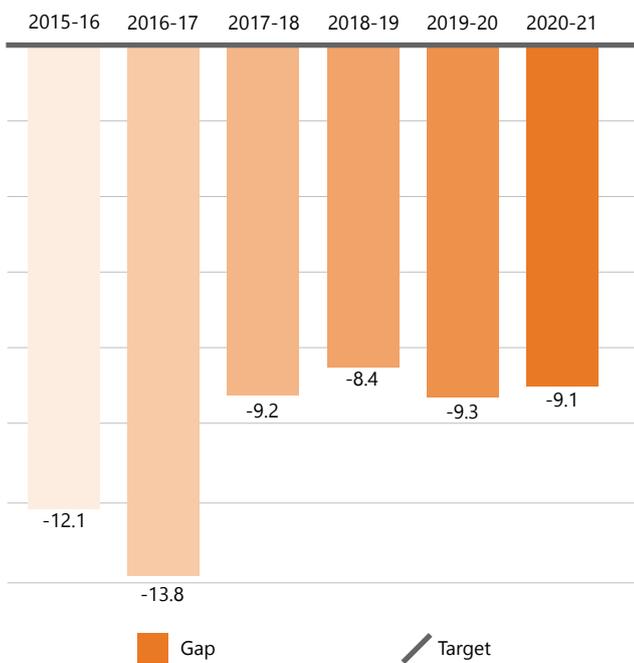
Maintain a positive gap between performance and importance in Annual Community Survey for footpaths and cycleways
 Please note the target is a positive gap of 3



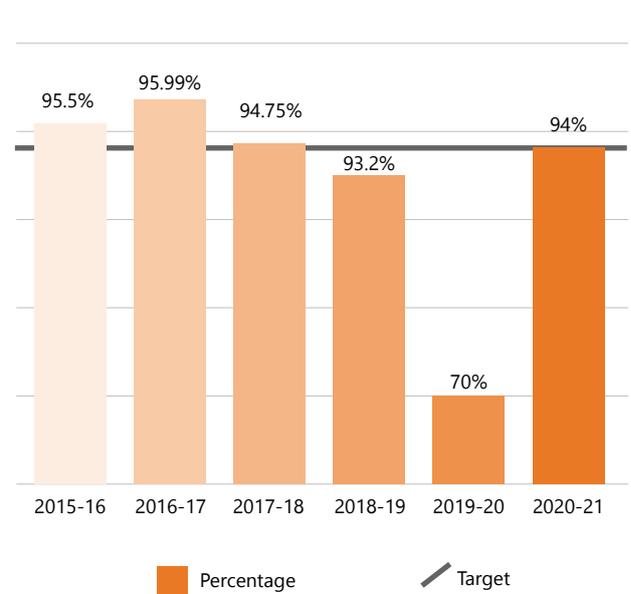
Community Services: Maintain or improve a positive gap between performance and importance in Annual Community Survey for Library Services
 Please note the target is a positive gap of 10



Community Services: Maintain or improve a positive gap between performance and importance in Annual Community Survey for Youth Services
 Please note the target is 0



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



This gap not only presents an opportunity for improvement but it also reaffirms community feeling that this area is extremely important and the desire for the provision of more activities and support for young people.



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

- › Signing of the Dampier Land Transfer Agreement between the City and Rio Tinto
- › The City progressed a number of initiatives aimed at improving affordability and availability of housing
- › Council resolved to move forward with preparation of an application for a Designated Area Migration Agreement
- › Nearly \$40 million spent with local suppliers

2.a Diverse industry

- The City continued to respond to the economic impacts of COVID-19 and delivered the *Karratha Cash Try Local* program in partnership with the KDCCI. This program injected over \$500,000 into the local economy.
- With aims to support and encourage more local spend on tourism, discounts of 20% were offered to residents booking local tours through the Karratha Tourism and Visitor Centre. The value of these discounts was \$42,643. The 12% commission fee for tour operators taking bookings through the centre were waived, this totalled to \$26,745.
- Recovering from initial COVID-19 pandemic restrictions the Karratha Tourism and Visitor Centre recorded strong visitation and booking numbers, boasting 23,297 tourists through the centre, double the amount from the previous financial year.

- This financial year we continued our support for Warwardu to operate visitor services at the Ganalili Centre to the value of \$200,000.
- External visitors spend in the local economy has experienced strong growth, from \$5.06m in July 2020 to \$7.11m in June 2021.
- Works continued with project proponents to progress the *Ecohub*, a collective of compatible sustainable projects to operate on underdeveloped land surrounding the Karratha Airport.
- We continue to deliver key projects in the Destination Management Plan including relocating, redesigning and delivering the North Western Coastal Highway Visitor Information Bay.
- Council allocated more than \$50,000 across 21 local businesses through the Take Your Business Online (TYBO) grant program improving online presence including website design to new or existing websites and social media advertising.
- Helped enable the development of the Tambrey Village Shopping Centre.

2.b Business prosperity

- Council's *Regional Price Preference Policy* continued to promote local business partnerships by giving preferential consideration to regional suppliers in the procurement of goods or services. 77% of tenders in the 2020/21 financial year were awarded to local suppliers, equating to \$39 million of committed expenditure. This is a 22% increase on the previous year, where 55% of tenders were awarded locally.
- The City continued its strong partnership with the Karratha and Districts Chamber of Commerce and Industry and Pilbara Tourism Association, providing \$112,000 of grant funding for projects valued at over \$600,000 including:



Dampier Land Transfer Signing

- Quarterly Business Breakfast Briefing
- Grow Local
- Pilbara Women in Business
- Business Excellence Awards
- Pilbara Indigenous Business Networking Group
- Warlu Way Marketing
- 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.

2.c Quality Infrastructure to support business investment

- There were a number of significant developments approved in 2020/21 including Woodside Pluto Train 2, a petroleum storage and handling facility approved for Viva Energy, Ngarluma Aboriginal Corporation community facilities approved in Roebourne and multi-million dollar developments approved in the Light Industrial Precinct of the Gap Ridge Industrial Estate. The estimated value of developments approved in 2020/21 was over \$75M.
- This financial year saw approval of a new stage of subdivisions approved in Madigan Estate, Karratha City and approval for a 20-lot subdivision at Hancock Way, Bulgarra.
- The Mulataga Structure Plan was approved by the Western Australian Planning Commission, clearing the way for subdivision of a major growth area for Karratha, with a yield of more than 1,800 dwellings.
- Nine new dwellings were approved for Lazy Lands sites acquired by the City at Boyd Close, Mayo Court and Pelusey Way in Nickol.
- A Scheme amendment was commissioned for the Shakespeare Precinct and a subdivision to create site for Step Up/Step Down accommodation at corner of Searipple Road and Gregory Way, Bulgarra was approved.
- The City has progressed a number of initiatives aimed at improving affordability and availability of housing in the district, including progressing with dedicated service worker accommodation, plans for

Walgu apartment development and a joint venture with GBSB Yurra. Council continues to lobby State Government on housing investment issues while exploring development and subdivision opportunities.

- Dampier Land Transfer hit a significant milestone in April 2021 with a formal signing ceremony between the City and Rio Tinto Iron Ore allowing for additional improvements to community facilities in the area. Ten parcels of land and associated infrastructure transferred to the City.

2.d Role Clarity

During the 2020/21 financial year the City continued to plan for the long-term growth and development of the region while responding to the current needs of our community and local businesses.

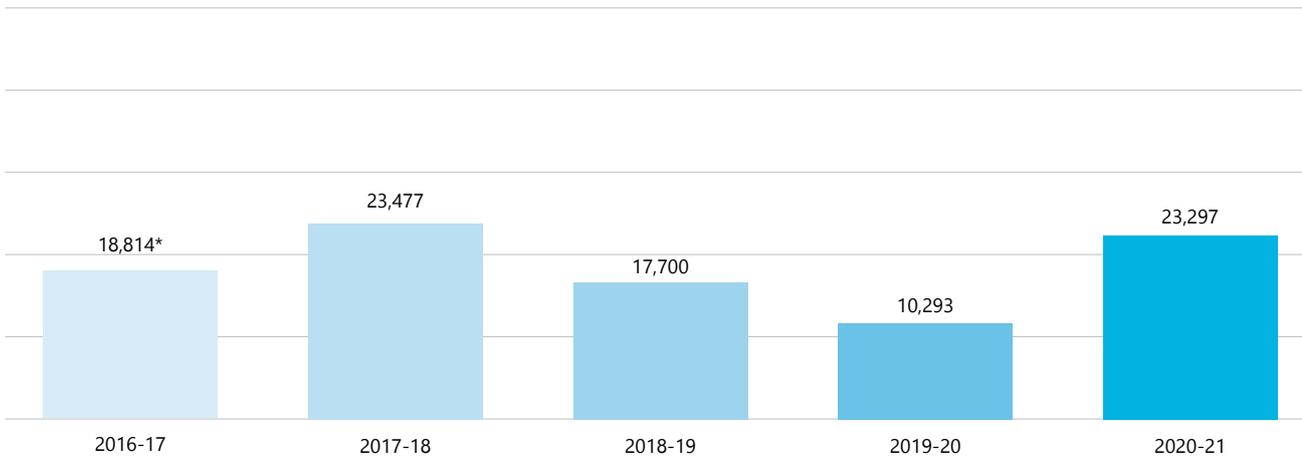
Efforts were focused on economic and tourism development while improving our sustainability performance:

- The City continued to implement the strategic direction set out in the Economic Development Strategy.
- The annual Business Climate Scorecard was delivered, confirming the two key issues facing local businesses were housing (availability and affordability), and ability to attract and retain the right workforce.
- In response to the Scorecard results, the City has undertaken a housing initiative to ensure sufficient zoned land for future housing development, to deliver an aggregation strategy for service worker accommodation and to construct new housing developments.
- Council resolved to move forward with preparation of an application for a Designated Area Migration Agreement in collaboration with the Town of Port Hedland and Regional Development Australia.
- The City provided continued funding to support skills and education development through the Pilbara Universities Centre.
- Major Event funding was granted to:
 - Yara Burrup Classic Open Water Swim, \$20,000 per year for three years;
 - Brew in the Moo, \$10,000
- The City commenced the Small Business Friendly Approvals Program funded by the Small Business Development Corporation. Internal stakeholders were engaged to identify small business interaction enhancements along with City service delivery improvements.



Red Earth Arts Precinct

Number of tourists visiting the Karratha Tourism and Visitor Centre





40 Mile Beach

2.4 Our Environment: Thriving and sustainable

Our goal is to protect our natural and built environment.

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

Key achievements

- › The Draft Environmental Sustainability Strategy was presented to Council
- › The City supported the state-wide container deposit scheme
- › Household Hazardous Waste program introduced
- › Successful trial of organics processing

3.a Well managed natural assets

- Allocation of \$100,000 of funding from the State Natural Resource Management Program towards continued implementation of Foreshore Management Plans including general maintenance and installation of dune fencing and revegetation at:
 - Gnoorea (40 Mile Beach)
 - Point Samson Foreshore Management Plan
 - Hearson Cove Foreshore Management Plan
 - Wickham Boat Beach Foreshore Management Plan
 - Cleaverville Foreshore Management Plan

- In efforts to manage and improve our natural and urban environment for future generations while enhancing our community's liveability and resilience, a draft Environmental Sustainability Strategy was presented to Council and published for public comment. Five focus areas were identified; energy and climate change, water, natural environment and sustainable development, planning and infrastructure.
- Nature-based campsites Cleaverville and Gnoorea (40-Mile) were managed with regular ranger patrols, regulatory related matters, site numbering, site maintenance and regular weed treatment programs. Access management and dune rehabilitation was undertaken by BRIDA at Gnoorea (40 Mile Beach) with funding from National Rangelands Management.
- Hundreds of tube stock grown in the City of Karratha nursery were successfully transplanted to creeks, beaches and foreshores to rejuvenate, stabilise and avoid erosion.

3.b Attractive built environment

- Council resolved to prepare a new Local Planning Scheme to set out how land is used and developed in the City of Karratha.
- The City prepared a draft scheme amendment for the Shakespeare Precinct utilising community and stakeholder feedback. This shaped a concept plan balancing developed open space, undeveloped open space, residential development sites, and connections in line with the Karratha Revitalisation Strategy.
- Rangers continue to maintain our streetscapes by investigating and removing 289 abandoned vehicles.
- Continuation of regular street sweeping and litter picking services.



Foreshore management at Point Samson

3.c Improved resource recovery and waste management

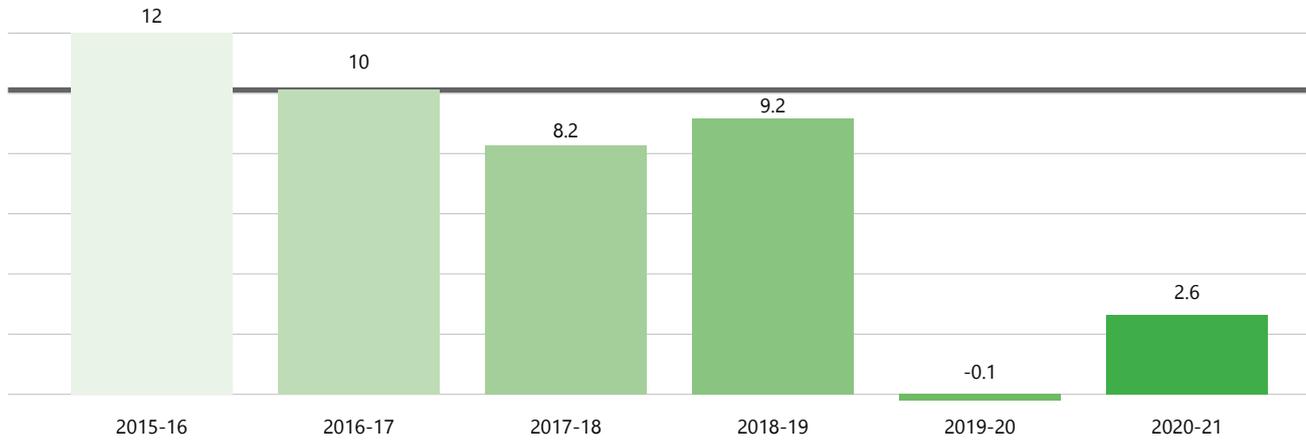
- Recycling and landfill diversion remained a clear objective for our waste services. In October 2020 North West Recycling introduced a state-wide container deposit scheme, the City supported this by supplying \$175,000 towards over 100 collection cages to distribute to schools, community groups and clubs.
- Kerbside recycling waste audits were conducted to establish a baseline contamination rate to inform future efforts in this space.
- The City's partnership with Cleanaway continued, focusing on waste operation and education. Children learnt about what can and can't be recycled through engaging information sessions at local primary schools.
- Stage one of an organics processing trial was successful. Materials were recovered from verge side green waste collection and accommodation camps, then converted into 200m³ of mulch and 400m³ of soil conditioner. This was used in the City's landscaping operations across all towns.
- The Household Hazardous Waste program was introduced in April 2021, providing appropriate disposal and diversion of over 8,800kg of hazardous batteries, gas cylinders, paint, fire extinguishers, flares, flammable liquids and general household chemicals from landfill.

3.d Sustainable use and management of resources

- Ageing reticulation was assessed and replaced at Bulgarra Play Space, Michael Lewandowski Memorial Park (Millars Well), City Administration Office surrounds, Tambrey and Kookaburra Park.
- The City received \$75,000 in seed funding from National Energy Resources Australia to develop a hydrogen technology cluster in Karratha, focusing on supporting collaboration within the community to enable the growth of the hydrogen industry in the Pilbara Region. This development will contribute to long-term emissions reduction and support a prosperous and thriving future for the region.

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

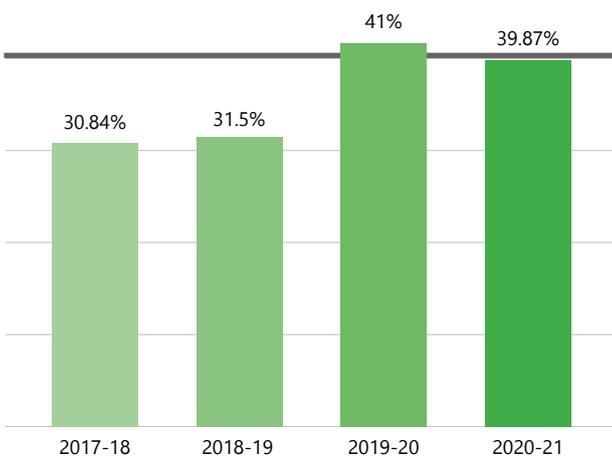


Roebourne and Point Samson have indicated the City is underperforming in this space. Focus will be placed on Roebourne to improve services with community education programs to be implemented in Wickham and Point Samson.

■ Gap / Target

Percentage of residential waste diverted from landfill

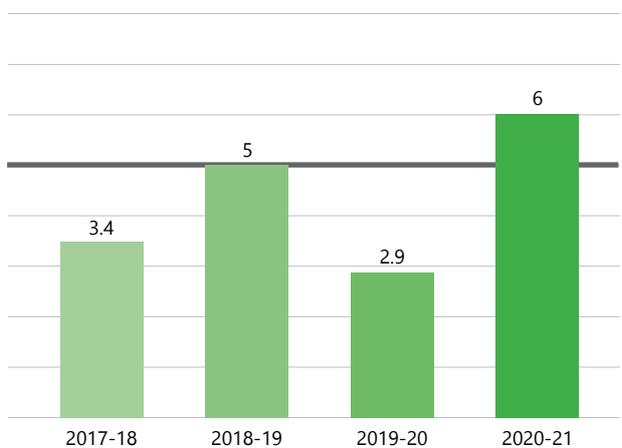
Please note the target is 40%



■ 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.



Mountain bike on the Yaburara Heritage Trail

2.5 Our Leadership: Proactive and accountable

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

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



Key achievements

- › Continued management of more than \$700m of assets
- › The City continued to deliver its place branding campaign *Karratha is Calling*
- › Council awarded a Tender for the provision of a new Local Government Information System across all City sites
- › Rate freeze for ratepayers

4.a Raised profile of the City

- The City continued to deliver its place branding campaign *Karratha is Calling* with a view of increasing awareness and perceptions of Karratha and surrounds. The campaign achieved an audience reach of over 10 million views across traditional and digital media channels in its third year.
- The City received \$75,000 in seed funding from National Energy Resources Australia to develop a hydrogen technology cluster in Karratha, focusing on supporting collaboration within the community to enable the growth of the hydrogen industry in the Pilbara Region. This development will contribute to long-term emissions reduction and support a prosperous and thriving future for the region.
- The City was represented at a number of national conferences and awards:
 - In December 2020 we received a Volunteer Employer Recognition Award from Department of Fire and Emergency Services. This award acknowledged our contributive to supporting volunteers.
 - Local Government Professionals WA awarded us with their Innovative Management Award for the coordination of our Try Local Cash Voucher initiative.

- Council was commended by WasteSorted for our compost trial as part of their Avid Recovery Project Award.
- Delegation to Canberra to meet with several ministers and lobby a range of issues including labour challenges, DAMA, renewable hydrogen and remote area benefits.

4.b Continuous improvement and innovation

- The City has sound recordkeeping policies, standards, and procedures in place to ensure compliance, improving our approach to information management.
- All new employees undertake a records management induction and training within 2 weeks of commencement, additional training sessions are also provided.
- The City continued to improve and refine our delivery of services through collaboration and investment in system and process improvements. Over 630 processes were maintained by staff across the organisation to ensure best practice measures and efficiencies are affected to meet our operational and statutory needs.
- We are an active partner in the WA Regional Capitals Alliance. The Alliance is in its third year of benchmarking between its 10 member regional local governments in WA with the aim to deliver improved performance and better value for money for regional communities.
- Takeaways for the City from the 2020/21 benchmarking include:
 - 37% growth in building applications (second to Port Hedland that had a 104% increase);
 - highest operating expenditure of \$100.1M (av \$68M for all WARCA members);
 - second highest revenue to Port Hedland at \$4.6M/1,000 residents with Rio Tinto and Woodside contributing towards community programs and facilities and fees and charges accounting for \$1.7M/1,000 residents.

- Karratha and Port Hedland also had the highest employee costs, materials and contracts, insurances and utility costs.
- The City was on par with or better than its fellow members in terms of maintaining its assets base when comparing the asset sustainability ratios and asset renewals ratios.
- The City had the best Financial Health Indicator score amongst member councils of 96.4.
- The 2020/21 Financial year saw Stage 2 of the City's Wide Area Network upgrade take place. A Tender was awarded in Sept 2020 and works completed in June 2021.
- Works entailed 27 wireless network link upgrades across 18 City sites that included an extension of the point-to-point WAN to the township of Dampier and upgraded existing links to our Airport, Waste and City Operations facilities as well as enabling new multipoint clusters in Dampier and Karratha that cover our Pavilions, Community, Family and Visitor Centres. This will enable digital management of the City's facilities and future provision of public digital services, CCTV carriage capability and green facility management initiatives.
- In March 2021, Council awarded a Tender for the provision of a new Local Government Information System to vendor TechnologyOne for the supply and implementation support of its CiAnywhere product, "OneCouncil". A phased implementation is currently underway and will be undertaken over a 2-3 year period. The primary goal of this project is to introduce a new integrated organisation solution across all City sites that streamlines organisation processes and enables end users to operate more effectively. In turn, this will also support modern ways of communicating with ratepayers, reduce data duplication across multiple systems, deliver enhanced services to customers and improve operational efficiency.
- The Cossack Art Awards 2021 exhibition featured works by four local Aboriginal Art Centres and generated \$33,130 in artwork sales. Local Aboriginal Artist, Allery Sandy was awarded Overall Winner for the Cossack Art Awards 2021 valued at \$15,000.
- The City's partnership with FORM for The Pilbara Survey involving Yijaa-Barni Art, Juluwarlu Art Group and Cheeditha Art Group involving 34 local Aboriginal artists in a series of Art Clinic programs and exhibitions.
- NAIDOC Week 2021 programs were presented in November (postponed due to COVID-19) including NAIDOC Week Community Concert in Roebourne featuring Aboriginal performers Djuki Mala, Makers Market involving local Aboriginal Arts Centres, Looky Looky Here Comes Cooky film screening at Red Earth Arts Precinct, NAIDOC Celebration Breakfast, other local NAIDOC events and a sold out Djuki Mala concert at the Red Earth Arts Precinct.
- Collaboration with Juluwarlu Group Aboriginal Corporation to plan for, seek and secure Festivals Australia funding for the Ngurra Nyujungammu (When the World was Soft) project to be presented for a future Red Earth Arts Festival. The project will include an Education & Community Engagement program which aims to share Yindjibarndi creation stories with the public and City of Karratha school students and it will result in a large-scale puppetry and multimedia performance.
- The City engaged Ngarluma Aboriginal Corporation (NAC) on Aboriginal heritage considerations as part of undertaking works on the realignment of Bayly Avenue at Karratha Airport.
- BRIDA has helped the City finalise campground improvements, weed management and rehabilitation works recommended under Council's adopted Gnoorea (40 Mile) Foreshore Management Plan. The City received funding from State NRM for these works. At the time funding was received, an Indigenous Ranger program was in place to deliver the works. BRIDA (a Registered Aboriginal Business) was approved to complete the works following the Indigenous Ranger program ceasing.

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.
- 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.
- Partnered with Clontarf to complete weed maintenance of the Yaburara Trail (Sept 2020), Searipple Lookout (Aug 2020) and Baynton West Park (Nov 2020) and with the Stars Foundation to conduct planting at the Searipple Lookout in Sept/Oct 2020.
- The City moved from an Aboriginal & Torres Strait Islander Engagement Strategy to a Reconciliation Action Plan in late 2019. The development and implementation of the Reconciliation Action Plan commenced in 2020/21 and is ongoing.

4.d Strong partnerships and indigenous relations

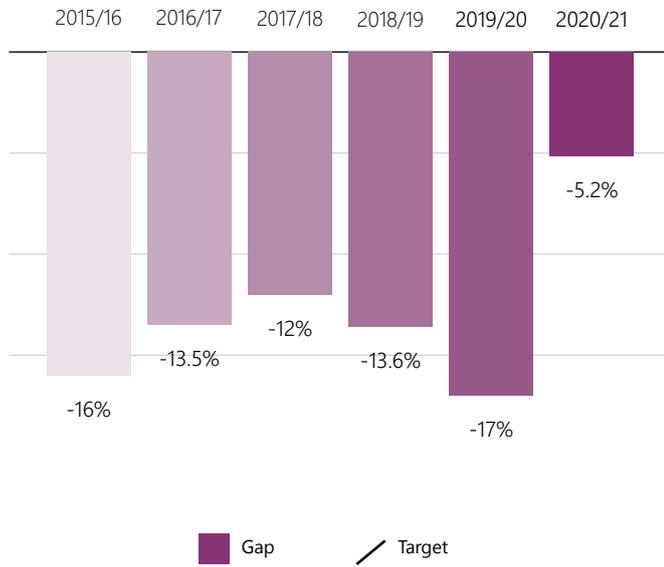
- In efforts to retain local medical professionals, 9 health professionals received rental subsidy by participating in the *Medical Services Housing Subsidy* scheme. One General Practitioner and one Speech Pathologist accepted positions in Karratha following familiarisation trips conducted by the City.
- The Wanggalili Project commenced, aiming to create an innovative and sustainable Indigenous managed agribusiness collecting seeds and growing Yindjibarndi plants on country with potential to be used in a range of commercial applications. Trial plants were planted at Ganalili Centre in Roebourne and in the Ngurrawaana community.

4.e Services that meet community needs

- Our Annual Community Survey was conducted in February 2021, over 1600 residents shared their thoughts on a range of City matters and we received an overall score of 76%, the highest overall score since inception in 2012. This feedback was a valuable tool to inform budget allocations, track our performance, improve service delivery and advocate for our community.
- Service delivery improvements were instigated throughout the City to address customer service which has historically been recognised as very good. The ongoing use of online community '*Report It*' tool to report problems and improvements facilitated greater opportunities for the public to interact with the City on a range of City matters.
- The City continued to review its policies so that they remain relevant. 16 Council policies were reviewed for the 2020/21 period.

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

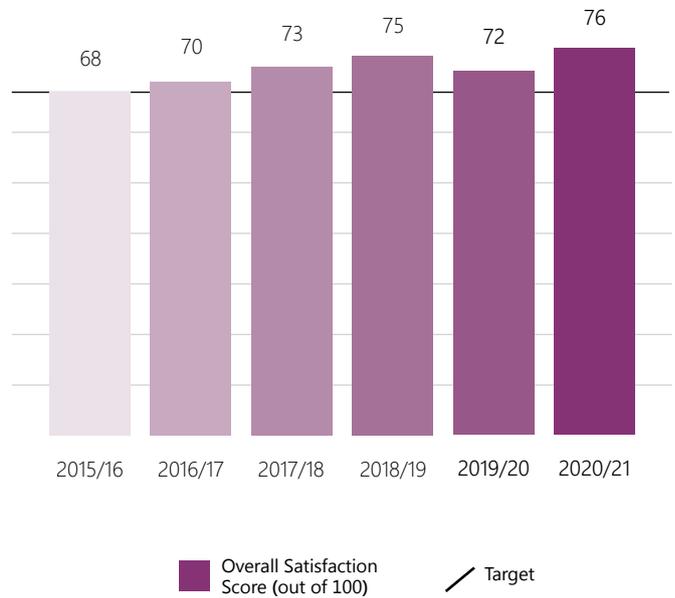
Please note the target is 0



Improved performance outweighed by a greater increase in importance.

Increase in overall community satisfaction score through the annual community survey

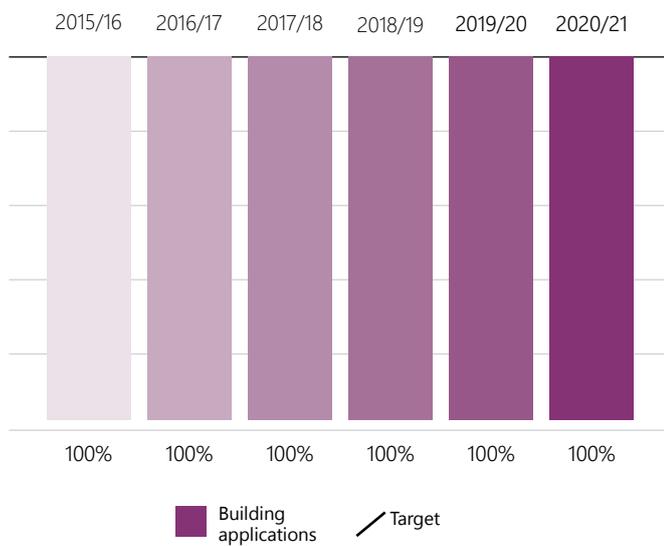
Please note the target is 68



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

Assess all building applications within the statutory time frames

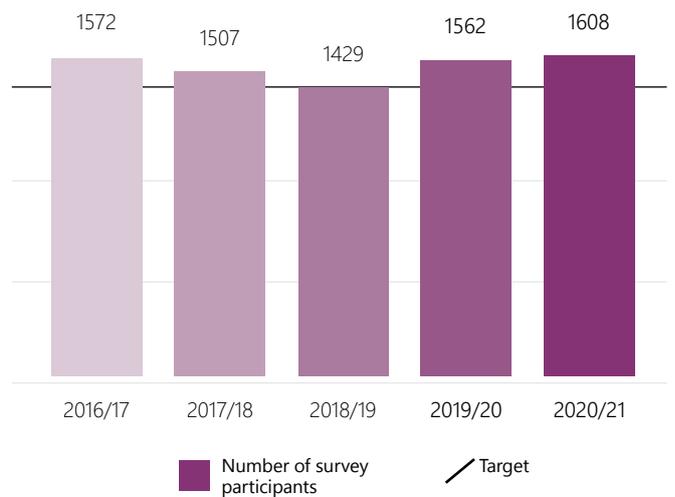
Please note the target is 100%



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

Statistically relevant number of participants in annual community survey

Please note the target is 1500





Murujuga

2.6 Into the future

While not traditional responsibilities of local government, the City is taking action on global issues such as climate change and sustainability alongside more localised challenges such as insurance premiums, cost of living, access to health services and housing.

Climate change and sustainability

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

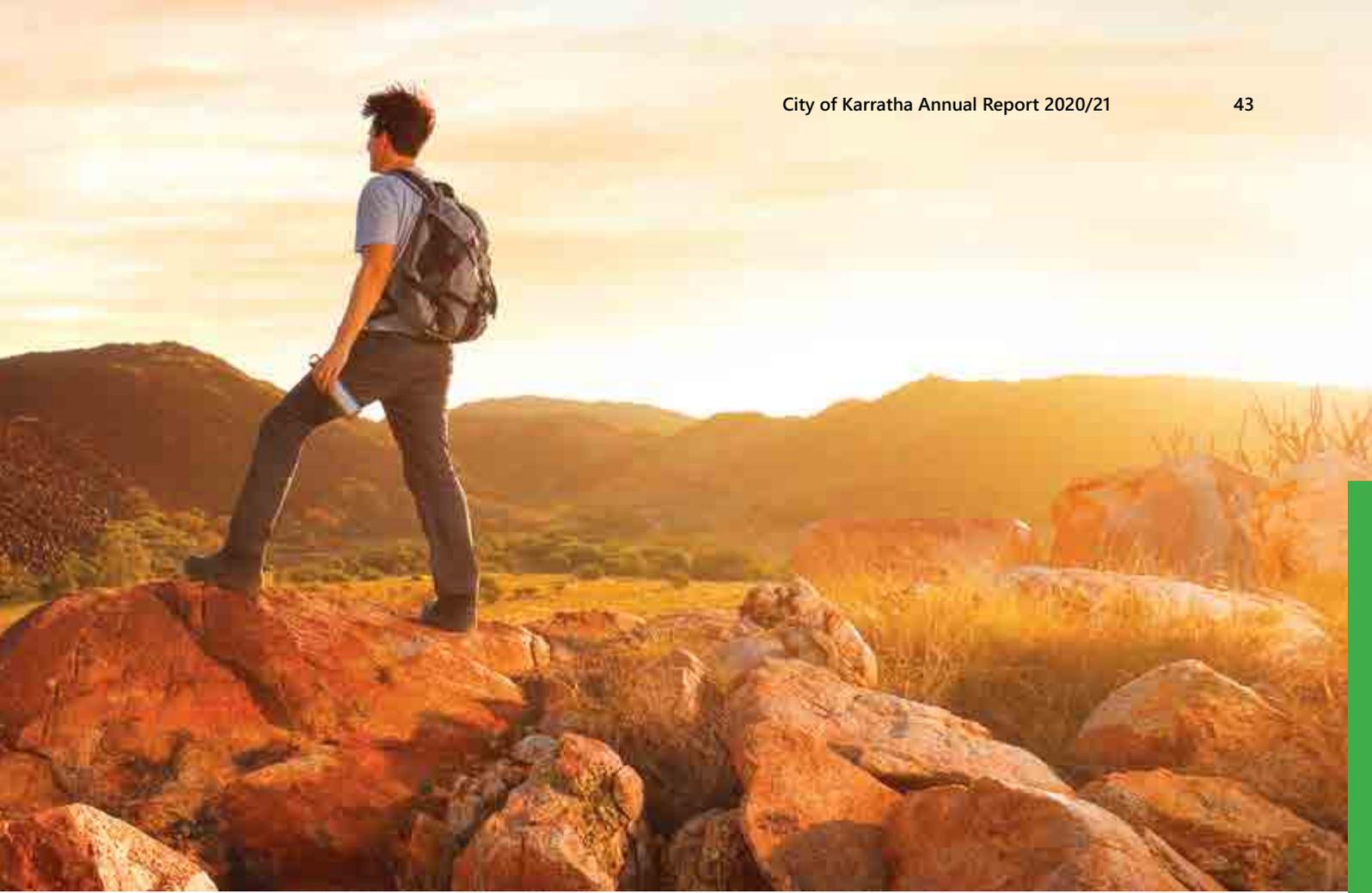
- Creation of Sustainability Officer role within the Development Services directorate.
- Bushfire mitigation works in partnership with the Department of Fire and Emergency Services and Murujuga Aboriginal Corporation.
- New Environmental Sustainability Strategy prepared and presented to Council for the purposes of public comment.
- 40% of Karratha Airport facility power requirements provided by solar.

Insurances

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

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

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



Resources industry growth and housing

The City of Karratha is of global significance, hosting multi-national corporations and exporting resources worldwide. The City has a long history of exporting iron ore, liquefied natural gas, salt and ammonium products and while this is set to continue into the future, the changing nature of the resources industry is creating opportunities for economic diversification.

Council has spent the last several years preparing for major growth in local resource industries ensuring the provision of serviced land both

residentially and commercially, development of community facilities to support an increased population and improvement of local government by-laws to support integrated workforces.

In 2020/21 the City progressed a number of initiatives aimed at improving the availability and affordability of housing in the district.

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

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.slp.wa.gov.au.

Role of Council

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

Election of Mayor and Councillors

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

The next date for ordinary local government elections is Saturday 16th October 2021.

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, Peter 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 newest 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 Evette Smeathers

*Councillor since: 2009
T 0458 064 478
E Cr.Smeathers@karratha.wa.gov.au*

Cr Smeathers has served 12 years on Council focusing on minimising FIFO workforces, supporting local business and tourism. Having seen Karratha transformed from a mining hub into a vibrant town Cr Smeathers would like to see more people calling Karratha home.



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. In 2015 she was awarded Wickham Citizen of the Year. 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 – 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 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 17 years. Cr Bailey has served on Council for 18 years and is currently the Chair of the Yaandina Board.



Cr Georgia Evans

Councillor since: 2017
T 0457 795 226
E Cr.Evans@karratha.wa.gov.au

Cr Evans provides a strong voice for Dampier residents. Cr Evans stands for Council funding that empowers community associations to deliver community projects and builds participation in local clubs and groups. Cr Evans vacated her position in January 2021.



Cr Jamie Armstrong

Councillor from
February – October 2021

Cr Armstrong was elected as a result of an extraordinary election to fill a vacant place for the Dampier Ward. Cr Armstrong and his family have been Dampier residents for almost 10 years, during this time he has contributed as a committee member for Dampier Community Association, West Pilbara Junior Football League and Karratha Dampier Tee-Ball Association, as well as a volunteer for junior cricket and surf lifesaving. Cr Armstrong is passionate about preserving the feel of Dampier whilst optimising opportunities to benefit the community.

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 5:30pm. 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	27/07/2020	Chambers	Y	1
Ordinary Council Meeting	17/08/2020	Wickham	Y	17
Ordinary Council Meeting	21/09/2020	Chambers	Y	1
Ordinary Council Meeting	19/10/2020	Chambers	Y	9
Ordinary Council Meeting	16/11/2020	Chambers	Y	8
Ordinary Council Meeting	14/12/2020	Chambers	Y	2
Ordinary Council Meeting	27/01/2021	Chambers	N	3
Ordinary Council Meeting	22/02/2021	Chambers	Y	7
Ordinary Council Meeting	22/03/2021	Chambers	Y	9
Ordinary Council Meeting	27/04/2021	Roebourne	Y	2
Ordinary Council Meeting	31/05/2021	Chambers	Y	16
Ordinary Council Meeting	30/06/2021	Chambers	Y	8
Totals				83
Electors' Meeting 2018-19	13/12/2020	Chambers	N/A	0
Electors' Meeting 2019-20	30/03/2020	Electronic	N/A	0
Totals				0



New shade structure at Karratha Leisureplex Oval



Median planting

	CR ARMSTRONG	CR BAILEY	CR BERTLING	CR EVANS	CR HARRIS	CR LONG	CR MILLER	CR NUNN	CR SCOTT	CR SMEATHERS	CR WATERSTROM MULLER	TOTAL NUMBER OF COUNCILLORS IN ATTENDANCE
	N/A	✓	✓	✓	✓	✓	✓	✓	X	✓	✓	9
	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
	N/A	✓	✓	✓	✓	✓	✓	✓	✓	X	✓	9
	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
	N/A	✓	✓	✓	X	✓	✓	X	✓	✓	✓	8
	N/A	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
	N/A	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓	9
	N/A	X	✓	N/A	✓	✓	✓	✓	✓	✓	✓	8
	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓	10
	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓	10
	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓	10
	✓	✓	✓	N/A	✓	✓	✓	✓	✓	✓	✓	10
	4	11	12	6	11	12	12	11	11	11	12	
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	10
	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11
	1	1	1	1	1	1	1	1	1	1	1	



Solar footpath lighting

	Name	Date	Term	Term Expires
Elections (Postal)	Cr Armstrong	20/02/2021	8 months	2021
Resignations	Cr Evans	08/01/2021	4 Year	2021
Retirement	Nil			
Councillors	Cr Evans	21/10/2017	4 Year	2021
	Cr Miller	21/10/2017	4 Year	2021
	Cr Nunn	21/10/2017	4 Year	2021
	Cr Smeathers	21/10/2017	4 Year	2021
	Cr Waterstrom-Muller	21/10/2017	4 Year	2021
	Cr Bailey	19/10/2019	4 Year	2023
	Cr Bertling	19/10/2019	4 Year	2023
	Cr Harris	19/10/2019	4 Year	2023
	Cr Long	19/10/2019	4 Year	2023
	Cr Scott	19/10/2019	4 Year	2023



Snorkelling at Dampier Archipelago

Details of Council sub-committee and number of meeting days

Audit and Organisational Risk Committee for a two-year term

Cr Long, Cr Nunn, Cr Scott and Cr Smeathers
No. sitting days: 3

Internal advisory groups with councillor representation

Environment and Sustainability Advisory Group for a two-year term

Cr Long, Cr Bertling, Cr Evans and Cr Waterstrom Muller

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

Cr Evans, Cr Miller, Cr Smeathers and Cr Waterstrom Muller

Safer Communities Partnership for a two-year term

Cr Long, Cr Nunn, Cr Bertling and Cr Waterstrom Muller

Airport Advisory Group for a two-year term

Cr Long, Cr Bertling, Cr Scott and Cr Smeathers

Waste Advisory Group for a two-year term

Cr Long, Cr Nunn, Cr Evans and Cr Miller

Youth Advisory Group

Cr Nunn, Cr Miller, Cr Waterstrom Muller

External bodies with councillor representation

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

Cr Long, Cr Scott; Proxy: Cr Nunn

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 Long, Cr Nunn; Proxies: Cr Bertling, Cr Smeathers

Kimberley/Pilbara/Gascoyne (Northern) Joint Development Assessment Panel

Cr Long and Cr Cucel as local government members; and Cr Smeathers and Cr Bertling as alternate local government members

Councillor conduct

No complaints were received in 2020/21.



Karratha Health Campus

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	32	\$486,992
Small Community Grants	26	\$75,782
Computers for Communities <i>Due to Cyclone Damien damaging stock, Computers for Communities did not occur this financial year but will commence 2021-2022.</i>	N/A	N/A
Major Event Sponsorship and Attraction Program <i>The amount is significantly less than the previous financial year due to many existing events being cancelled due to COVID-19 and new events not being proposed, also due to COVID-19.</i>	2	\$30,000

3.3 Corporate Governance

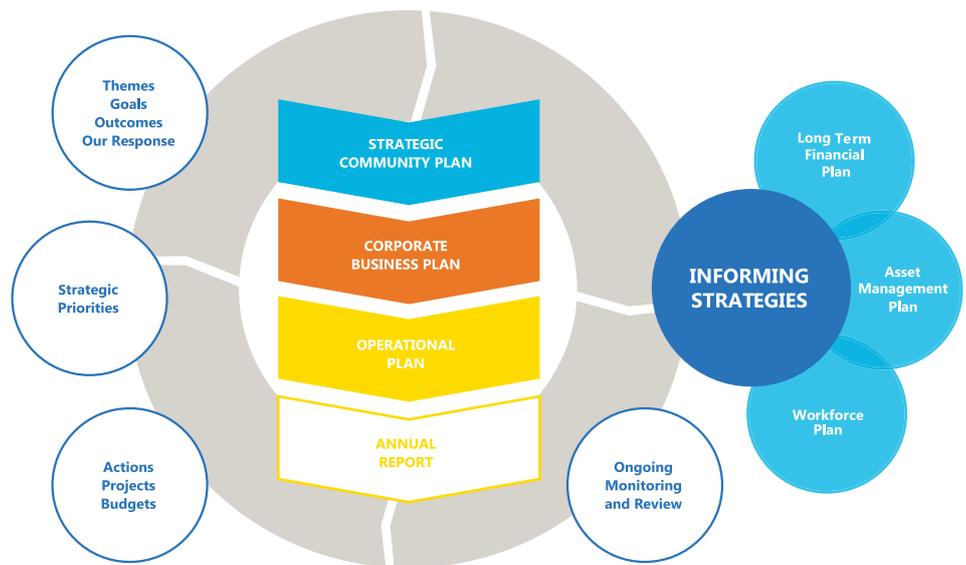
Corporate governance is the framework that serves as a control for the decision-making of local governments. This system ensures that the decisions made by Council are informed, transparent and balanced.

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

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



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



Our organisation

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

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

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

Executive Management Team

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



Chris Adams

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

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

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

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

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



Phillip Trestrail

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

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



Simon Kot

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

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



Ryan Hall

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

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



Arron Minchin

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

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



Mayor Peter Long, RDA Chair Nerida Kickett, Minister for Immigration, Citizenship, Migrant Services and Multicultural Affairs Hon Alex Hawke, RDA CEO Tony Simpson and City of Karratha Director Development Services Ryan Hall

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 494 staff members, working across four directorates and based in 15 locations.



303.6 Full Time Equivalent



238 Full Time



58 Part Time



198 Casual

Employee turnover rate

Employee turnover rate for the 2020/21 financial year has increased by 5 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	2020-21
\$100,000 - \$109,999	14
\$110,000 - \$119,999	4
\$120,000 - \$129,999	3
\$130,000 - \$139,999	3
\$140,000 - \$149,999	2
\$150,000 - \$159,999	5
\$160,000 - \$169,999	1
\$170,000 - \$179,999	0
\$180,000 - \$189,999	0
\$190,000 - \$199,999	1
\$200,000 - \$209,999	2
\$210,000 - \$219,999	0
\$220,000 - \$229,999	0
\$230,000 - \$239,999	0
\$240,000 - \$249,999	0
\$250,000 - \$259,999	2
\$390,000 - \$399,999	1



City of Karratha and Bida Waste Transfer Station staff

Employee diversification statistics



Female Workforce

68.6% for Female Workforce



Mature Employees

31.7% for Mature employees



Aboriginal and Torres Strait Islander Australians

4.45% for Aboriginal and Torres Strait Islander Australians



Young People

17.31% 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 2020-21 the City provided five traineeship and apprenticeship opportunities.

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

Our Recruitment Processes

The City has a Human Resources team that facilitates merit based selection processes to ensure that it remains an Equal Opportunity Employer. The City of Karratha considers its workforce its most valuable asset and so it is increasingly important that the correct people are hired to fill roles. In 2020/21, the human resource team undertook 145 recruitment processes across all levels of the organisation.

Workplace occupational safety and health

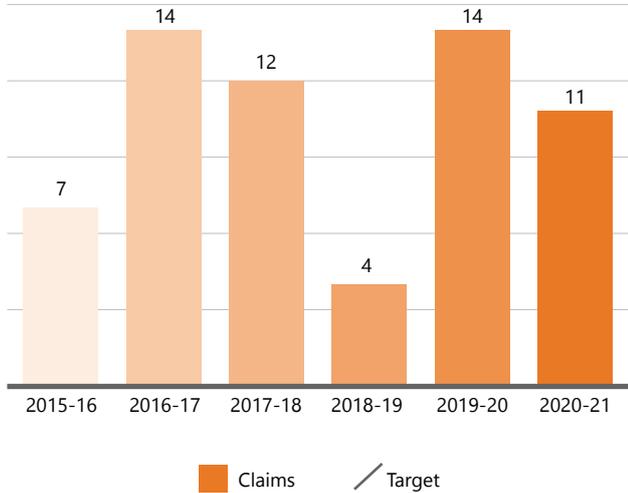
The City of Karratha has made a commitment to provide employees a safe working environment.

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

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

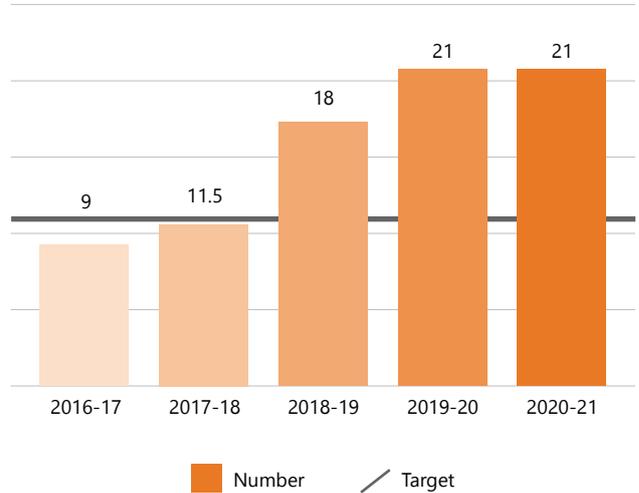
Number of workers compensation claims per annum

Please note the target is 0



Number of Indigenous staff employed

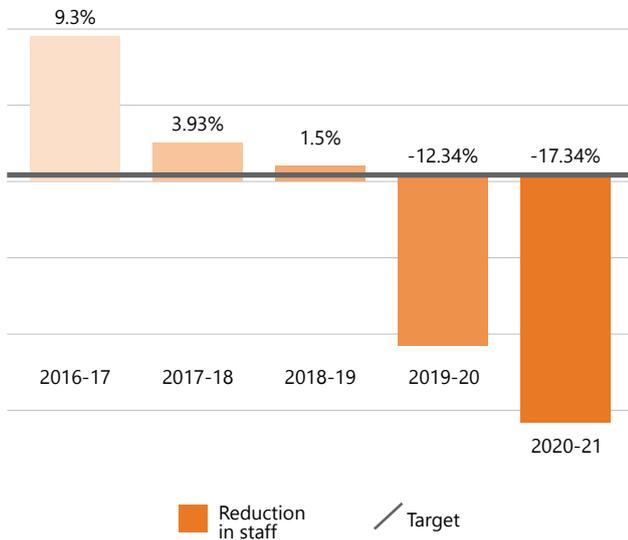
Please note the target is 12



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

Percentage reduction in staff turnover

Please note a positive result is one below the target



2020/21 highlights

- 
160 work place inspections across City facilities
- 
74 employees received flu vaccinations
- 
130 employees undertook a skin screen
- 
62 employees completed a health risk assessment

80 staff left the organisation in 2020/21 making a total turnover figure of 24.66%.

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 2020/21 financial year the City of Karratha no matters were referred to any government agency.

Records Management

The City of Karratha has a demonstrated commitment to State Records Act 2000 compliant recordkeeping practices. A comprehensive review of the City's Recordkeeping Plan was conducted, with an amended Plan required to be submitted to the State Records Office by December 2021. The City has 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.

The City of Karratha is committed to continuous improvement and is currently progressing a phased implementation of a new Enterprise Resource Planning (ERP) system called *TechnologyOne CiAnywhere*.

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 2020/2021 financial year, 6 FOI applications, one internal review and one external review were received. Five applications were settled within the statutory 45-day period and one required an extended period that was permitted by the Applicant.

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

- Council agenda and minutes
- Annual budgets
- Annual financial statements
- Annual reports

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

National Competition Policy

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

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

Strategic asset management

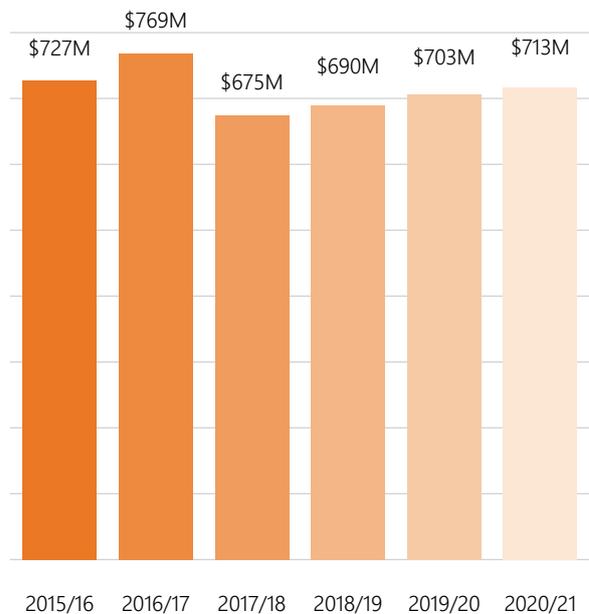
The City of Karratha manages an asset portfolio of more than \$650 million and has extensive management policies in place to ensure best results for the community.

Asset Management Planning

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

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

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



Enterprise risk management

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

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

Strategic, Corporate and Operational Risks

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



Hearson Cove

Audit and organisational risk committee

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

Audit & Organisational Risk Committee membership is comprised of three elected members. During 2019/20 Councillor Evette Smeathers held the position of Chair.

The Audit and Organisational Risk Committee met on three occasions over the last financial year:

- October 27, 2020
- March 19, 2021
- May 24, 2021

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 City undertook a Financial Management Service Review by Avant Edge Consulting in June 2020 to identify the appropriateness and effectiveness of financial management system controls. Three medium risks were identified and six areas of low risk were identified and are currently being addressed.

The Office of Auditor General (OAG) continues to undertake the financial audit of the City. For the 2020/21 financial year, the OAG completed a Cyber Security Audit across eight areas, each attaining a moderate risk rating. In their finalisation of the 2020/2021 Financial Audit, the OAG also incorporated an Information Systems Audit where only one significant finding was identified in addition to seven moderate risks and two minor risks that will be resolved for the following financial year.



Dampier Community Hub

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 33 tenders and 91 formal requests for quotation during 2020/21.

Significant contracts awarded included:

- City Housing (\$4.9m)
- Karratha Golf Course Superintendent (\$3.1m)
- Provision of Local Government Information System/ERP (\$6.8m)
- Minor Works – Building Services (\$2.2m)
- Minor Works – Electrical (\$7.5m)

In 2020/21 the City issued 10,363 purchase orders with 60 per cent of all work allocated to local business, to the value of \$39 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 262 suppliers registered with the City's Tenderlink Portal for the purpose of tendering and 229 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.



\$39 MILLION

IN PURCHASE ORDERS
FOR WORK ALLOCATED
TO LOCAL BUSINESSES



SECTION 4

FINANCE

The final section of this report outlines the City of Karratha's finances for 2020/21 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 2021

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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 2021

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Karratha for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the City of Karratha at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on 1 March 2022



Chris Adams
Chief Executive Officer





Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 City of Karratha

To the Councillors of the City of Karratha

Report on the audit of the annual financial report

Opinion

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

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

In my opinion the financial report of the City of Karratha:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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

The Chief Executive Officer (CEO) of the City is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the City.

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

Auditor's responsibility for the audit of the financial report

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

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

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

Report on other legal and regulatory requirements

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

- (i) The following material matter indicating non-compliance with Part 6 of the Act, the Regulations or applicable financial controls of any other relevant written law was identified during the course of my audit:
 - a) Insufficient controls in place to appropriately manage unauthorised and privileged access to the City's network and key systems.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of Karratha for the year ended 30 June 2021 included 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 described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 March 2022

CITY OF KARRATHA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
Rates	27(a)	44,298,154	43,374,241	42,115,888
Operating grants, subsidies and contributions	2(a)	17,146,710	19,550,160	14,722,534
Fees and charges	2(a)	40,196,174	37,545,656	39,009,825
Service charges	27(b)	0	0	(1,022)
Interest earnings	2(a)	1,058,794	1,174,577	1,997,559
Other revenue	2(a)	3,250,577	765,673	1,962,576
		105,950,409	102,410,307	99,807,360
Expenses				
Employee costs		(37,214,925)	(35,425,142)	(36,285,412)
Materials and contracts		(29,449,528)	(33,273,148)	(31,369,835)
Utility charges		(6,249,037)	(6,475,307)	(6,032,628)
Depreciation on non-current assets	10(b)	(21,305,004)	(18,594,262)	(20,456,483)
Interest expenses	2(b)	(202,694)	(5,994)	(8,907)
Insurance expenses		(1,900,845)	(1,773,981)	(1,777,732)
Other expenditure		(3,763,473)	(4,460,820)	(3,332,909)
		(100,085,506)	(100,008,654)	(99,263,906)
		5,864,903	2,401,653	543,454
Non-operating grants, subsidies and contributions	2(a)	4,724,337	5,523,990	5,752,377
Profit on asset disposals	10(a)	35,501	1,200	121,201
(Loss) on asset disposals	10(a)	(439,137)	(272,783)	(3,461,196)
Fair value adjustments to financial assets at fair value through profit or loss		6,542	0	0
Fair value adjustments to investment properties	13	5,438,861	0	3,381,936
		9,766,104	5,252,407	5,794,318
Net result for the period		15,631,007	7,654,060	6,337,772
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(316,186)	0	(7,149,718)
Total other comprehensive income for the period		(316,186)	0	(7,149,718)
Total comprehensive income for the period		15,314,821	7,654,060	(811,946)

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



CITY OF KARRATHA
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30 JUNE 2021

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
Revenue				
	2(a)			
Governance		1,142,190	1,092,924	721,825
General purpose funding		50,683,707	48,598,000	49,595,865
Law, order, public safety		713,146	590,401	866,319
Health		223,524	158,542	151,626
Education and welfare		57,672	78,000	71,752
Housing		917,274	997,756	862,233
Community amenities		11,874,573	10,443,981	11,375,966
Recreation and culture		13,482,789	16,795,946	11,435,570
Transport		25,321,490	22,812,423	23,465,074
Economic services		704,357	543,350	631,527
Other property and services		829,687	298,984	629,603
		105,950,409	102,410,307	99,807,360
Expenses				
	2(b)			
Governance		(2,691,249)	(3,491,541)	(2,708,189)
General purpose funding		(2,052,083)	(1,459,347)	(1,402,490)
Law, order, public safety		(1,404,236)	(1,475,308)	(1,727,258)
Health		(1,035,202)	(1,152,792)	(1,119,686)
Education and welfare		(178,352)	(178,845)	(396,813)
Housing		(910,717)	(992,084)	(1,016,957)
Community amenities		(18,752,644)	(16,940,376)	(15,912,828)
Recreation and culture		(43,598,582)	(43,887,123)	(38,468,764)
Transport		(26,586,175)	(24,820,710)	(34,337,360)
Economic services		(1,895,529)	(5,454,399)	(1,918,519)
Other property and services		(778,043)	(150,135)	(246,135)
		(99,882,812)	(100,002,660)	(99,254,999)
Finance Costs				
	2(b)			
General purpose funding		(10,141)	(5,994)	(7,883)
Community amenities		(176,038)	0	0
Recreation and culture		(16,515)	0	(1,024)
		(202,694)	(5,994)	(8,907)
		5,864,903	2,401,653	543,454
Non-operating grants, subsidies and contributions	2(a)	4,724,337	5,523,990	5,752,377
Profit on disposal of assets	10(a)	35,501	1,200	121,201
(Loss) on disposal of assets	10(a)	(439,137)	(272,783)	(3,461,196)
Fair value adjustments to financial assets at fair value through profit or loss		6,542	0	0
Fair value adjustments to investment properties	13	5,438,861	0	3,381,936
		9,766,104	5,252,407	5,794,318
Net result for the period		15,631,007	7,654,060	6,337,772
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(316,186)	0	(7,149,718)
Total other comprehensive income for the period		(316,186)	0	(7,149,718)
Total comprehensive income for the period		15,314,821	7,654,060	(81,946)

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



**CITY OF KARRATHA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021**

	NOTE	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	3	60,871,828	55,175,670
Trade and other receivables	6	8,848,998	10,252,019
Other financial assets	5(a)	16,569,589	13,163,678
Inventories	7	1,318,758	488,469
Contract assets	2(a)	691,479	0
TOTAL CURRENT ASSETS		88,300,652	79,079,836
NON-CURRENT ASSETS			
Trade and other receivables	6	398,516	453,046
Other financial assets	5(b)	800,246	322,310
Inventories	7	93,370	488,358
Property, plant and equipment	8	250,787,540	250,813,979
Infrastructure	9	431,210,116	426,824,872
Investment properties	13	31,300,000	25,619,936
Right-of-use assets	11(a)	1,405,797	27,436
TOTAL NON-CURRENT ASSETS		715,995,585	704,549,937
TOTAL ASSETS		804,296,237	783,629,773
CURRENT LIABILITIES			
Trade and other payables	14	11,123,600	6,195,306
Other liabilities	15	973,681	2,119,876
Lease liabilities	16(a)	145,406	14,998
Borrowings	17(a)	16,416	85,520
Employee related provisions	18	4,820,037	4,618,608
TOTAL CURRENT LIABILITIES		17,079,140	13,034,308
NON-CURRENT LIABILITIES			
Lease liabilities	16(a)	1,227,481	12,831
Borrowings	17(a)	16,853	177,494
Employee related provisions	18	473,844	457,080
Other provisions	19	14,082,863	13,846,825
TOTAL NON-CURRENT LIABILITIES		15,801,041	14,494,230
TOTAL LIABILITIES		32,880,181	27,528,538
NET ASSETS		771,416,056	756,101,235
EQUITY			
Retained surplus		456,812,908	452,276,363
Reserves - cash/financial asset backed	4	73,555,557	67,506,603
Revaluation surplus	12	241,047,591	236,318,269
TOTAL EQUITY		771,416,056	756,101,235

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 2021**

NOTE	RESERVES CASH/FINANCIAL			TOTAL EQUITY
	RETAINED SURPLUS	ASSET BACKED	REVALUATION SURPLUS	
	\$	\$	\$	\$
Balance as at 1 July 2019	446,597,387	66,847,807	243,467,987	756,913,181
Comprehensive income				
Net result for the period	6,337,772	0	0	6,337,772
Other comprehensive income	12 0	0	(7,149,718)	(7,149,718)
Total comprehensive income	6,337,772	0	(7,149,718)	(811,946)
Transfers from reserves	4 19,947,616	(19,947,616)	0	0
Transfers to reserves	4 (20,606,412)	20,606,412	0	0
Balance as at 30 June 2020	452,276,363	67,506,603	236,318,269	756,101,235
Adjustment to revaluation surplus	12 (5,045,508)	0	5,045,508	0
Restated balance at 1 July 2020	447,230,855	67,506,603	241,363,777	756,101,235
Comprehensive income				
Net result for the period	15,631,007	0	0	15,631,007
Other comprehensive income	12 0	0	(316,186)	(316,186)
Total comprehensive income	15,631,007	0	(316,186)	15,314,821
Transfers from reserves	4 13,168,229	(13,168,229)	0	0
Transfers to reserves	4 (19,217,183)	19,217,183	0	0
Balance as at 30 June 2021	456,812,908	73,555,557	241,047,591	771,416,056

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 2021**

	NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		44,184,286	43,427,852	43,663,978
Operating grants, subsidies and contributions		17,979,159	18,429,528	15,357,838
Fees and charges		39,520,222	37,545,656	39,949,453
Service charges		0	0	(1,022)
Interest received		1,058,794	1,174,577	1,997,559
Goods and services tax received		0	19,709	597,254
Other revenue		3,250,577	765,673	1,962,576
		105,993,038	101,362,995	103,527,636
Payments				
Employee costs		(36,706,953)	(35,931,106)	(35,694,966)
Materials and contracts		(25,246,546)	(29,444,529)	(36,305,942)
Utility charges		(6,249,037)	(6,475,307)	(6,032,628)
Interest expenses		(202,694)	(5,994)	(8,907)
Insurance paid		(1,900,845)	(1,773,981)	(1,777,732)
Goods and services tax paid		(388,574)	0	0
Other expenditure		(3,763,473)	(4,460,820)	(3,332,909)
		(74,458,122)	(78,091,737)	(83,153,084)
Net cash provided by operating activities	20	31,534,916	23,271,258	20,374,552
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	8(a)	(8,663,937)	(15,872,674)	(7,851,645)
Payments for construction of infrastructure	9(a)	(18,394,328)	(20,926,361)	(18,692,310)
Payments for development of land held for resale		0	(150,000)	0
Payments for investment properties	13	(241,203)	(125,100)	(18,000)
Non-operating grants, subsidies and contributions		4,926,429	5,523,990	5,752,377
Proceeds from financial assets at amortised cost		(3,386,374)	0	29,127,888
Proceeds from financial assets at amortised cost - self supporting loans		152,902	85,520	56,480
Proceeds on disposal of financial assets at amortised cost - loans to clubs/institutions		(3,083)	0	6,166
Payments for financial assets at amortised cost - loans to clubs/institutions		(640,750)	(3,246,000)	0
Proceeds from sale of property, plant & equipment	10(a)	732,360	1,028,200	761,990
Net cash provide by (used in) investment activities		(25,517,984)	(33,682,425)	9,142,946
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	17(b)	(229,745)	(85,520)	(83,439)
Payments for principal portion of lease liabilities	16(b)	(91,029)	0	(14,576)
Net cash used in financing activities		(320,774)	(85,520)	(98,015)
Net increase (decrease) in cash held		5,696,158	(10,496,687)	29,419,483
Cash at beginning of year		55,175,670	74,128,328	25,756,187
Cash and cash equivalents at the end of the year	20	60,871,828	63,631,641	55,175,670

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



**CITY OF KARRATHA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

NOTE	2021 Actual \$	2021 Budget \$	2020 Actual \$
OPERATING ACTIVITIES			
	453,046	452,483	831,611
	1,700,172	5,048,682	1,896,063
28 (b)	2,153,218	5,501,165	2,727,674
Revenue from operating activities (excluding rates)			
Governance	1,150,590	1,092,924	723,888
General purpose funding	6,385,553	5,223,759	7,479,977
Law, order, public safety	714,511	590,401	866,351
Health	223,524	158,542	151,626
Education and welfare	57,672	78,000	71,752
Housing	917,274	997,756	981,339
Community amenities	11,877,589	10,443,981	11,375,966
Recreation and culture	13,497,113	16,795,946	11,435,570
Transport	25,331,811	22,813,623	23,465,074
Economic services	6,145,378	543,350	4,013,463
Other property and services	832,144	298,984	629,603
	67,133,159	59,037,266	61,194,609
Expenditure from operating activities			
Governance	(2,691,249)	(3,491,541)	(2,714,208)
General purpose funding	(2,062,224)	(1,465,341)	(1,416,953)
Law, order, public safety	(1,404,236)	(1,496,808)	(1,732,448)
Health	(1,037,062)	(1,152,792)	(1,119,686)
Education and welfare	(186,876)	(178,845)	(689,953)
Housing	(935,892)	(992,084)	(1,016,957)
Community amenities	(19,091,014)	(17,099,376)	(15,941,177)
Recreation and culture	(43,647,174)	(43,923,311)	(39,269,366)
Transport	(26,794,279)	(24,844,905)	(36,653,786)
Economic services	(1,895,529)	(5,463,399)	(1,924,433)
Other property and services	(779,108)	(173,035)	(246,135)
	(100,524,643)	(100,281,437)	(102,725,102)
Non-cash amounts excluded from operating activities	16,281,196	18,865,845	19,588,068
28(a)	(14,957,070)	(16,877,161)	(19,214,751)
Amount attributable to operating activities			
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	4,724,337	5,523,990	5,752,377
2(a)	732,360	1,028,200	761,990
10(a)	152,902	85,520	56,480
Proceeds from disposal of assets	(640,750)	(3,246,000)	0
Proceeds from financial assets at amortised cost - self supporting loans	0	(150,000)	0
Payments for financial assets at amortised cost - loans to clubs/institutions	0	(150,000)	0
Purchase land held for resale	0	(150,000)	0
Purchase of property, plant and equipment	(8,603,937)	(15,872,674)	(7,851,645)
8(a)	(18,394,328)	(20,926,361)	(18,692,310)
Purchase and construction of infrastructure	(241,203)	(125,100)	(18,000)
9(a)	(22,270,619)	(33,682,425)	(19,991,108)
13			
Amount attributable to investing activities			
FINANCING ACTIVITIES			
Repayment of borrowings	(229,745)	(85,520)	(83,439)
17(b)	(91,029)	0	(14,576)
16(b)	(19,217,183)	(14,849,022)	(20,606,412)
4	13,168,229	22,552,393	19,947,616
4	(6,369,728)	7,617,851	(756,811)
Amount attributable to financing activities			
	(43,597,417)	(42,941,735)	(39,962,670)
Deficit before imposition of general rates			
Total amount raised from general rates			
27(a)	44,298,154	43,374,241	42,115,888
6	248,516	298,823	453,046
28(b)	452,221	133,683	1,700,172
Restricted surplus June 30 c/fwd - Pilbara Underground Power			
Surplus after imposition of general rates			

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



**CITY OF KARRATHA
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FOR THE YEAR ENDED 30 JUNE 2021**

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

1. BASIS OF PREPARATION

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

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

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 31 to these financial statements.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

These were:

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

- *AASB 2020-1 Amendments to Australian Accounting Standards*
- *Classification of Liabilities as Current or Non-current*
- *AASB 2020-3 Amendments to Australian Accounting Standards*
- *Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2021-2 Amendments to Australian Accounting Standards*
- *Disclosure of Accounting Policies or Definition of Accounting Estimates*

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

CRITICAL ACCOUNTING ESTIMATES

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

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

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

- Employee expenses
- Land held for resale
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Intangible assets
- Right-of-use assets
- Lease liabilities
- Borrowing liabilities
- Provisions

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

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions			
Governance	1,019,020	1,029,472	0
General purpose funding	2,628,058	1,403,017	3,255,647
Law, order, public safety	469,017	443,851	673,910
Health	75,417	12,542	12,543
Housing	0	0	18,000
Community amenities	96,431	35,800	195,900
Recreation and culture	8,424,710	12,669,296	7,136,121
Transport	4,366,557	3,919,182	3,363,413
Economic services	67,500	37,000	67,000
	17,146,710	19,550,160	14,722,534
Non-operating grants, subsidies and contributions			
Law, order, public safety	0	0	748,128
Community amenities	70,000	20,000	80,000
Recreation and culture	1,789,467	3,101,055	2,786,114
Transport	2,864,870	2,402,935	2,138,135
	4,724,337	5,523,990	5,752,377
Total grants, subsidies and contributions	21,871,047	25,074,150	20,474,911
Fees and charges			
Governance	23,227	21,132	30,863
General purpose funding	2,741,080	2,539,910	2,248,981
Law, order, public safety	99,773	79,550	88,449
Health	148,107	146,000	139,083
Education and welfare	57,672	78,000	71,752
Housing	917,274	997,756	844,233
Community amenities	11,473,246	10,228,819	11,015,823
Recreation and culture	5,049,267	4,126,290	4,282,284
Transport	18,744,434	18,776,849	19,651,765
Economic services	636,857	506,350	564,527
Other property and services	305,237	45,000	72,065
	40,196,174	37,545,656	39,009,825

During the financial year ended 30 June 2021, Council resolved at its November and December meetings of Council (Res No: 154702 & 154724) to impose the following new fees effective from 1 January 2021:

	New Fee (GST incl)	Resolution
Pam Buchanan Café - Full Kitchen Hire (commercial group) per hour	\$50.00	154702
Pam Buchanan Café - Full Kitchen Hire (commercial group) per week	\$500.00	154702
Pam Buchanan Café - Full Kitchen Hire (community group)	50% of appl. community rate	154702
Pam Buchanan Café - Servery/Kiosk Hire (commercial group) per hour	\$24.00	154702
Pam Buchanan Café - Servery/Kiosk Hire (commercial group) per day	\$240.00	154702
Pam Buchanan Café - Servery/Kiosk Hire (Community group)	50% of appl. community rate	154702
For Profit Activities in City Parks Permit (per annum)	\$200.00	154702
Environmental Clean	Cost Plus 12.5%	154702
Karratha Airport Parker Card Issuance	\$20.00	154702
Indoor Play Centre - Special Program Sessions (up to max, per session)	\$40.00	154724

Grants, subsidies and contributions

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

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

Fees and Charges

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City was recognised during the year for the following nature or types of goods or services:

	2021 Actual \$	2021 Budget \$	2020 Actual \$
Operating grants, subsidies and contributions	330,463	606,249	331,103
Non-operating grants, subsidies and contributions	643,218	2,902,934	1,788,773
	<u>973,681</u>	<u>3,509,183</u>	<u>2,119,876</u>

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City is comprised of:

Revenue from contracts with customers included as a contract liability at the start of the period	1,558,858	0	1,806,942
Revenue from contracts with customers recognised during the year	(1,112,249)	606,249	(248,084)
Revenue from transfers intended for acquiring or constructing recognisable non financial assets held as a liability at the start of the period	561,018	0	238,959
Revenue from transfers intended for acquiring or constructing recognisable non financial assets during the year	(33,946)	2,902,934	322,059
	<u>973,681</u>	<u>3,509,183</u>	<u>2,119,876</u>

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non-financial assets is:

Contract assets	691,479		0
Contract liabilities from contracts with customers	(446,609)		(1,558,858)
Financial assets held from transfers for recognisable financial assets	527,072		561,018
Grant liabilities from transfers for recognisable non financial assets	(527,072)		(561,018)

Items included in this section are only applicable to AASB15.

Contract assets primarily relate to the City's right to consideration for work completed but not billed at 30 June 2021.

Assets associated with contracts with customers were not subject to an impairment charge.

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

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

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

	2021 Actual \$	2021 Budget \$	2020 Actual \$
General rates	44,246,715	43,322,802	42,064,449
Service charges	0	0	(1,022)
Statutory permits and licences	349,821	341,000	315,759
Fines	4,280	8,000	4,730
	44,600,816	43,671,802	42,383,916
Other revenue			
Insurance reimbursements	1,900,000	0	636,251
Fines and penalties	207,812	123,100	162,156
Other	1,142,765	642,573	1,164,169
	3,250,577	765,673	1,962,576
Interest earnings			
Financial assets at amortised cost - self supporting loans	9,435	5,994	7,883
Interest on reserve funds	642,854	699,184	1,159,082
Rates instalment and penalty interest (refer Note 27(d))	252,442	383,543	456,421
Late payment of fees and charges *	60,832	42,000	24,570
Other interest earnings	93,231	43,856	349,603
	1,058,794	1,174,577	1,997,559

* For the year ended 30 June 2021, Council resolved (Res No: 154625) to charge interest under section 6.13 for the late payment of any amount of money at 8%.

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (continued)

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

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Borrowings
Lease liabilities
Other provisions

Other expenditure

Impairment loss on trade and other receivables
Sundry expenses

Note	2021 Actual \$	2021 Budget \$	2020 Actual \$
	66,103	50,400	56,900
	7,200	0	0
	73,303	50,400	56,900
17(b)	9,435	5,994	7,883
16(b)	17,221	0	1,024
19	176,038	0	0
	202,694	5,994	8,907
	231,096	30,000	14,044
	3,532,377	4,430,820	3,318,865
	3,763,473	4,460,820	3,332,909

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

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds / Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General rates	Over time	Payment dates adopted by Council during the year	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations
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

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

2. REVENUE RECOGNITION (cont.)

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds / Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming	Single point in time	Full payment prior to issue	None	Set by state legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by state legislation	Apportioned equally across the inspection cycle	No refunds	Output method based on provision of service
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by state legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by Council annually	Apportioned equally across the collection period	Not applicable	Output method based on provision of service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by Council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	Adopted by Council annually	Applied fully on timing of landing/take-off	Not applicable	On landing/departure event
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire

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

2. REVENUE RECOGNITION (cont.)

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds / Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Kiosk and visitor centre stock	Single point in time	In full in advance, on 40 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on provision of goods
Commissions	Commissions on ticket sales/artwork	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

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

3. CASH AND CASH EQUIVALENTS

NOTE	2021	2020
	\$	\$
Cash and Cash Equivalents		
Cash at bank and on hand	60,871,828	55,175,670
Total cash and cash equivalents	60,871,828	55,175,670
Financial Assets		
Principal Amount of term deposit	16,550,052	13,163,678
Total	77,421,880	68,339,348
Restrictions		
The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:		
- Cash and cash equivalents	60,871,828	55,175,670
- Financial assets at amortised cost	16,550,052	13,163,678
	77,421,880	68,339,348
The restricted assets are a result of the following specific purposes to which the assets may be used:		
Reserve accounts	4	
Employee Entitlement Reserve	5,293,881	5,075,016
Aerodrome Reserve	3,524,751	3,490,740
Carry Forward Budget Reserve	493,943	540,042
Community Development Reserve	626,366	912,174
Dampier Drainage Reserve	11,090	10,981
Economic Development Reserve	1,336,789	1,323,650
Infrastructure Reserve	36,292,721	25,669,325
Medical Services Assistance Package Reserve	378,476	404,535
Mosquito Control Reserve	10,098	9,999
Partnership Reserve	6,542,071	7,361,482
Plant Replacement Reserve	0	812,416
Restricted Funds Reserve	393,835	1,615,999
Walkington Theatre Reserve	0	33,315
Waste Management Reserve	18,254,991	19,854,280
Workers Compensation Reserve	396,545	392,649
	73,555,557	67,506,603
Other restricted cash and cash equivalents	15	
Contract liabilities from contracts with customers*	345,963	271,727
Grants for transfers for recognisable non financial assets	88,303	561,018
Total restricted assets	73,989,823	68,339,348
Unrestricted cash and cash equivalents	3,432,057	0
Total cash and cash equivalents	77,421,880	68,339,348

*This is a reduced balance to reflect a sum of contract liabilities held in Reserve accounts.

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

Restricted assets

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

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

**4. RESERVES - CASH/FINANCIAL ASSET
4. BACKED**

	2021		2021		2021		2021		2021		2020		2020	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual
	Opening	Transfer to	Transfer (from)	Closing	Opening	Transfer to	Transfer (from)	Closing	Opening	Transfer to	Transfer (from)	Opening	Transfer to	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Employee Entitlement Reserve	5,075,016	218,865	0	5,293,881	5,106,124	53,631	0	5,159,755	5,005,137	101,443	(31,564)	5,005,137	101,443	5,075,016
(b) Aerodrome Reserve	3,490,740	34,011	0	3,524,751	4,057,520	167,107	0	4,224,627	2,809,609	681,131	0	2,809,609	681,131	3,490,740
(c) Carry Forward Budget Reserve	540,042	0	(46,099)	493,943	515,082	0	(152,853)	362,229	552,475	0	(12,433)	552,475	0	540,042
(d) Community Development Reserve	912,174	8,889	(294,697)	626,366	912,088	9,580	(452,400)	469,268	894,049	18,125	0	894,049	18,125	912,174
(e) Dampler Drainage Reserve	10,981	109	0	11,090	10,979	116	0	11,095	10,763	218	0	10,763	218	10,981
(f) Economic Development Reserve	1,323,650	13,139	0	1,336,789	1,323,527	13,902	(487,297)	850,132	1,297,350	26,300	0	1,297,350	26,300	1,323,650
(g) Infrastructure Reserve	25,669,325	14,115,922	(3,492,526)	36,292,721	26,155,436	4,476,620	(11,477,919)	19,154,137	22,636,683	15,236,928	(12,204,286)	22,636,683	15,236,928	25,669,325
(h) Medical Services Assistance Package Reserve	404,535	4,014	(30,073)	378,476	404,496	4,246	0	408,742	396,497	8,038	0	396,497	8,038	404,535
(i) Mosquito Control Reserve	9,999	99	0	10,098	10,043	105	0	10,148	9,285	714	0	9,285	714	9,999
(j) Partnership Reserve	7,361,482	4,612,090	(5,431,501)	6,542,071	8,013,640	9,910,308	(7,057,767)	10,866,181	9,945,792	4,099,797	(6,684,107)	9,945,792	4,099,797	7,361,482
(k) Plant Replacement Reserve	812,416	8,063	(820,479)	0	809,389	1,362	0	810,751	859,178	17,278	(64,040)	859,178	17,278	812,416
(l) Restricted Funds Reserve	1,615,999	0	(1,222,164)	393,835	1,763,835	0	(1,370,000)	393,835	1,893,835	0	(277,836)	1,893,835	0	1,615,999
(m) Walkington Theatre Reserve	33,315	331	(33,646)	0	33,313	348	0	33,661	32,653	662	0	32,653	662	33,315
(n) Waste Management Reserve	19,854,280	197,755	(1,797,044)	18,254,991	20,561,758	207,572	(1,554,157)	19,215,173	20,119,654	407,976	(673,350)	20,119,654	407,976	19,854,280
(o) Workers Compensation Reserve	392,649	3,896	0	396,545	392,613	4,125	0	396,738	384,847	7,802	0	384,847	7,802	392,649
	67,506,603	19,217,183	(13,168,229)	73,555,557	70,069,843	14,849,022	(22,552,393)	62,366,472	66,847,807	20,606,412	(19,947,616)	66,847,807	20,606,412	67,506,603

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

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

4. RESERVES - CASH/FINANCIAL ASSET BACKED (cont.)

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Employee Entitlement Reserve	Ongoing	To fund employee leave entitlements when on extended leave, including long service leave as well as periods of Annual Leave for periods greater than 4 weeks duration, thereby retaining salary and wages budgets for the funding of replacement staffing during extended periods of leave.
(b) Aerodrome Reserve	Ongoing	The purpose of this reserve is to fund the development, operation and maintenance of the Karratha Airport, inclusive of any repayments of borrowings and the funding of employee entitlements.
(c) Carry Forward Budget Reserve	Ongoing	This reserve is for the purpose of preserving projects funds carried over.
(d) Community Development Reserve	Ongoing	The purpose of this reserve is to hold Annual Community Association Grant Scheme unspent payments each year and to fund future projects initiated by Community Associations from time to time via the Annual Community Association Grant Scheme.
(e) Dampier Drainage Reserve	Ongoing	This reserve is maintained as part of an agreement between the City and Hamersley Iron. The purpose of the reserve is to ensure funds are available for the maintenance of drainage in Dampier. Hamersley Iron pay to the City each year a \$10,000 contribution towards this maintenance with any additional works required being drawn from this reserve and similarly, any funds remaining unspent being transferred to this reserve.
(f) Economic Development Reserve	Ongoing	To fund economic development activities within the City, including Destination Marketing, Business Attraction, Property Development and Tourism.
(g) Infrastructure Reserve	Ongoing	The purpose of this reserve is to allow for the use of these reserve funds for the enhancement, replacement, refurbishment and purchase of infrastructure assets or project works of the City inclusive of the associated repayment of borrowings on infrastructure. Project works funded from this reserve may not necessarily belong to the City but must be carried out for the benefit of the City.
(h) Medical Services Assistance Package Reserve	Ongoing	The purpose of this reserve is to fund future assistance to Medical Services in accordance with the City's participation in the Medical Services Incentive Scheme. This is inclusive of retention payments to General Practitioner's in accordance with the Medical Services Incentive Scheme.
(i) Mosquito Control Reserve	Ongoing	The purpose of this reserve is to fund mosquito control programmes inclusive of the purchase of replacement equipment as required.
(j) Partnership Reserve	Ongoing	This reserve is maintained as part of the Community Infrastructure and Services Partnership (the Partnership) and the related funding agreements between the City and Rio Tinto Iron Ore. The purpose of the reserve is to preserve funds received under each funding agreement under the Partnership and restrict the funds for the purpose of each funding agreements.
(k) Plant Replacement Reserve	2021	The purposes of this reserve is to fund the capital purchase of plant and equipment.
(l) Restricted Funds Reserve	Ongoing	This reserve is for the purpose of holding Unexpended or Prepaid Grants (other than Royalties for Regions) and Capital Contributions provided for specific purposes.
(m) Walkington Theatre Reserve	2021	The purpose of this reserve is to fund the operation and capital works of the Walkington Theatre.
(n) Waste Management Reserve	Ongoing	The purpose of this reserve is to fund development, operation and maintenance of the City's Waste Management facilities inclusive of repayments of borrowings and the funding of employee entitlements.
(o) Workers Compensation Reserve	Ongoing	The purpose of this reserve is to provide City with sufficient funds to cover its potential liability in regard to the performance based workers compensation scheme of Local Government Insurance Services of which the City of Karratha is a member. Funds within the reserve that become surplus to requirements will be transferred to the City's Employee Entitlements Reserve via way of the City's Annual Budget.

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

5. OTHER FINANCIAL ASSETS

	2021	2020
	\$	\$
(a) Current assets		
Financial assets at amortised cost	16,569,589	13,163,678
	<u>16,569,589</u>	<u>13,163,678</u>
Other financial assets at amortised cost		
Term deposits	16,550,052	13,163,678
Self supporting loans	16,454	0
Loans receivable - clubs/institutions	3,083	0
	<u>16,569,589</u>	<u>13,163,678</u>
(b) Non-current assets		
Financial assets at amortised cost	671,084	199,690
Financial assets at fair value through profit and loss	129,162	122,620
	<u>800,246</u>	<u>322,310</u>
Financial assets at amortised cost		
Self supporting loans	15,470	184,826
Loans receivable - clubs/institutions	655,614	14,864
	<u>671,084</u>	<u>199,690</u>
Financial assets at fair value through profit and loss		
Units in Local Government House Trust	129,162	122,620
	<u>129,162</u>	<u>122,620</u>

Where loans receivable from clubs/institutions are self supporting, the loan receivable has the same terms and conditions as the related borrowing disclosed in Note 17(b) as self supporting loans.

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.

Financial assets at fair value through profit and loss

The City classifies the following financial assets at fair value through profit and loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the City has not elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 29.

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

6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable	
Trade and other receivables	
GST receivable	
Allowance for impairment of receivables from contracts with customers	
Accrued Income	
Prepayments	

Non-current

Service Charge	
Trade and other receivables	

	2021	2020
	\$	\$
	1,521,605	1,407,505
	5,935,753	8,407,718
	480,236	91,662
	(2,002,015)	(1,768,054)
	2,517,220	1,935,423
	396,199	177,765
	<u>8,848,998</u>	<u>10,252,019</u>
	248,516	453,046
	150,000	0
	<u>398,516</u>	<u>453,046</u>

Reconciliation of changes in the allowance for impairment of receivables:

Balance at start of period	
Expected credit losses expense	
Amounts written off during the period	
Balance at end of period	

	1,768,054	1,347,908
	465,058	434,427
	(231,097)	(14,281)
	<u>2,002,015</u>	<u>1,768,054</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 40 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 29.

Classification and subsequent measurement

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

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

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

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

7. INVENTORIES

Current

Fuel and materials	
Corporate Uniform	
Food, drinks & merchandise Roebourne Aquatic Centre	
Food, drinks & merchandise Indoor Play Centre	
Food, drinks & merchandise Wickham Recreation Precinct	
Food, drinks & merchandise Karratha Leisureplex	
Food, drinks & merchandise Red Earth Arts Precinct	
Food, drinks & merchandise Karratha Visitor Centre	
Land held for resale - cost	
Cost of acquisition	
Development costs	

Non-current

Land held for resale - cost	
Cost of acquisition	

The following movements in inventories occurred during the year:

Balance at beginning of year

Inventories expensed during the year	
Additions to inventory	

Balance at end of year

	2021	2020
	\$	\$
	361,034	383,479
	22,885	32,626
	152	230
	4,440	2,825
	1,916	1,132
	2,562	2,767
	21,458	16,317
	14,453	13,200
	370,130	35,893
	519,728	0
	1,318,758	488,469
	93,370	488,358
	93,370	488,358
	976,827	899,716
	(1,482,101)	(1,394,688)
	1,917,402	1,471,799
	1,412,128	976,827

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 2021

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings	Total land and buildings	Furniture and equipment	Plant	Equipment	Artwork & Sculptures	Works in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2019	10,895,316	232,753,558	243,648,874	2,726,904	8,476,352	438,370	1,908,577	815,932	258,015,009
Additions	0	4,976,409	4,976,409	723,721	2,104,012	22,971	353,858	(329,326)	7,851,645
(Disposals)	(61,074)	(1,004,274)	(1,065,348)	(16,110)	(690,877)	(1,287)	(19,199)	0	(1,792,821)
Revaluation decrements transferred to revaluation surplus	0	(6,060,544)	(6,060,544)	0	0	0	0	0	(6,060,544)
Depreciation (expense)	0	(5,340,661)	(5,340,661)	(533,766)	(716,067)	(96,519)	(42,297)	0	(6,729,310)
Transfers	(470,000)	0	(470,000)	0	0	0	0	0	(470,000)
Balance at 30 June 2020	10,364,242	225,324,488	235,688,730	2,900,749	9,173,420	363,535	2,200,939	486,606	250,813,979
Comprises:									
Gross balance amount at 30 June 2020	10,364,242	264,497,467	274,861,709	3,432,041	9,864,785	454,429	2,279,880	486,606	291,379,450
Accumulated depreciation at 30 June 2020	0	(31,254,901)	(31,254,901)	(531,292)	(691,365)	(90,894)	(78,941)	0	(32,647,393)
Accumulated impairment loss at 30 June 2020	0	(7,918,078)	(7,918,078)	0	0	0	0	0	(7,918,078)
Balance at 30 June 2020	10,364,242	225,324,488	235,688,730	2,900,749	9,173,420	363,535	2,200,939	486,606	250,813,979
Additions	359,738	1,398,360	1,758,098	1,200,073	4,194,849	615,175	77,740	758,002	8,603,937
(Disposals)	0	(41,740)	(41,740)	(59,885)	(964,925)	(15,719)	0	0	(1,082,269)
Revaluation decrements transferred to revaluation surplus	0	(107,690)	(107,690)	0	0	0	0	0	(107,690)
Depreciation (expense)	0	(5,270,124)	(5,270,124)	(634,328)	(1,288,166)	(201,550)	(46,249)	0	(7,440,417)
Transfers	0	18,000	18,000	(1,960)	0	1,960	0	(18,000)	0
Balance at 30 June 2021	10,723,980	221,321,294	232,045,274	3,404,649	11,115,178	763,401	2,232,430	1,226,608	250,787,540
Comprises:									
Gross balance amount at 30 June 2021	10,723,980	265,107,847	275,831,827	4,545,510	12,951,970	1,035,142	2,357,621	1,226,608	297,948,678
Accumulated depreciation at 30 June 2021	0	(35,868,475)	(35,868,475)	(1,140,861)	(1,836,792)	(271,741)	(125,191)	0	(39,243,060)
Accumulated impairment loss at 30 June 2021	0	(7,918,078)	(7,918,078)	0	0	0	0	0	(7,918,078)
Balance at 30 June 2021	10,723,980	221,321,294	232,045,274	3,404,649	11,115,178	763,401	2,232,430	1,226,608	250,787,540

CITY OF KARRATHA
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FOR THE YEAR ENDED 30 JUNE 2021

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land	2	Market Approach using recent observable market data for similar properties	Independent Valuation	June 2017	Comparable market values
Buildings	3	Cost Approach using depreciated replacement cost	Independent Valuation	June 2017	Replacement cost and remaining estimated useful life
Artwork & Sculptures	3	Market and Cost Approach using depreciated replacement cost	Independent and Management Valuation	June 2018	Current condition and comparable market values achieved at auction houses and contact with artists
(ii) Cost					
Furniture and equipment		Cost	Cost		Purchase cost
Plant and equipment		Cost	Cost		Purchase cost
Equipment		Cost	Cost		Purchase cost

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.

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

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

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure -										Total Infrastructure
	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Recreation and Open Space	Infrastructure - Aerodromes	Infrastructure - Miscellaneous Structures	Works in Progress	Landfill Post Closure Asset			
Balance at 1 July 2019	\$ 224,861,773	\$ 39,343,121	\$ 18,198,582	\$ 50,914,177	\$ 61,343,914	\$ 8,218,217	\$ 8,516,495	\$ 0	\$ 0	\$ 411,396,279	
Additions	7,697,910	3,236,315	1,324,772	9,947,202	837,368	868,685	(5,219,942)	13,846,825		32,539,135	
(Disposals)	(1,830,170)	(252,373)	(67,263)	(159,358)	0	0	0	0		(2,309,164)	
Revaluation decrements transferred to revaluation surplus	(1,076,202)	0	(12,972)	0	0	0	0	0		(1,089,174)	
Depreciation (expense)	(6,982,006)	(759,155)	(475,154)	(3,014,204)	(2,066,292)	(415,393)				(13,712,204)	
Balance at 30 June 2020	222,671,305	41,567,908	18,967,965	57,687,817	60,114,990	8,671,509	3,296,553	13,846,825		426,824,872	
Comprises:											
Gross balance at 30 June 2020	269,263,844	55,390,925	24,012,657	78,836,393	83,271,249	14,523,221	3,296,553	13,846,825		542,441,667	
Accumulated depreciation at 30 June 2020	(46,592,539)	(13,823,017)	(5,044,692)	(21,148,576)	(23,156,259)	(5,851,712)	0	0		(115,616,795)	
Balance at 30 June 2020	222,671,305	41,567,908	18,967,965	57,687,817	60,114,990	8,671,509	3,296,553	13,846,825		426,824,872	
Additions	1,707,184	978,142	401,674	6,006,874	198,829	112,795	8,988,830	0		18,394,328	
(Disposals)	(22,703)	(6,279)	(3,037)	(20,741)	(967)	0	0	0		(53,727)	
Revaluation decrements transferred to revaluation surplus*	(195,510)	0	0	(12,986)	0	0	0	0		(208,496)	
Depreciation (expense)	(4,791,126)	(778,847)	(321,063)	(3,637,311)	(2,061,521)	(426,140)	0	(1,730,853)		(13,746,861)	
Balance at 30 June 2021	219,369,150	41,760,924	19,045,539	60,023,653	58,251,331	8,358,164	12,285,383	12,115,972		431,210,116	
Comprises:											
Gross balance at 30 June 2021	270,486,438	56,360,022	24,409,831	84,764,789	83,488,579	14,636,016	12,285,383	13,846,825		560,257,883	
Accumulated depreciation at 30 June 2021	(51,117,288)	(14,599,098)	(5,364,292)	(24,741,136)	(25,217,248)	(6,277,852)	0	(1,730,853)		(129,047,767)	
Balance at 30 June 2021	219,369,150	41,760,924	19,045,539	60,023,653	58,251,331	8,358,164	12,285,383	12,115,972		431,210,116	

*The revaluation surplus was used to write off assets removed in Andover Park and Bayly Ave realignment project and no longer functional.

**CITY OF KARRATHA
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FOR THE YEAR ENDED 30 JUNE 2021**

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Independent and Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Footpaths	Level 3	Cost approach using depreciated replacement cost	Independent and Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Drainage	Level 3	Cost approach using depreciated replacement cost	Independent and Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Parks, Recreation and Open Space	Level 3	Cost approach using depreciated replacement cost	Independent and Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Aerodromes	Level 3	Cost approach using depreciated replacement cost	Independent Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Infrastructure - Miscellaneous Structures	Level 3	Cost approach using depreciated replacement cost	Independent and Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
	Landfill Post Closure Asset	Level 3	Cost approach using depreciated replacement cost	Independent and Management Valuation	June 2020	Price per metre, square metre, unit.

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

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

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

**CITY OF KARRATHA
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10. FIXED ASSETS

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

The fair value of 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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Revaluation (Continued)

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

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

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

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

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

10. FIXED ASSETS

(a) Disposals of Assets

	2021 Actual		2021 Actual		2021 Budget		2020 Actual		2020 Actual		2020 Actual	
	Net Book Value	Proceeds	Profit	Loss	Net Book Value	Proceeds	Profit	Net Book Value	Sale	Proceeds	Profit	Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	61,074	102,430	41,356	0	0
Buildings	41,740	0	0	(41,740)	0	0	0	1,004,274	192,570	77,750	(889,454)	(16,110)
Furniture and equipment	59,885	0	0	(59,885)	0	0	0	16,110	0	0	0	(16,110)
Plant	964,925	716,239	26,259	(274,945)	1,243,783	994,200	1,200	690,877	466,790	2,095	(226,182)	(226,182)
Equipment	15,719	16,121	9,242	(8,840)	56,000	34,000	0	1,287	200	0	(1,087)	(1,087)
Artwork & Sculptures	0	0	0	0	0	0	0	19,199	0	0	(19,199)	(19,199)
Infrastructure - Roads	22,703	0	0	(22,703)	0	0	0	1,830,170	0	0	(1,830,170)	(1,830,170)
Infrastructure - Footpaths	6,279	0	0	(6,279)	0	0	0	252,373	0	0	(252,373)	(252,373)
Infrastructure - Drainage	3,037	0	0	(3,037)	0	0	0	67,263	0	0	(67,263)	(67,263)
Infrastructure - Parks, Recreation and Open Space	20,741	0	0	(20,741)	0	0	0	159,358	0	0	(159,358)	(159,358)
Infrastructure - Aerodromes	967	0	0	(967)	0	0	0	0	0	0	0	0
	1,135,996	732,360	35,501	(439,137)	1,299,783	1,028,200	1,200	4,101,985	761,990	121,201	(3,461,196)	(3,461,196)

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

10. FIXED ASSETS

(a) Disposals of Assets

The following assets were disposed of during the year.

	2021 Actual Net Book Value \$	2021 Actual Sale Proceeds \$	2021 Actual Profit \$	2021 Actual Loss \$
Buildings				
Health				
BC000003 - 10 Hedland Place	1,204	0	0	(1,204)
Education & Welfare				
BC000005 - Bulgarra Daycare Early Learning Centre	3,098	0	0	(3,098)
BC000006 - Millars Well Early Learning Centre	10	0	0	(10)
Recreation & Culture				
BC000011 - Pegs Creek Pavilion	115	0	0	(115)
BC000104 - Dampier Pavilion Hampton Oval	7,807	0	0	(7,807)
Transport				
BC000039 - Karratha Depot Store	120	0	0	(120)
Community Amenities				
BC000101 - Point Samson Foreshore Toilet Block	4,212	0	0	(4,212)
Housing				
SH000001 - 53 Andover Way	4,602	0	0	(4,602)
SH000016 - 5 Kwong Close	6,039	0	0	(6,039)
SH000025 - 8 Mcrae Court	6,723	0	0	(6,723)
SH000080 - 2A Echidna Road	781	0	0	(781)
SH000082 - 2B Echidna Road	781	0	0	(781)
SH000086 - 39 Marniyarra Loop	781	0	0	(781)
SH000090 - 33 Marniyarra Loop	781	0	0	(781)
SH000092 - 31 Marniyarra Loop	781	0	0	(781)
SH000094 - 14 Winyama Rd	781	0	0	(781)
SH000096 - 16 Winyama Road	781	0	0	(781)
SH000098 - 18 Winyama Road	781	0	0	(781)
SH000100 - 11A Withnell Way	781	0	0	(781)
SH000102 - 11B Withnell Way	781	0	0	(781)
	41,740	0	0	(41,740)
Furniture and Equipment				
Recreation and culture				
30001726 - Red Earth Arts Precinct Fitout - Furniture	1,440	0	0	(1,440)
30001361 - Group Fitness Sound System & Trolley	285	0	0	(285)
30001241 - Life Fitness Classic Cross Trainer	0	0	0	0
30001242 - Life Fitness Classic Cross Trainer	0	0	0	0
30001447 - Chairs	2,928	0	0	(2,928)
30001586 - Inflatable Laser Tag Bunkers	7,178	0	0	(7,178)
Transport				
20000667 - X-ray System & screening equipment	8,197	0	0	(8,197)
30001674 - PAX Screening Equipment	39,857	0	0	(39,857)
	59,885	0	0	(59,885)
Plant				
Community Amenities				
40000541 - P8017 Bomag Landfill Compactor	168,911	40,000	0	(128,911)
40000540 - P8016 Komatsu 6 Wheel Loader	93,223	62,726	0	(30,497)
Finance & Borrowing				
40000545 - P2055 Toyota Prado	32,840	35,000	2,160	0
40000561 - P1078 2015 Toyota Prado GXL	33,484	36,500	3,016	0
40000512 - P2040 Toyota Corolla	8,142	10,000	1,858	0
Health				
40000538 - P2041 Toyota Hilux 4x4 SR Turbo Diesel	20,110	18,250	0	(1,860)
Law, Order, Public Safety				
40000547 - P1079 Toyota Hilux 4x4 3.0L	20,635	22,000	1,365	0
Other Property & Services				
40000429 - P7502 Amazone Ground Keeper	4,763	2,727	0	(2,036)
40000543 - P7007 Kubota Zero Turn Mower	5,797	0	0	(5,797)
40000542 - P1076 Toyota Hiace 3.0L	21,119	21,250	131	0
40000548 - P2057 2014 Holden Colorado LX 4x4	16,200	16,000	0	(200)
40000567 - P2052 2015 Holden Colorado LS	15,898	16,400	502	0
40000562 - P2053 2015 Toyota Hiace Turbo Diesel	19,699	20,800	1,101	0
40000557 - P1077 Toyota Hilux SR 4x4 Dualcab	20,596	22,000	1,404	0
40000558 - P2050 2014 Holden Colorado LX 4x4	14,357	19,250	4,893	0
40000590 - P2063 2016 Holden Colorado LS 4x4	19,175	16,250	0	(2,925)
40000533 - P2045 Holden Colorado LX 4X2	11,170	14,500	3,330	0
40000535 - P2043 Holden Colorado LX 4X4	14,113	17,250	3,137	0
40000576 - P2060 2015 Holden Colorado LS	20,777	21,500	723	0
Recreation and culture				
40000586 - P1081 2015 Subaru Forester	19,815	18,750	0	(1,065)
40000569 - P1082 Holden Colorado 4x2 LS	16,699	15,450	0	(1,249)
40000524 - P1072 Holden Colorado 4x2 Crew Cab	11,770	14,000	2,230	0
40000531 - P1069 Toyota Hilux 4X2	14,591	15,000	409	0
Transport				
40000425 - P8815 Mack Granite 6x4 Prime Mover	75,185	68,636	0	(6,549)
40000488 - P8014 Komatsu Grader	148,092	105,000	0	(43,092)
40000363 - P8806 Fuso 6x4 Single Cab	107,186	57,727	0	(49,459)
40000377 - P8007 Cat 2500Kg Diesel Forklift	10,578	9,273	0	(1,305)
	964,925	716,239	26,259	(274,945)

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

10. FIXED ASSETS

(e) Disposals of Assets

The following assets were disposed of during the year.

	2021 Actual Net Book Value \$	2021 Actual Sale Proceeds \$	2021 Actual Profit \$	2021 Actual Loss \$
Equipment				
Recreation and culture				
30001641 - Pool Inflatable Western	1,344	0	0	(1,344)
20000565 - P5018 Camcore 30 walk behind lawn corer	524	850	326	0
20000619 - Buccaneer Assault Aqua Run	0	0	0	0
20000614 - Dolphin Wave Pool Cleaner	0	0	0	0
20000570 - Western Pool Inflatable	1,786	0	0	(1,786)
20000709 - Pool Cleaner Iceclaner	113	0	0	(113)
20000687 - Climb & Slide Aqua Run	2,547	909	0	(1,638)
20000648 - P7505 Sandman 850 Sand Cleaner	520	0	0	(520)
20000676 - Dolphin Wave 300 pool cleaner	5,646	2,727	0	(2,919)
20000671 - P4058 Tennant Model T16 Ride-On Power Scrubber	520	0	0	(520)
20000675 - Dolphin Wave 300 pool cleaner	0	0	0	0
20000632 - Wave 300 Pool Cleaner 50m	0	0	0	0
Transport				
20000636 - P7506 Mega Taurus Mulcher	1,895	6,455	4,560	0
20000655 - P7508 Jarrett Ehd1360G Slasher	824	5,180	4,356	0
	15,719	16,121	9,242	(8,840)

	2021 Actual Net Book Value \$	2021 Actual Sale Proceeds \$	2021 Actual Profit \$	2021 Actual Loss \$
Infrastructure - Roads				
Transport				
Various Kerbs - Welcome Road	10,381	0	0	(10,381)
Road Barrier - Nairn Street	850	0	0	(850)
Kerb - Tambrey Drive	10,216	0	0	(10,216)
Kerb - Hedland Place	1,256	0	0	(1,256)
	22,703	0	0	(22,703)
Infrastructure - Footpaths				
Transport				
Various Footpaths - Welcome Road	3,368	0	0	(3,368)
Various Footpaths - Bayview Road	820	0	0	(820)
Footpath - Tambrey Drive	2,040	0	0	(2,040)
Footpath - Hedland Place	51	0	0	(51)
	6,279	0	0	(6,279)
Infrastructure - Drainage				
Transport				
CL0032 - Culvert - Millstream Road	3,037	0	0	(3,037)
	3,037	0	0	(3,037)
Infrastructure - Parks, Recreation and Open Space				
Recreation & Culture				
PK000001 - Andover Way Park	2,184	0	0	(2,184)
Floodlights - Kevin Richards Oval	17,012	0	0	(17,012)
PF001278 - Andover Way Park - Picnic Bench	1,545	0	0	(1,545)
	20,741	0	0	(20,741)
Infrastructure - Aerodromes				
Transport				
FENCE036 - Karratha Airport - Perimeter Fence	967	0	0	(967)
	967	0	0	(967)
Total Disposals	1,135,996	732,360	35,501	(439,137)

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

10. FIXED ASSETS

(b) Depreciation

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Buildings	5,270,124	5,288,646	5,340,661
Furniture and equipment	634,328	509,333	533,766
Plant	1,288,166	1,264,618	716,067
Equipment	201,550	93,629	96,519
Artwork & Sculptures	46,249	39,794	42,297
Infrastructure - Roads	4,791,126	6,863,355	6,982,006
Infrastructure - Footpaths	778,847	1,609,424	759,155
Infrastructure - Drainage	321,063	693,219	475,154
Infrastructure - Parks, Recreation and Open Space	3,637,311	1,644,910	3,014,204
Infrastructure - Aerodromes	2,061,521	513,040	2,066,292
Infrastructure - Miscellaneous Structures	426,140	74,294	415,393
Landfill Post Closure Asset	1,730,853	0	0
Right-of-use assets - Buildings	117,726	0	14,969
	21,305,004	18,594,262	20,456,483

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
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)

Depreciation on revaluation

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

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

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 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 on non-current assets in the Statement of Comprehensive Income and in the note above.

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

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Right-of-use assets - Buildings	Right-of-use assets Total
	\$	
Balance at 1 July 2019	42,405	42,405
Depreciation (expense)	(14,969)	(14,969)
Balance at 30 June 2020	27,436	27,436
Additions	1,496,087	1,496,087
Depreciation (expense)	(117,726)	(117,726)
Balance at 30 June 2021	1,405,797	1,405,797

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

	2021 Actual	2020 Actual
	\$	\$
Depreciation expense on lease liabilities	(117,726)	(14,969)
Interest expense on lease liabilities	(17,221)	(1,024)
Total amount recognised in the statement of comprehensive income	(134,947)	(15,993)
Total cash outflow from leases	(108,250)	(15,600)

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 remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

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

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position).

The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

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

Right-of-use assets - depreciation

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

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

12. REVALUATION SURPLUS

	2021		2021		2021		2020		2020		2020	
	Opening Balance	Adjustment to Revaluation surplus*	Revaluation (Decrement)**	Movement on Revaluation	Closing Balance	Opening Balance	Change in Accounting Policy	Revaluation (Decrement)	Movement on Revaluation	Closing Balance	Opening Balance	Change in Accounting Policy
Revaluation surplus - Land - freehold land	5,871,847	(526,451)	0	0	5,345,396	5,871,847	0	0	0	5,871,847	0	0
Revaluation surplus - Land and buildings leased	0	0	0	0	0	555,000	(555,000)	0	0	0	0	0
Revaluation surplus - Buildings	11,427,957	(1,607,014)	(107,690)	(107,690)	9,713,253	17,484,855	3,646	(6,060,544)	(6,060,544)	11,427,957	0	0
Revaluation surplus - Plant	196,222	(177,204)	0	0	19,018	196,222	0	0	0	196,222	0	0
Revaluation surplus - Equipment	16,825	30,423	0	0	47,248	16,825	0	0	0	16,825	0	0
Revaluation surplus - Artwork & Sculptures	47,998	(1)	0	0	47,997	47,998	47,998	0	0	47,998	0	0
Revaluation surplus - Infrastructure - Roads	146,984,331	474,968	(195,510)	(195,510)	147,263,789	148,060,533	0	(1,076,202)	(1,076,202)	146,984,331	0	0
Revaluation surplus - Infrastructure - Footpaths	30,722,547	4,875,643	0	0	35,598,190	30,637,280	85,267	0	0	30,722,547	0	0
Revaluation surplus - Infrastructure - Drainage	16,034,686	1,607,369	0	0	17,642,055	16,047,658	0	(12,972)	(12,972)	16,034,686	0	0
Revaluation surplus - Infrastructure - Parks, Recreation and Open Space	6,601,209	(896,707)	(12,986)	(12,986)	5,691,516	5,886,099	715,110	0	0	6,601,209	0	0
Revaluation surplus - Infrastructure - Aerodromes	17,008,351	207,369	0	0	17,215,720	17,008,351	0	0	0	17,008,351	0	0
Revaluation surplus - Infrastructure - Miscellaneous Structures	1,406,296	1,057,113	0	0	2,463,409	1,406,296	0	0	0	1,406,296	0	0
	236,318,269	5,045,508	(316,186)	(316,186)	241,047,591	243,170,966	297,021	(7,149,718)	(7,149,718)	236,318,269	0	0

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

* A reconciliation was undertaken in 2021 to review all assets values held in the revaluation surplus, as a result the balance relating to all obsolete assets was cleared from the surplus.

** The revaluation surplus was used to write off assets removed as part of the Andover Park project as they were no longer functional.

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

13. INVESTMENT PROPERTIES

Non-current assets - at fair value

Carrying balance at 1 July	25,619,936	21,872,620	21,750,000
Acquisitions	241,203	125,100	18,000
Transfers	0	0	470,000
Net gain/(loss) from fair value adjustment	5,438,861	0	3,381,936
Closing balance at 30 June	31,300,000	21,997,720	25,619,936

Amounts recognised in profit or loss for investment properties

Rental income	3,161,328	2,615,596	2,617,127
Direct operating expenses from property that generated rental income	(1,798,627)	(1,242,420)	(1,420,975)
Fair value gain recognised in other income	5,438,861	0	3,381,936

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:

Within one year	1,994,883	2,615,596	2,145,061
Later than one year but not later than 5 years	6,392,072	11,050,614	7,003,937
Later than 5 years	5,619,196	2,916,253	7,002,214
	14,006,151	16,582,463	16,151,212

SIGNIFICANT ACCOUNTING POLICIES

Investment properties

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the City. They are carried at fair value. Changes in the fair values are presented in profit or loss as a part of other revenue.

Fair value of investment properties

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

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

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors	8,131,863	3,840,068
Prepaid rates	470,420	572,336
Income Received in Advance	840,421	738,273
Accrued salaries and wages	731,726	441,947
Other Liabilities	367,526	320,945
Retention Monies	371,758	245,586
Accrued Expenses	209,886	36,151
	11,123,600	6,195,306

SIGNIFICANT ACCOUNTING POLICIES

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 normally paid within 30 days of recognition.

Prepaid rates

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

15. OTHER LIABILITIES

Current

Contract liabilities from contracts with customers	446,609	1,558,858
Contract liabilities from transfers for recognisable non financial assets	527,072	561,018
	973,681	2,119,876
Restrictions		
Municipal funded - Contract liabilities from contracts with customers	345,963	271,727
Reserve funded - Contract liabilities from contracts with customers	100,646	1,287,131
Municipal funded - Contract liabilities from transfers for recognisable non financial assets	88,303	561,018
Reserve funded - Contract liabilities from transfers for recognisable non financial assets	438,769	0
	973,681	2,119,876

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

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

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

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

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

Service concession liabilities

Service concession liabilities relate to the grant of right to an operator in respect of an asset controlled by the City.

They represent the unearned revenue related to the grant of right, and is recognised as revenue according to the economic substance of the service concession arrangement.

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

17. INFORMATION ON BORROWINGS

	2021		2020		30 June 2021				30 June 2021				30 June 2021				30 June 2020				30 June 2020							
	Actual	Principal	Actual	Principal	Actual	Principal	Interest	outstanding	Budget	Principal	Budget	Principal	Budget	Interest	outstanding	Budget	Principal	Budget	Principal	Budget	Interest	outstanding	Actual	Principal	Actual	Interest	outstanding	
(a) Borrowings																												
Current	16,416		85,520		213,756	(213,756)	(8,345)	0	213,757	(69,531)	(4,794)	144,226	281,622	(67,866)	(6,302)	213,756												
Non-current	16,853		177,494		49,258	(15,989)	(1,090)	33,269	49,258	(15,989)	(1,200)	33,269	64,831	(15,573)	(1,581)	49,258												
	33,269		263,014		263,014	(229,745)	(9,435)	33,269	263,015	(85,520)	(5,994)	177,495	346,453	(83,439)	(7,883)	263,014												
(b) Repayments - Borrowings																												
Particulars																												
Self Supporting Loans																												
General purpose funding																												
Karratha Country Club	1	WATC	2.44%		213,756	(213,756)	(8,345)	0	213,757	(69,531)	(4,794)	144,226	281,622	(67,866)	(6,302)	213,756												
Karratha RSL	100	WATC	2.65%		49,258	(15,989)	(1,090)	33,269	49,258	(15,989)	(1,200)	33,269	64,831	(15,573)	(1,581)	49,258												
					263,014	(229,745)	(9,435)	33,269	263,015	(85,520)	(5,994)	177,495	346,453	(83,439)	(7,883)	263,014												
					263,014	(229,745)	(9,435)	33,269	263,015	(85,520)	(5,994)	177,495	346,453	(83,439)	(7,883)	263,014												

* Western Australian Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

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

17. INFORMATION ON BORROWINGS (Continued)

	2021	2020
	\$	\$
(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	106,000
Credit card balance at balance date	0	(2,550)
Total amount of credit unused	1,110,000	1,103,450
Loan facilities		
Loan facilities - current	16,416	85,520
Loan facilities - non-current	16,853	177,494
Lease liabilities - current	145,406	14,998
Lease liabilities - non-current	1,227,481	12,831
Total facilities in use at balance date	1,406,156	290,843
Unused loan facilities at balance date	0	0

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 29.

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

18. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2020			
Current provisions	2,697,341	1,921,267	4,618,608
Non-current provisions	0	457,080	457,080
	2,697,341	2,378,347	5,075,688
Additional provision	3,311,980	296,478	3,608,458
Amounts used	(3,153,214)	(237,051)	(3,390,265)
Balance at 30 June 2021	2,856,107	2,437,774	5,293,881
Comprises			
Current	2,856,107	1,963,930	4,820,037
Non-current	0	473,844	473,844
	2,856,107	2,437,774	5,293,881

Amounts are expected to be settled on the following basis:

	2021	2020
	\$	\$
Less than 12 months after the reporting date	4,715,477	4,614,941
More than 12 months from reporting date	589,766	458,424
Expected reimbursements from other WA local governments	(115,922)	(97,746)
Expected reimbursements to other WA local governments	104,560	100,069
	5,293,881	5,075,688

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Short-term employee benefits

Provision is made for the 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 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

Other long-term employee benefits (Continued)

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.

Provisions

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

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

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

19. OTHER PROVISIONS

	Provision for remediation costs	Provision for make good cost	Total
	\$	\$	\$
Opening balance at 1 July 2019	0	0	0
Additional provision	13,846,825	0	13,846,825
Balance at 30 June 2020	13,846,825	0	13,846,825
Additional provision	48,647	60,000	108,647
Unwinding discount	127,391	0	127,391
Balance at 30 June 2021	14,022,863	60,000	27,929,688
Comprises			
Non-current	14,022,863	60,000	14,082,863
	14,022,863	60,000	14,082,863

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).

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

20. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cash and cash equivalents	60,871,828	63,631,641	55,175,670
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	15,631,007	7,654,060	6,337,772
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	(6,542)	0	0
Adjustments to fair value of investment properties	(5,438,861)	0	(3,381,936)
Depreciation on non-current assets	21,305,004	18,594,262	20,456,483
(Profit)/loss on sale of asset	403,636	271,583	3,339,995
Unwinding of discount and loss on revaluation of remediation costs	176,038	0	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	1,457,551	303,836	3,169,366
(Increase)/decrease in inventories	(435,301)	15,353	(77,111)
(Increase)/decrease in contract assets	(691,479)	0	0
Increase/(decrease) in payables	4,928,294	3,813,266	(4,166,030)
Increase/(decrease) in provisions	218,193	(505,964)	374,415
Increase/(decrease) in other provisions	60,000	0	0
Increase/(decrease) in other liabilities	(1,146,195)	(1,351,148)	73,975
Non-operating grants, subsidies and contributions	(4,926,429)	(5,523,990)	(5,752,377)
Net cash from operating activities	31,534,916	23,271,258	20,374,552

21. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2021	2020
	\$	\$
Governance	10,898,249	10,096,560
Law, order, public safety	3,094,113	3,055,760
Health	786,431	826,030
Education and welfare	2,493,083	2,705,570
Housing	19,725,108	19,913,730
Community amenities	37,731,301	37,916,816
Recreation and culture	211,218,974	200,782,731
Transport	411,518,576	396,530,549
Economic services	32,484,874	26,692,563
Other property and services	3,082,502	982,755
Unallocated	70,633,195	84,126,709
	803,666,406	783,629,773

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

22. 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.

23. CAPITAL COMMITMENTS

Capital Expenditure Commitments

	2021	2020
	\$	\$
Contracted for:		
Andover Park	0	55,900
Bayly Ave Realingment	829,263	74,827
City Housing	3,465,783	0
Dampier Boat Ramp Jetties	690,435	0
Karratha Leisureplex Facility Improvement Study	478,675	137,400
Kevin Richards Memorial Oval	901,950	208,305
Murujuga Access Road	170,149	0
Point Samson Fishing Platform	103,853	0
Roebourne Gaol Precinct	0	989,053
Roebourne Streetscape	110,208	0
Shade Structure Panels	160,700	0
Walgu Park	42,190	0
Wickham Aquatic Centre	355,818	76,000
Wickham Community Hub Public Art	110,000	0
Windy Ridge & Hampton Oval	52,375	0
Youth Shed Refurbishment	205,845	0
Building Improvements	252,547	0
Equipment Purchases	61,977	0
Information Technology Projects	117,487	0
Karratha Revitalisation Strategy	25,300	0
Land Development	2,082,249	0
Parks & Landscaping	306,714	0
Pathway Projects	66,156	0
Playground Replacement/Upgrade	25,110	0
Road Projects	5,755	0
Plant Purchases	484,644	805,217
	11,105,183	2,346,702
Payable:		
- not later than one year	11,105,183	2,346,702

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

24. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Mayor - Cr Peter Long			
Mayor's annual allowance	89,753	89,753	89,753
Meeting attendance fees	47,516	47,516	47,516
Training & other expenses (including child care)	316	0	586
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	600	2,500	5,530
	141,685	143,269	146,885
Deputy Mayor - Cr Kelly Nunn			
Deputy Mayor's annual allowance	22,438	22,438	15,635
Meeting attendance fees	31,678	31,678	31,678
Training & other expenses (including child care)	0	2,500	0
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	2,343	2,500	3,558
	59,959	62,616	54,371
Deputy Mayor - Cr Grant Cucel			
Deputy Mayor's annual allowance	0	0	6,823
Meeting attendance fees	0	0	9,634
Annual allowance for ICT expenses	0	0	1,064
	0	0	17,521
Cr Jamie Armstrong (sworn in 22 March 2021)			
Meeting attendance fees	8,787	0	0
Annual allowance for ICT expenses	971	0	0
	9,758	0	0
Cr Garry Bailey			
Meeting attendance fees	31,678	31,678	31,678
Training & other expenses (including child care)	0	2,500	0
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	1,055	800	1,528
	36,233	38,478	36,706
Cr Margaret Bertling			
Meeting attendance fees	31,678	31,678	31,678
Training & other expenses (including child care)	0	2,500	0
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	800	0
	35,178	38,478	35,178
Cr Georgia Evans (Councillor until 8 January 2021)			
Meeting attendance fees	16,664	31,678	31,678
Training & other expenses (including child care)	0	2,500	0
Annual allowance for ICT expenses	1,841	3,500	3,500
Travel and accommodation expenses	1,204	800	1,671
	19,709	38,478	36,849
Cr Geoffrey Harris			
Meeting attendance fees	31,678	31,678	22,073
Training & other expenses (including child care)	0	2,500	0
Annual allowance for ICT expenses	3,500	3,500	2,439
Travel and accommodation expenses	0	800	0
	35,178	38,478	24,512

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

24. ELECTED MEMBERS REMUNERATION

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Cr George Levissianos (Councillor until 27 December 2019)			
Meeting attendance fees	0	0	15,839
Annual allowance for ICT expenses	0	0	1,750
	0	0	17,589
Cr Pablo Miller			
Meeting attendance fees	31,678	31,678	31,678
Training & other expenses (including child care)	0	2,500	0
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	800	0
	35,178	38,478	35,178
Cr Daniel Scott			
Meeting attendance fees	31,678	31,678	31,678
Training & other expenses (including child care)	0	2,500	0
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	800	0
	35,178	38,478	35,178
Cr Evette Smeathers			
Meeting attendance fees	31,678	31,678	31,678
Training & other expenses (including child care)	0	2,500	0
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	800	0
	35,178	38,478	35,178
Cr Joanne Waterstrom-Muller			
Meeting attendance fees	31,678	31,678	31,678
Training & other expenses (including child care)	0	2,500	0
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	800	0
	35,178	38,478	35,178
Total Elected Members Remuneration	478,412	513,709	510,323

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

Mayor's allowance	89,753	89,753	89,753
Deputy Mayor's allowance	22,438	22,438	22,458
Meeting attendance fees	326,391	332,618	348,486
Training & other expenses (including child care)	316	22,500	586
Annual allowance for ICT expenses	34,312	35,000	36,753
Travel and accommodation expenses	5,202	11,400	12,287
	478,412	513,709	510,323

Expenses relating to elected council members

Travel and accommodation expenses	16,883	0	23,251
Training & other expenses (including child care)	10,128	0	2,475
Mayor's Discretionary Fund (Council Related Expenses)	509	0	159
	27,520	0	25,885
Total Elected Member Expenses	505,932	513,709	536,208

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

25. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

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

	2021 Actual	2020 Actual
	\$	\$
Short-term employee benefits	1,366,731	1,340,883
Post-employment benefits	129,420	130,401
Other long-term benefits	180,071	203,998
	1,676,222	1,675,282

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing 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 guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:

	2021 Actual	2020 Actual
	\$	\$
Sale of goods and services	5,830	1,405
Purchase of goods and services	24,200	75,733
Amounts outstanding from related parties:		
Trade and other receivables	720	0
Amounts payable to related parties:		
Trade and other payables	180	1,585

Related Parties

Sale of goods and services relate predominantly to the use of Community facilities such as oval hire. Purchase of goods and services relate predominantly to award and engraving services and specialist consultancy, as well as community COVID-19 support initiatives.

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 elected 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 2021

26. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

KARRATHA AIRPORT - OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2021 Budget	2020
	\$	\$	\$
Revenue			
Fees and Charges	15,863,989	14,675,567	15,642,298
Terminal Leases	219,208	309,298	353,101
Grants and Contributions	1,853,516	1,092,400	879,226
Other Revenue	1,849,364	2,699,584	2,948,460
	<u>19,786,077</u>	<u>18,776,849</u>	<u>19,823,085</u>
Expenditure			
Employee Costs	(2,711,369)	(2,698,807)	(2,233,823)
Materials & Contracts	(4,430,483)	(5,036,297)	(4,101,466)
Utilities	(1,603,109)	(1,896,772)	(1,723,072)
Insurance	(510,322)	(457,620)	(444,370)
Depreciation	(3,314,470)	(3,005,086)	(3,047,145)
Other Expenditure	(172,282)	(44,657)	(344,035)
	<u>(12,742,035)</u>	<u>(13,139,239)</u>	<u>(11,893,911)</u>
Net Operating Result	<u>7,044,042</u>	<u>5,637,610</u>	<u>7,929,174</u>
Capital Expenditure	8,138,031	10,301,263	4,032,168
Total Net Trading Undertaking	<u>(1,093,990)</u>	<u>(4,663,653)</u>	<u>3,897,006</u>
CURRENT ASSETS			
Trade and other receivables	4,635,338		3,528,251
Reserves - Cash Backed	3,524,751		3,490,740
	<u>8,160,089</u>		<u>7,018,991</u>
NON CURRENT ASSETS			
Buildings	46,588,706		46,588,706
Less Accumulated Depreciation	(5,798,901)		(6,707,086)
Infrastructure	84,551,362		84,798,686
Less Accumulated Depreciation	(20,206,683)		(22,343,041)
Plant	278,606		262,476
Less Accumulated Depreciation	(43,255)		(19,848)
Equipment	501,836		64,892
Less Accumulated Depreciation	(102,387)		(11,221)
Furniture & Equipment	417,652		286,323
Less Accumulated Depreciation	(78,524)		(48,299)
Artwork	147,500		167,500
Less Accumulated Depreciation	(2,950)		(6,709)
	<u>106,252,962</u>		<u>103,032,379</u>
CURRENT LIABILITIES			
Trade and other payables	1,985,679		999,588
	<u>1,985,679</u>		<u>999,588</u>
NET ASSETS	<u>112,427,372</u>		<u>109,051,782</u>
EQUITY			
Reserves - cash backed	3,524,751		3,490,740
Retained surplus	108,902,621		105,561,042
TOTAL EQUITY	<u>112,427,372</u>		<u>109,051,782</u>
Transfer to/(from) City Operations	(4,469,579)		2,945,600

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

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

26. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS (Continued)

THE QUARTER - OPERATING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	2021	2021	2020
	\$	Budget	\$
Revenue			
Leases	2,180,370	1,981,620	1,778,543
Other Revenue	980,958	633,976	838,584
	<u>3,161,328</u>	<u>2,615,596</u>	<u>2,617,127</u>
Expenditure			
Employee Costs	0	0	(388)
Materials & Contracts	(841,146)	(648,656)	(791,395)
Utilities	(402,528)	(308,280)	(355,668)
Insurance	(74,879)	(65,752)	(65,751)
Other Expenditure	(356,948)	(219,732)	(207,773)
	<u>(1,675,501)</u>	<u>(1,242,420)</u>	<u>(1,420,975)</u>
Net Operating Result	<u>1,485,827</u>	<u>1,373,176</u>	<u>1,196,152</u>
Fair value adjustments to investment property	5,922,835	0	2,232,000
Total Net Trading Undertaking	<u>(4,437,008)</u>	<u>1,373,176</u>	<u>(1,035,848)</u>
CURRENT ASSETS			
Trade and other receivables	67,704		185,622
	<u>67,704</u>		<u>185,622</u>
NON CURRENT ASSETS			
Land	1,500,000		1,000,000
Buildings	28,500,000		23,000,000
	<u>30,000,000</u>		<u>24,000,000</u>
CURRENT LIABILITIES			
Trade and other payables	3,893		11,000
	<u>3,893</u>		<u>11,000</u>
NET ASSETS	<u>30,063,811</u>		<u>24,174,622</u>
EQUITY			
Retained surplus	30,063,811		24,174,622
TOTAL EQUITY	<u>30,063,811</u>		<u>24,174,622</u>

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

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

27. RATING INFORMATION (Continued)

(c) Discounts, Incentives, Concessions, & Write-offs
Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2021 Actual \$	2021 Budget \$	2020 Actual \$
Cossack (GRV) Fees and Charges	Concession Waiver	1,499	29,980	29,980	29,980	29,980
Rates	Waiver	As determined on application	42,050	100,000	100,000	63,196
Rates and Penalty interest	Waiver	100.00%	31,069	31,069	31,069	38,275
Fees and Charges	Write Off	As determined on application	0	30,000	30,000	79
	Write Off	As determined on application	73,105	50,000	50,000	14,281
			176,204	241,049	241,049	145,811
Total discounts/concessions (Note 27(a))						
			176,204	241,049	241,049	145,811
Rate or Fee and Charge to which the Waiver or Concession is Granted	Circumstances in which the Waiver or Concession is Granted and to whom it was available	Objects of the Waiver or Concession	Reasons for the Waiver or Concession			
Cossack (GRV)	All 20 rateable properties within the Cossack Township	To provide rating relief to property owners in the Cossack Township	To recognise the heritage nature of the Cossack Township, development restrictions and lack of town utilities			
Fees and Charges	Waiver of Fees and Charges for local Sporting Groups where no commercial return is derived from the property	To assist local Not for Profit Community Organisations to remain viable	To recognise the community benefit provided by local Not for Profit Community Organisations			
	Fee Waivers for Economic Development purposes considered on an individual basis by Council or administratively by delegated authority	To encourage economic diversity and growth within the City of Karratha	To ensure a diverse economy for the future prosperity of the City of Karratha			
	General Fee Waivers considered on an individual basis administratively by delegated authority	To ensure business continuity, administrative efficiency and marketing opportunities	To minimise the administrative costs of the City and its partners in doing business			
Rates	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 sporting organisations 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 2021

27. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	31/08/2020	0	0.00%	8.00%
Option Two				
First instalment	31/08/2020	0	4.50%	8.00%
Second instalment	19/01/2021	10	4.50%	8.00%
Option Three				
First instalment	31/08/2020	0	4.50%	8.00%
Second instalment	10/11/2020	10	4.50%	8.00%
Third instalment	19/01/2021	10	4.50%	8.00%
Fourth instalment	23/03/2021	10	4.50%	8.00%

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
Interest on unpaid rates	126,485	240,000	305,777
Interest on instalment plan	86,827	90,000	88,316
Deferred Pensioner Interest	0	1,100	1,105

	2021 Actual	2021 Budget	2020 Actual
	\$	\$	\$
PUPP Penalty Interest	(1,685)	24,000	24,570
PUPP Instalment Interest	40,815	28,443	36,653
PUPP Instalment Charges	4,450	2,690	(5,520)
	43,580	55,133	55,703

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

28. RATE SETTING STATEMENT INFORMATION

		2020/21 Budget	2019/20
	2020/21 (30 June 2021 Carried Forward)	(30 June 2021 Carried Forward)	(30 June 2020 Carried Forward)
Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	Less: Profit on asset disposals	(1,200)	(121,201)
10(a)	(35,501)	0	(720,628)
	Less: Non-cash grants and contributions for assets	0	0
	Less: Fair value adjustments to financial assets at fair value through profit and loss	0	0
	(6,542)	0	0
13	(5,438,861)	0	(3,381,936)
	Movement in investment properties (non-current)	0	15,359
	Movement in pensioner deferred rates (non-current)	0	(121,205)
	Movement in employee benefit provisions (non-current)	0	0
	Movement in other provisions (non-current)	0	0
	(393,793)	0	0
	Movement of inventory (non-current)	0	0
	394,988	0	0
10(a)	439,137	272,783	3,461,196
10(b)	21,305,004	18,594,262	20,456,483
	Non cash amounts excluded from operating activities	18,865,845	19,588,068
	16,281,196	18,865,845	19,588,068
(b) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
4	(73,555,557)	(62,366,472)	(67,506,603)
5(a)	(16,454)	0	0
	Less: Reserves - cash/financial asset backed	0	319,492
	Less: Financial assets at amortised cost - self supporting loans	0	(1,768,054)
	196,089	0	(203,224)
	Less: Movement in Accruals	0	0
	Less: Provision for Doubtful Debts	84,768	0
	(2,002,015)	0	(42,481)
	Less: Movement in Restricted Surplus	0	(24,777)
	(204,530)	0	(6,166)
	Less: Movement in provisions between current and non-current provisions	0	0
	0	0	0
	Less: Movement in Unspent grants	0	0
	Less: Movement in Financial assets at amortised cost	0	0
	0	0	0
	Less: Current loans - clubs/institutions	0	0
	(3,083)	0	0
	Less: Current assets not expected to be received at end of year	0	0
	- Land held for resale	(185,893)	(35,893)
7	(370,130)	(185,893)	(35,893)
	Add: Current liabilities not expected to be cleared at end of year	0	0
	- Current portion of borrowings	87,653	85,520
17(a)	16,416	87,653	85,520
	- Current portion of lease liabilities	0	14,998
	145,406	0	14,998
	- Employee benefit provisions	3,617,024	4,618,608
	4,820,037	3,617,024	4,618,608
	Add: Restricted Surplus/(Deficit) June 30 b/fwd	0	656,270
	453,046	0	656,270
	Less: Restricted Surplus/(Deficit) June 30 c/fwd	(298,823)	(453,046)
	(248,516)	(298,823)	(453,046)
	Total adjustments to net current assets	(59,061,743)	(64,345,356)
	(70,769,291)	(59,061,743)	(64,345,356)
Net current assets used in the Rate Setting Statement			
	Total current assets	72,003,458	79,079,836
	88,300,652	72,003,458	79,079,836
	Less: Total current liabilities	(12,808,032)	(13,034,308)
	(17,079,140)	(12,808,032)	(13,034,308)
	Less: Total adjustments to net current assets	(59,061,743)	(64,345,356)
	(70,769,291)	(59,061,743)	(64,345,356)
	Net current assets used in the Rate Setting Statement	133,683	1,700,172
	452,221	133,683	1,700,172

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

29. FINANCIAL RISK MANAGEMENT

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

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

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

Financial risk management is carried out by Financial Services under policies approved by Council. Financial Services 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 and term deposits held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2021					
Cash and cash equivalents	1.08%	60,871,828	0	60,871,828	0
Financial assets at amortised cost - term deposits	0.81%	16,550,052	16,550,052	0	0
Financial assets at amortised cost - self supporting loans	2.65%	15,470	15,470	0	0
Loans receivable - clubs/institutions	4.10%	655,614	655,614	0	0
2020					
Cash and cash equivalents	0.85%	55,175,670	0	55,175,670	0
Financial assets at amortised cost - term deposits	1.64%	13,163,678	13,163,678	0	0
Financial assets at amortised cost - self supporting loans	2.48%	199,690	199,690	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.

	2021 \$	2020 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	608,718	551,757

* 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 17(b).

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

29. 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. Whilst the City was historically able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment.

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2021					
Rates receivable					
Expected credit loss	0.98%	4.41%	18.96%	53.12%	
Gross carrying amount	972,885	294,659	116,337	137,724	1,521,605
Loss allowance	9,565	13,008	22,056	73,158	117,787
30 June 2020					
Rates receivable					
Expected credit loss	4.23%	7.07%	1.74%	3.15%	
Gross carrying amount	161,367	131,239	235,098	879,801	1,407,505
Loss allowance	6,830	9,280	4,080	27,710	47,900

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

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	80.58%	
Gross carrying amount	3,622,721	124,814	0	2,338,218	6,085,753
Loss allowance	0	0	0	1,884,228	1,884,228
30 June 2020					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	53.52%	
Gross carrying amount	3,576,926	1,162,617	454,033	3,214,142	8,407,718
Loss allowance	0	0	0	1,720,154	1,720,154

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

29. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Contract Assets

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

(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 17(c).

The contractual undiscounted cash flows of the City's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2021					
Payables	11,123,600	0	0	11,123,600	11,123,600
Borrowings	16,416	16,853	0	33,269	33,269
Contract liabilities	973,681	0	0	973,681	973,681
Lease liabilities	145,406	670,651	556,830	1,372,887	1,372,887
	12,259,103	687,504	556,830	13,503,437	13,503,437
2020					
Payables	6,195,306	0	0	6,195,306	6,195,306
Borrowings	85,520	177,494	0	263,014	263,014
Lease liabilities	14,998	12,831	0	27,829	27,829
	6,295,824	190,325	0	6,486,149	6,486,149

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

30. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

Following the end of the financial year the City signed a Deed of Settlement with SuperCivil Pty Ltd and the matter is now settled. The recoverable receivable from the settlement has been adjusted for in the financial report as at 30 June 2021.

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:

	1 July 2020	Amounts Received	Amounts Paid	30 June 2021
	\$	\$	\$	\$
Public Open Space Contributions	853,833	0	(242,066)	611,767
Karratha Agistment Centre Compensation Funds	206,780	0	0	206,780
Unclaimed Monies	2,983	0	0	2,983
VAST	7,060	5,201	0	12,261
Other Bonds & Guarantees	22,348	0	0	22,348
North West Defence Alliance	0	6,100	0	6,100
	1,093,004	11,301	(242,066)	862,239

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

32. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) 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.

i) Impairment of assets

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

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

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

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

**CITY OF KARRATHA
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FOR THE YEAR ENDED 30 JUNE 2021**

33. ACTIVITIES/PROGRAMS

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

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

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

34. FINANCIAL RATIOS

	2021 Actual	2020 Actual	2019 Actual
Current ratio	2.24	1.28	1.42
Asset consumption ratio	0.80	0.80	0.81
Asset renewal funding ratio	1.20	1.37	1.13
Asset sustainability ratio	0.92	0.70	0.91
Debt service cover ratio	93.30	198.64	272.31
Operating surplus ratio	0.13	0.01	0.09
Own source revenue coverage ratio	0.85	0.81	0.90

The above ratios are calculated as follows:

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

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

Physical address:

Lot 1083 Welcome Road,
Karratha, WA 6714

Postal address:

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

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

Physical address:

Lot 4237 Cowle Road
Light Industrial Estate
Karratha, WA 6714

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

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

