

City of Karratha Annual Report 2023/24





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WELCOME

to the 2023/24 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 2023/24 financial year includes not only the public-facing elements of the City's work but also encompasses our financial performance and the governance and statutory regulations by which we operate.

Throughout the 2023/24 financial year, the City of Karratha continued to provide a high level of services and amenities for residents. We also launched the What We Make It engagement program as part of our review of the Strategic Community Plan 2020 – 2030, which saw the City conduct its largest ever community consultation process.

2.1 Acknowledgement of Country

Wayiba! Wanthiwa! Tharnardu!

The City of Karratha recognises the ancient and ongoing connection of the Ngarluma people as traditional custodians of this land and their deep historical and spiritual connection to the region's country, waterways, rivers, and seas.

We acknowledge the significance of the traditional welcoming rituals of Aboriginal and Torres Strait Islander people and pay respect to the Ngarluma people and their Elders, past, present, and emerging.

We also acknowledge that Indigenous Australians were the first inhabitants of Australia and have unique languages and spiritual relationships with the land. The name "Karratha" is derived from an Aboriginal word meaning "good country" or "soft earth."

2.2 Why We Report

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

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

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

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

2.3 Mayor's Message

The 2023/24 financial year saw a smooth transition to preferential voting, welcoming a publicly elected Mayor for the first time, as well as commencing a review of our Strategic Community Plan 2020 – 2030.



Over the course of the financial year, we remained focused on our goal of making Karratha Australia's most liveable regional city. As part of this effort, we supported our community, enhanced our infrastructure, and tackled challenges that affect the City's liveability.

Over the financial year, the City awarded several contracts for projects to revitalise our community with \$32.5m allocated to local businesses.

Highlights from this period included, awarding the tender for the transformative Roebourne Streetscape Master Plan, continuing to work on increasing housing stock through, and being named a Gold Waterwise Council for the second year in a row.

We continued to advocate for State and Federal Government support for our community and their needs, such as housing to help sustain and support the growth of Karratha.

Our Council and City staff have accomplished a great deal in 2023/24 including the commencement of the City's 10-year Strategic Community Plan 2020 – 2030 Review supported by the launch of a new 'What We Make It' engagement brand and online engagement platform. The Strategic Community Plan 2020 – 2030 Review saw the City undertake its largest community consultation process with 945 people directly contributing feedback.

We also successfully hosted the National Economic Development Conference in August 2023 welcoming delegates from around Australia and overseas, as well as the Pilbara Summit in June 2024.

As we embark on a new financial year, I am eager to move forward with transforming our City into Australia's most liveable regional City, enhancing it further as a wonderful place to live, work, and invest.

DANIEL SCOTT
Mayor, City of Karratha



As part of this effort, we supported our community, enhanced our infrastructure, and tackled challenges that affect the City's liveability.

2.4 CEO's Message

The 2023/24 Financial year has seen the City of Karratha work hard to maintain the high standard of service, events, and infrastructure our community deserves while advocating on behalf of the community at a state and federal level.



We continue to face a critical shortage of affordable housing in our community and we worked hard in 2023/24 to help address this issue.

Over the past year, we have focused on delivering services and programs that address the current and future needs of our community.

The 2023/24 capital works program was worth \$41m focusing on service improvements such as Karratha Leisureplex Outdoor Court Shading upgrades, expanding the local road and footpath network and playground upgrades and progressing the Roebourne Streetscape Master Plan.

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

The City did this while maintaining an average rate increase of just 3.5 per cent for residential properties. We continue to face a critical shortage of affordable housing in our community and we worked hard in 2023/24 to help address this issue. The City is working on this issue directly by delivering more housing in its Hancock Way subdivision, partnering with key stakeholders on its Service Worker Accommodation Scheme and advocating strongly for State and Federal Government support.

We also began the review of our Strategic Community Plan 2020 – 2030 which shows the community's vision, and how the City will work towards the vision, with and for the community over the next 10 years.

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

VIRGINIA MILTRUP
CEO, City of Karratha

3

OUR CITY

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

3.1 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 2020 – 2030 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:



Tender awarded for Roebourne Streetscape Master Plan phase 1 and 2 works.



The City was certified as a Gold Waterwise Council for the second year in a row.



Hosted the National Economic Development Conference and Pilbara Summit conferences at our Red Earth Arts Precinct.



Record-breaking attendance at Karratha Leisureplex, with over 580,000 visits.



Our efforts to engage with the local youth saw more than 1,300 attendees across Youth Week.



Construction began on the \$5.7m Hillview/Balmoral Road upgrade.



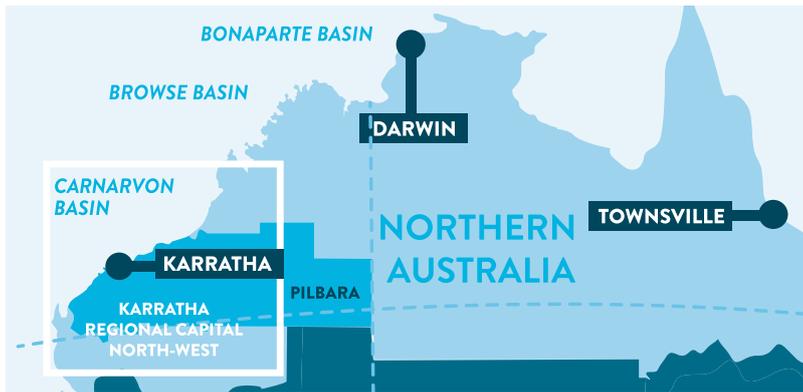
Karratha Golf Course was named Regional Golf Facility of the Year.



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

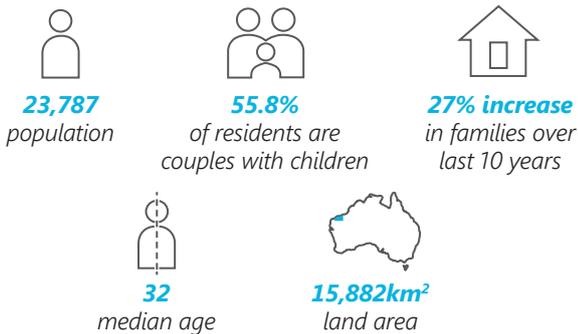
3.2 City Profile

The City of Karratha is surrounded by the Shire of Ashburton to the south, Port Hedland to the east, and the Indian Ocean to the north and west. It boasts four industrial ports and generates about \$12.31 billion for the country's economy annually.



The City stands out with its combination of modern industry and a cultural, natural landscape. It holds both national economic significance and global heritage value for its history of the Ngarluma, Yindjibarndi, Yaburara, Mardudhunera and Wong-Goo-Tt-Oo peoples.

3.2.1 Demographics



3.2.2 Natural

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



History of Council

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

- 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



Our Playground Revitalisation continued



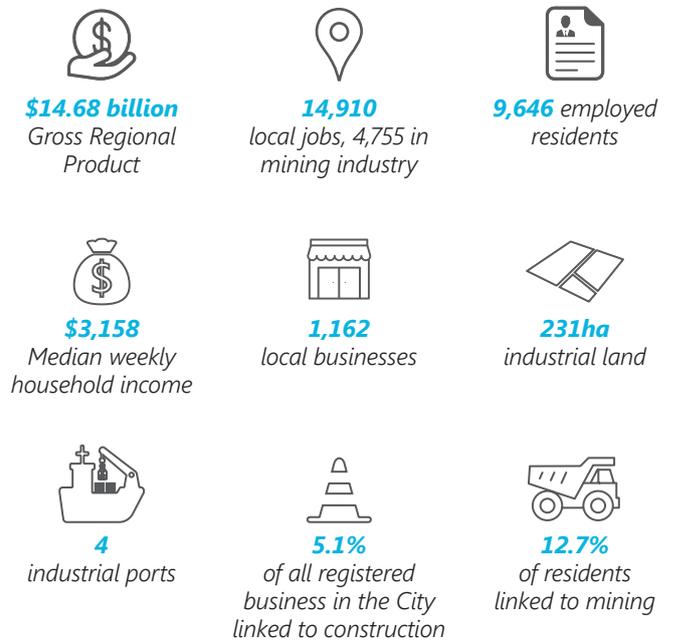
Library Board Awards 2023

3.2.3 Economic

A large percentage of the City's industry output is derived from the mining industry, which in 2023/24 produced an estimated \$16.1 billion in annual output.

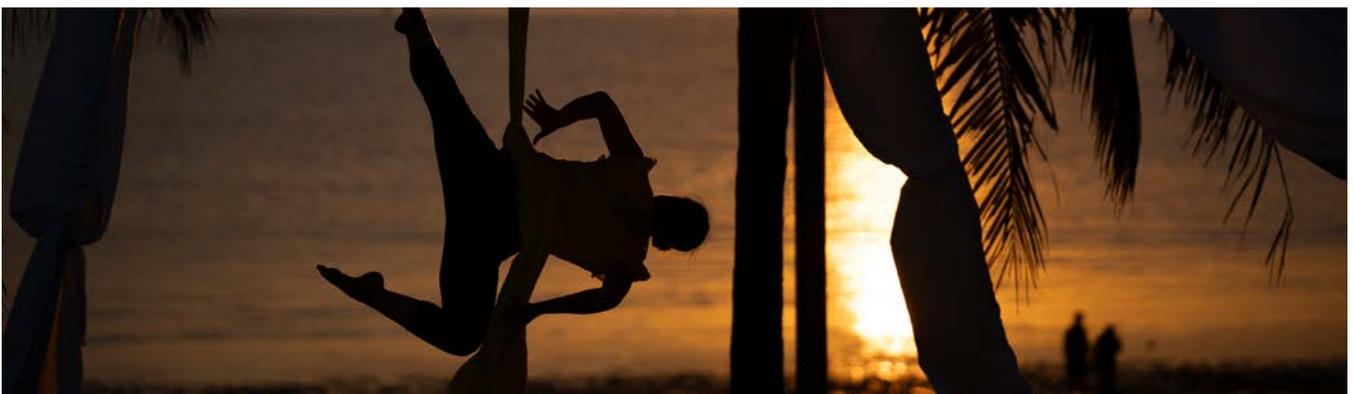
Unlike other mining towns in the region, the City's economy is based primarily on exports and oil and gas processing. The city has four busy industrial ports and 231ha of industrial land with 507ha planned for future use. The mining industry is the largest employer, generating 4,755 local jobs.

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



*Data sourced from REMPLAN

Natural Wings REAF performance at Dampier





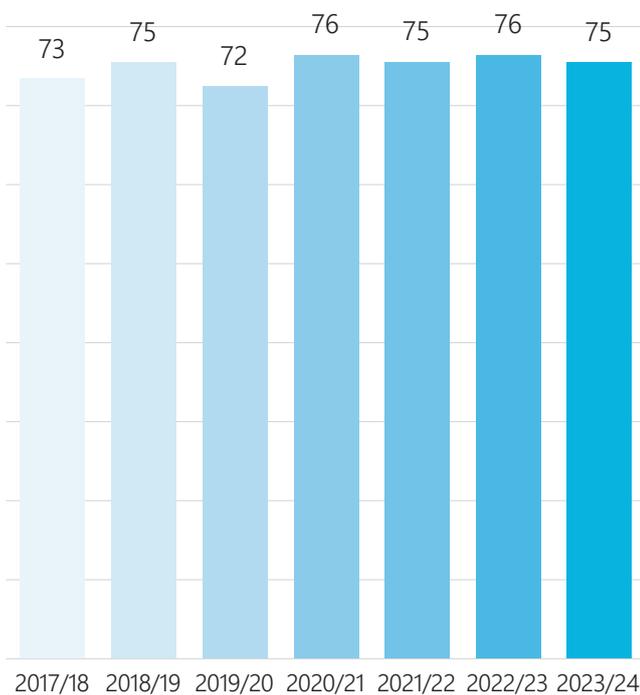
Plants of the Pilbara at REAF

3.2.4 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 50 events and festivals each year and offering almost \$500,000 in community funding grants annually.

Residents who rate the town as an excellent/good place to live:	
2017/2018	60%
2018/2019	64%
2019/2020	62%
2020/2021	67%
2021/2022	63%
2022/2023	71%
2023/2024	71%

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



2023/24

- 

4 libraries
- 

3 major recreation centres
- 

86 parks and open spaces
- 

7 community hubs and pavilions
- 

160.5km of footpaths
- 

639.8km of road
- 

109 sports clubs and associations
- 

12 primary and high schools and the Pilbara University centre
- 

\$600,000 community grants funding available



3.2.5 2023/24 in numbers



Processed waste (tonnes)

75,672t Waste accepted to landfill	21,116t Liquid waste accepted
6,548t Waste collected kerbside residentially	1,680t Recycling collected kerbside residentially
\$135,923 Tip Shop income	5,089t Waste diverted from landfill



Environmental health inspections and registrations

238 Food premises	57 Public buildings
28 Public swimming pools	80 Hair and beauty premises
6 Caravan parks	29 Lodging houses
316 Applications and Enquiries handled	5 Healthy Dog Day Events
251 Health nuisances/complaints investigated	



Ranger inspections / audits

206 Abandoned vehicles	36 Off-road vehicles
41 Camping Inspections	166 Litter Inspections
223 Parking Inspections	234 Cyclone Inspections and Fire Permits
2,451 Animal (dog/cat trapping, sterilisation, rehoming, euthanising)	



581,347 visits to Karratha Leisureplex

18,512 visits to Group Fitness classes	110,632 visits to Aquatic Centre
44,483 visits to Gym Facilities	15,000 visits to Creche



49,173 visits to Wickham Recreation Precinct

2,434 Group Fitness participants	6,212 visits to Recreation/Play Programs
23,809 visits to Wickham Pool	16,718 visits to Gym Facilities



116,189 visits to the libraries

85,261 visits to Karratha	17,108 visits to Wickham
1,391 visits to Roebourne	12,429 visits to Dampier



Children and Youth

19,230 The Base Wickham visits	11,542 The Youth Shed Karratha visits
1,343 Youth Week 2024 attendance	31,333 Indoor Play Centre visits



Community Survey

2,075 Responses

75 Overall Score (Out of 100)



Karratha Airport

661,779 Passengers	26,871 Aircraft movements
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Planning and Building Services

564 Building permits issued	140 Development Applications issued	190 Land Tenure/Use Referrals responded to
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Red Earth Arts Precinct

17,973 movie attendees	5,637 performances
11 workshops	824 total events



Circus performers during the REAF Mother's Day event

3.3 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 several 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.

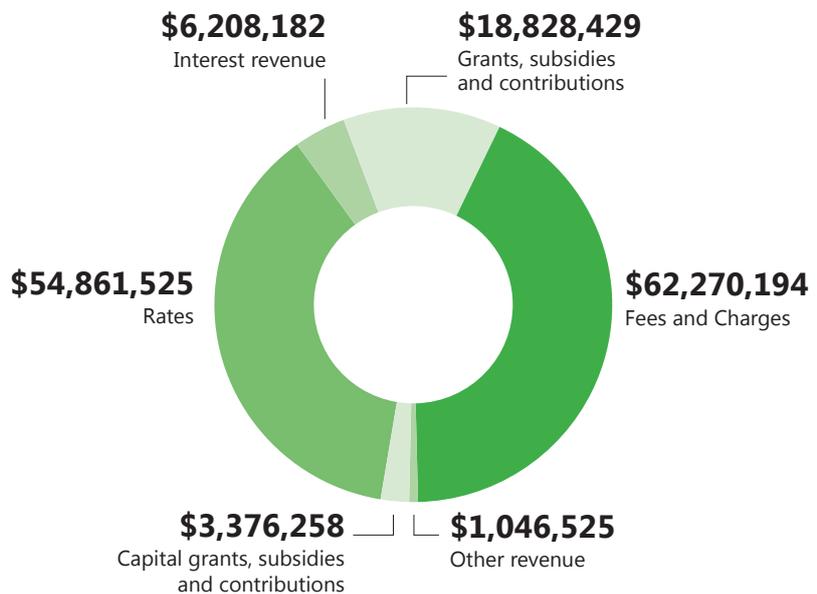
3.3.1 Where do your rates go?

For every **\$100** in expenditure, this is where your money goes.



3.3.2 Where does the City of Karratha get its money?

Our total revenue for 2023/24 was **\$146,591,113** which came from the following sources:



3.4 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 participation required to inform the City's decision making.

	INFORM	CONSULT	INVOLVE	COLLABORATE	EMPOWER
PUBLIC PARTICIPATION GOAL	To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	To obtain public feedback on analysis, alternatives and/or decisions.	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	To place final decision-making in the hands of the public.
PROMISE TO THE PUBLIC	We will keep you informed.	We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision.	We will work with you to ensure that your concerns and aspirations are directly referenced in the alternatives developed and provide feedback on how public input influenced the decision.	We will look to you for advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible.	We will implement what you decide.

3.5 Supporting our Volunteers

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

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

- actively engage volunteer participation by residents;

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

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

Why are our stakeholders important to us?

Our stakeholders provide feedback, engagement, knowledge and guidance in regard to City projects and services, helping us to create strong and mutually beneficial relationships that deliver improved services and facilities for our community.

Government



- Federal Government
- State Government
- Other LGAs

Why are we important to our stakeholders?

Council provides services, resources and amenity that contribute to making the City of Karratha a great place to live, work, play and visit, from business and community support through grants funding to kerbside recycling collections and parks and gardens maintenance.

How we communicate

Council website: karratha.wa.gov.au
 City of Karratha Facebook page • What We Make It engagement platform • Community events • Surveys • Advisory Groups • Community surveys • Council administration offices • Public notifications • Community workshops • Facilities • Fortnightly e-newsletter • SharePoint intranet • Quarterly staff briefings • Management meetings • Annual staff events Staff training • Place branding website: karrathaiscalling.com.au • Karratha is Calling Facebook page • Partnerships report • Project reports • Electors meetings • Council meetings • Annual report • Media liaising • Quarterly breakfast briefings • Publications • Policy workshops Grant funding programs • Economic Development Bulletin • Emails • Formal meetings • Partnership agreements • Invitations • Events City of Karratha Events Facebook page Instagram



- Resource Industry
- Business Community
- Business Support Service
- Industry Associations
- Peak Bodies

Business and Industry



- Residents • Traditional Owners • Ratepayers
- Employees • Community Groups • Community Associations • Schools and Higher Education • Visitors • Media • Aboriginal Corporations

Community

Dampier, Wickham and Point Samson each have community associations run by local volunteers. 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 2023



FeNaCING Festival 2023



Fortescue Children's Art Day at the Cossack Art Awards 2023



National Economic Development Conference 2023

3.6 Events

2023

JULY

- NAIDOC Flag Raising
- Cossack Art Awards
- Euphoria

AUGUST

- FeNaCING Festival
- Cossack Art Awards Public Program, Education Program & Fortescue Children's Art Day
- West Australian Symphony Orchestra community concert
- Citizenship Ceremony
- National Economic Development Conference

SEPTEMBER

- WASO & Dapht, How the West Was Won
- Tura – The Journey Down

OCTOBER

- Citizenship Ceremony
- Walkington Awards
- Community Sports Awards

NOVEMBER

- Remembrance Day
- Seniors Week

DECEMBER

- International Day of People with Disability
- Sharpe Avenue Christmas Light Walk
- Christmas on the Green
- Seniors Christmas Lunch – Karratha and Roebourne
- Karratha & Districts Chamber of Commerce & Industry Christmas Markets



Christmas on the Green 2023



Australia Day 2024



Youth Week 2024



Red Earth Arts Festival 2024

2024

JANUARY

- Australia Day Celebration
- Australia Day Fireworks

APRIL

- ANZAC Day
- Youth Week

JUNE

- Pilbara Summit

FEBRUARY

- Perth Film Festival

MAY

- Red Earth Arts Festival

ADDITIONAL EVENTS IN THE CITY OF KARRATHA SUPPORTED BY THE CITY

- City to Surf



2023 Sports Awards winners

3.7 Awards and recognition

The 2023/24 financial year has seen representatives from the City of Karratha speak at national events as well as continue the provision of a number of community and sporting awards that celebrate leadership and high performance.

June 2024

Pilbara Summit – Cr Brenton Johannsen; Cr Daiva Gillam; Cr Kelly Nunn; Cr Sarah Roots; Cr Tony Simpson; Cr Travis McNaught; Cr Daniel Scott

3.7.1 Australia Day Awards

Each year the City of Karratha joins with many other local governments across Australia to recognise those groups and individuals who have made an outstanding contribution to their community. Presenting three awards at a breakfast ceremony for nominees and dignitaries, the City of Karratha Australia Day Awards highlight the importance of community participation to the wellbeing and connectedness of our city and celebrate the diversity of our community.

The 2024 Australia Day Award winners were:

- Citizen of the Year – Rhian Ambrosius Presented by City of Karratha
- Young Citizen of the Year – Toby Fountain Presented by Pilbara Ports

- Active Citizenship – Dampier Community Association Presented by Rio Tinto

3.7.2 Community Sports Awards

The 2023 City of Karratha Community Sports Awards saw nominations received across 10 categories. These annual awards recognise volunteers, players, officials, and coaches who have made a significant contribution to their code.

The 2023 Community Sports Award recipients were:

- Woodside Energy Junior Sportsman – Toby Fountain
- Rio Tinto Junior Sportswoman – Ariana Nuska
- Santos Sportswoman – Ashleigh Greenwell
- Pilbara Ports Authority Sportsman – Jordan Shand
- Sport & Rec WA Official – Nathaniel Kett
- Xtreme Sports Coach – Cassie Perry



2024 Community Awards winners

- City of Karratha Inclusion Award – Tanya Watkins
- Woodside Energy Club – Karratha Country Club
- Rio Tinto Association – Karratha Basketball Association
- Powerlift Industries Volunteer – Sho-ella Tahi Tahi

3.7.3 Walkington Award

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

St Lukes College Year 12 student, Zane Goes received the prestigious 2023 Walkington Award.

3.7.4 Employee Recognition

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

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

The 2023 City of Karratha Employee of the Year was Librarian Taylor Coventry.



2023 Walkington Award recipient Zane Goes

4

ACHIEVEMENTS

This section provides an in-depth look at the work Council completed across the 2023/24 financial year as we work to achieve our goal of becoming Australia's most liveable regional city.



4.1 Our vision for the City of Karratha

The City of Karratha provides more than 100 services and activities to the local community, from kerbside waste collection and ranger services to town beautification and public facilities such as libraries and aquatic centres. These services all work to meet local community needs and support the priorities of the City of Karratha Strategic Community Plan 2020 – 2030.

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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4.1.1 Our Community: Inclusive and engaged

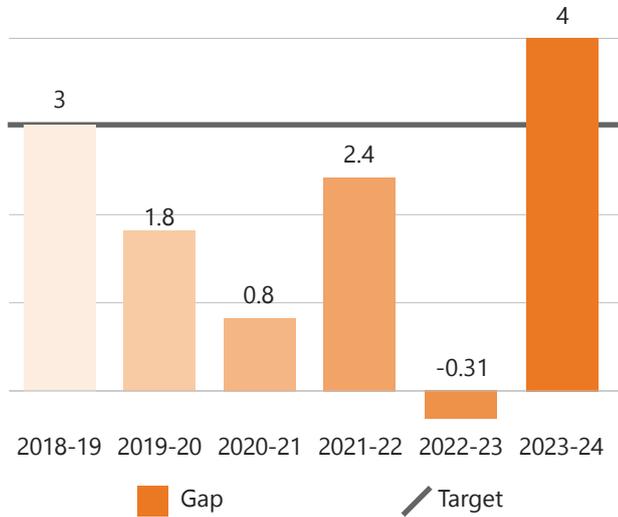
Our goal is to activate safe, healthy and liveable communities.

Achievements

- › Total Attendance at Leisure Facilities: Record-breaking attendance at Karratha Leisureplex, with over 580,000 visits.
 - › The area in front of the Quarter was grassed – providing the community with a revitalised public space to enjoy.
 - › The City worked with Development WA to deliver additional residential land in the Madigan Estate to help grow the community.
 - › 58,000 visits to the Red Earth Arts Precinct with high-profile events including the 2024 Pilbara Summit, Eskimo Joe, and Melbourne International Comedy Festival.
 - › Indoor Play Centre attendance increased by more than 4,000 to a total of 31,333 – just the second time since opening that it has recorded an attendance above 30,000.
 - › The City awarded more than \$180,000 to local community and sporting organisations across the Local Government Area through the City's Community Grants Scheme.
 - › This financial year, the City began its review of the Strategic Community Plan 2020 – 2030, outlying Council and the community's vision for the next 10 years. This involved the largest community engagement program the City has conducted through the launch of the What We Make It engagement brand.
 - › The City of Karratha Libraries Memory Preservation Station received the Library Board Award for Innovation and Collaboration.
 - › Ready Set Grow Competition saw 35 entries across five categories including Mayor's Best Overall Garden Best Use of Small Space, and Waterwise Garden.
- The goal of the competition is to enhance neighbourhood appearance, addressing community safety perception, and build community/neighbourhood connection.
- › Airport Passenger growth has exceeded forecasts, with 661,779 passengers over the financial year, driven by increased seating capacity and heightened demand spurred by ongoing project activity in Karratha.
 - › As part of the City's Disability Access Inclusion Plan, we implemented a series of strategies including installing additional Australian Council for Rehabilitation of Disabled (ACROD) parking bays provided at FeNaCING Festival and opened the grounds Friday afternoon for our community organisations and members to go through and experience the "festival" with fewer crowds and less noise.
 - › The 31st Cossack Art Awards were held in 2023 with more than \$85,000 in prize money awarded across 10 categories. The 2023 Awards saw more than 8,000 visitors enjoy the gallery.
 - › The 2024 Red Earth Arts Festival (REAF) attracted 4,285 attendees and boasted more than 70 programs.
 - › The tender for the Roebourne Streetscape Master Plan was awarded in March 2024. The Master Plan will see the main streets of Roebourne transformed and strengthen its links to existing natural assets such as the Ngurin, enhance amenities as well as encouraging cultural expression in the townsite.

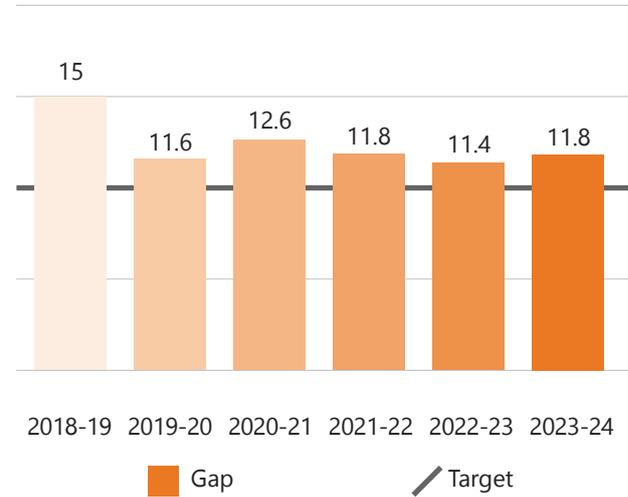
Maintain a positive gap between performance and importance in Annual Community Survey for footpaths and cycleways

Please note the target is a positive gap of 3

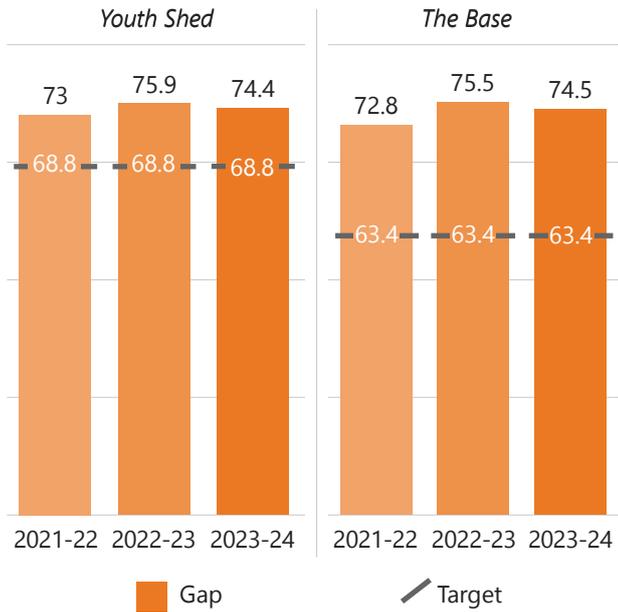


Community Services: Maintain or improve a positive gap between performance and importance in Annual Community Survey for Library Services

Please note the target is a positive gap of 10

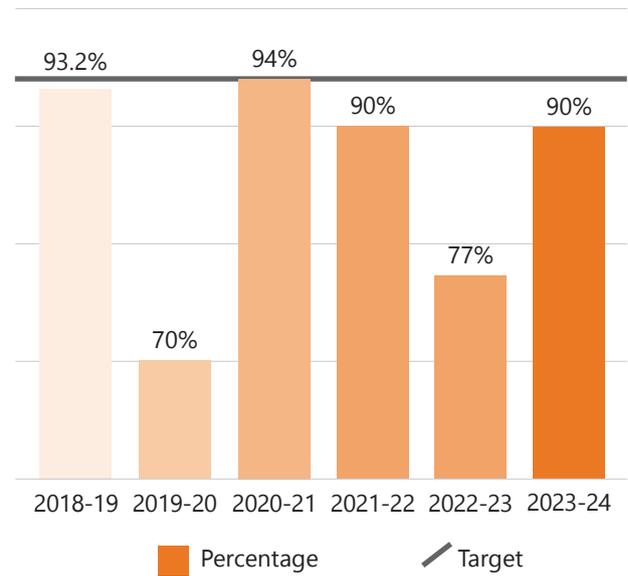


Community Services: Maintain or improve a positive gap between performance and importance in Annual Community Survey for Facilities



Ensure all contracted work is completed within agreed time frames in accordance with contract requirements

Please note the target is 94%



The What We Make It engagement team



Tidy Towns 2024 Launch

4.1.2 Our Economy: Well-managed and diversified

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

Achievements

- › The City provided \$102,829 in Take Your Business Online Grants to 40 local businesses, as well as \$170,000 in Business Development Support Grants to three local business support providers.
- › \$32,750 in Economic Development Grants were provided to one local business.
- › Four events were secured through the Major Events Sponsorship & Attraction Scheme including the Pilbara Summit.
- › We continued five formal partnerships with Pilbara Kimberley University Centre, Karratha and Districts Chamber of Commerce, Karratha Business Enterprise Centre Incorporated, SEED, and Pilbara Tourism Association.
- › As part of the City's efforts to support local industry, approximately \$10m was spent locally across 3469 payments. This meant 68.97% of invoices were to local suppliers well above our target of 50%.

The City continued to support the Designated Area Migration Agreement (DAMA) in collaboration with the Town of Port Hedland and Regional Development Australia Pilbara, including subsidising the cost to businesses located in the City of Karratha. This financial year 134 positions were applied for under the

- › Pilbara DAMA.

As part of its efforts to support a diverse and thriving industry, the City approved a development application lodged by WRS Bioproducts for an algae farm on the salt flats

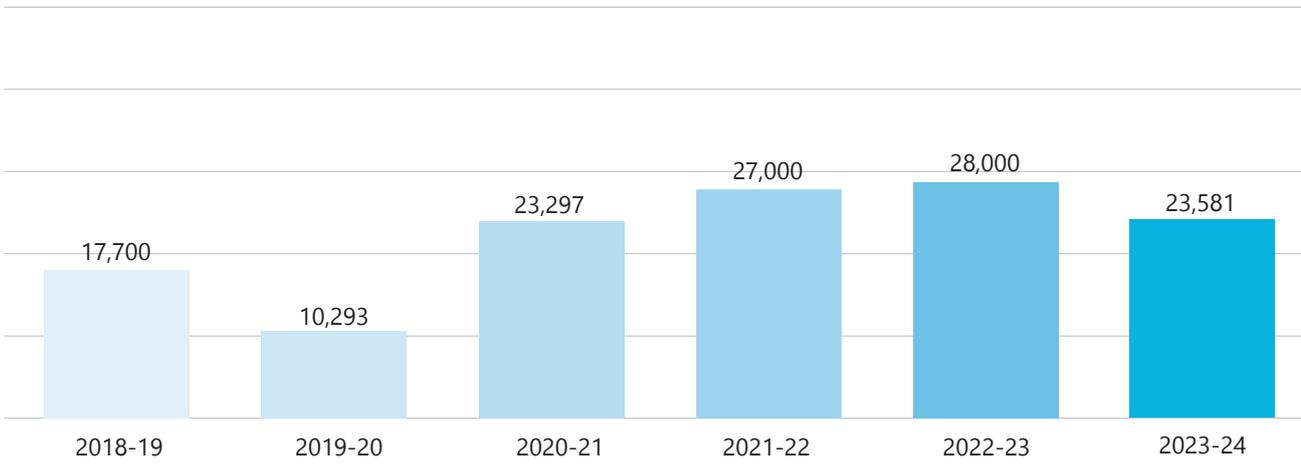
at the eastern end of the Karratha Airport. The application saw the algae ponds from the previously endorsed proposal in 2020 expanded from two 60ha lakes to two 98ha algae lakes.

- › The Karratha Tourism and Visitor Centre recorded strong visitation and booking numbers, boasting more than 23,581 tourists through the Centre.
- › 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.
- › The City continued to provide funding to support skills and education development through the Pilbara Universities Centre.
- › The annual Business Climate Scorecard was delivered with 141 participants, confirming the two priorities for local businesses were access to affordable housing and efforts to support and retain existing businesses.

The City continued to manage leases at its facilities including The Quarter with currently 90.9 per cent of available area leased as well as assisting Development WA and businesses to progress development of the Gap Ridge Industrial Estate.



Number of tourists visiting the Karratha Tourism and Visitor Centre



Community Grant Schemes include:

Large Community Grant Scheme	19	\$413,585
Small Community Grants	28	\$100,031
Computers for Communities	5	N/A
Major Event Sponsorship and Attraction Program	9	\$408,620
Take Your Business Online Grants	40	\$102,829

4.1.3 Our Environment: Thriving and sustainable

Our goal is to protect our natural and built environment

Achievements

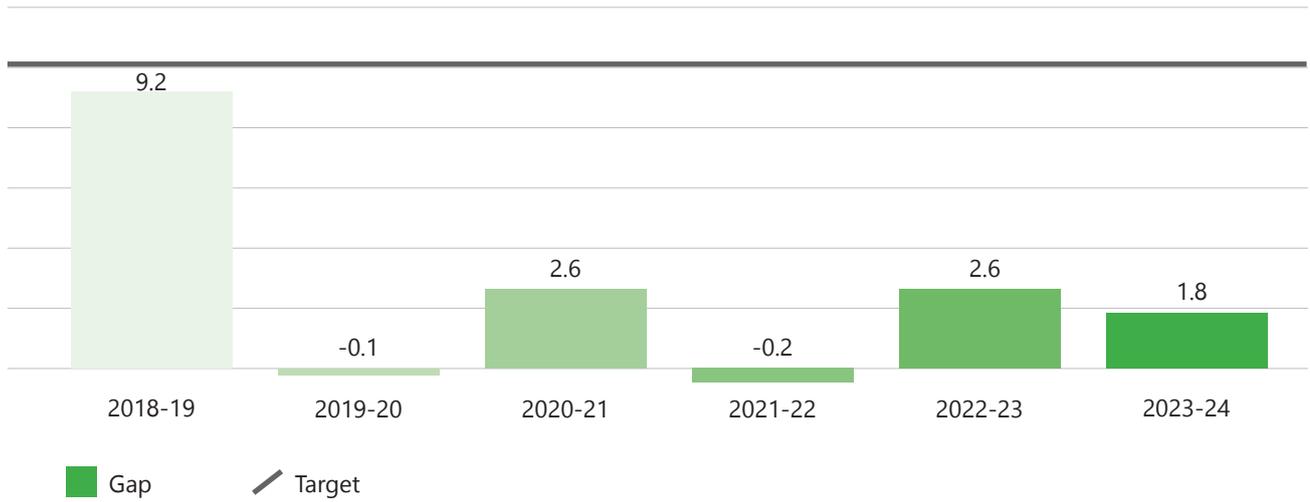
- › Three key initiatives of the City's Environment Sustainability Strategy (ESS) commenced. These being carbon accounting, Waterwise Council program implementation, and utility monitoring working group. The City will review the ESS in the 2024/25 financial year including developing an implementation plan of projects.
- › City officers continued to collect any reported abandoned vehicles, with officers collecting 206 abandoned vehicles during the reporting period.
- › City Rangers also conducted 2,451 animal calls and 234 cyclone inspections and fire permits.
- › Over the financial year, more than 75,000 tonnes of waste was accepted to landfill with 21,116 tonnes of liquid waste.
- › The City collected 6,548 tonnes of residential kerbside waste and 1,679 tonnes of kerbside recycling collected, with 5,088 tonnes of waste diverted from landfill.
- › 29 subscriptions taken up through the Climate Clever Program. Under the program, Council agreed to subsidise up to 50 community subscriptions as a way of promoting uptake and removing barriers to the use of the platform, procuring software designed to assist in the sustainable use of utilities and to assist in measuring the City's carbon emissions.
- › Continued monitoring of the Effluent Reuse Scheme used to irrigate parks, ovals, and verge gardens to ensure public safety is not compromised. Using treated effluent in this water reduces pressure on potable water sources.

Continued to maintain and improve City appearance



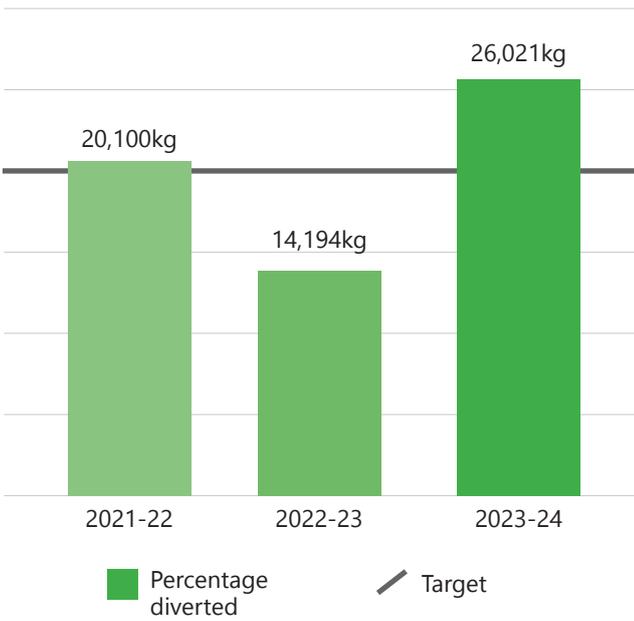
Maintain or improve a positive gap between performance and importance in annual community survey for Tip Services

Please note the target is a positive gap of 10



Amount of hazardous waste diverted from landfill

Please note the target is 20,000kg



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



4.1.4 Our Leadership: Proactive and accountable

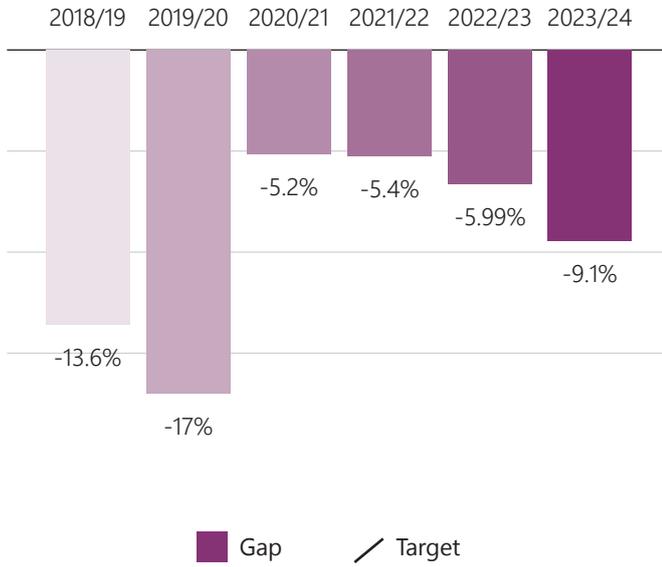
Our goal is to provide accessible, transparent and responsive leadership.

Achievements

- › As part of our goal to be a proactive and accountable Local Government, the City continued to develop, maintain, monitor, and report on the Strategic Community Plan 2020 – 2030, Corporate Business Plan, and Operational Plan. An annual desktop review is conducted in collaboration with the annual budget and results of the 102 key performance measures are reported quarterly to Council. In 2023/24, 73% of the key performance measures were achieved or substantially achieved.
- › During the 2023/24 financial year, the City put out 65 media releases, an increase of 20 from the previous year, with a pick up of 75 per cent. Highlights included the promotion of the Red Earth Arts Festival which received statewide coverage with an equivalent ad spend revenue of \$71,359 in May 2024. Another highlight included the Project Dorothy media release which received television, radio, and newspaper coverage including the front page of the *West Australian*.
- › The City ensured Councillors met their obligations under the newly Elected Members' training and professional Development program, established by the Department of Local Government to enable councillors to gain minimum competencies. Councillors who pass their course have a valid qualification for five years after which it will need to be renewed if they continue to remain on Council.
- › The annual review of the Delegated Authority Register to ensure appropriate, inclusive, and efficient decision-making activity was completed. This action is undertaken before June when all Council and CEO delegations are reviewed to ensure that they remain relevant.
- › Following the review of the Local Government Act by the State Government, the 2023 election saw the implementation of a preferential voting method and the mayor is now elected by electors as a separate election to councillor elections. Councillor Daniel Scott was elected Mayor.
- › All new employees undertake records management induction and training within two 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.
- › The City received 2,075 completed responses to the 2024 Annual Community Survey, representing a 128% increase in participation, and received an overall score of 75%. This feedback was a valuable tool to inform budget allocations, track our performance, improve service delivery, and advocate for our community.
- › The City continues to build strong partnerships and indigenous relations including strong traction with three Roebourne entities who have partnered with us to deliver engagement activities.
- › A new long-term community partnership was established between the City and Woodside Energy and its Joint Venture Partners. The commitment of Woodside and its joint venture partners to \$5.5 million over a five-year period supports the continued provision of a number of important and much-loved community programs and liveability initiatives, as well as allowing for contribution to significant City projects.
- › The City currently has a 10 year partnership with Rio Tinto to the value of \$37.5M over ten years. This partnership through the Strategic Objectives of Thriving Communities, Caring for Country, Walking Together, Creating Opportunities, Environmental Stewardship, aims to deliver community development and social investment activities to contribute to community life.
- › Pilbara Ports – \$72,500 to contribute to a variety of community events and activities to enhance community liveability.
- › Santos – Two year agreement at \$40K per year to support the ongoing management of Gnoorea Point foreshore and campgrounds, building relationships with Traditional owner groups and capacity building of Aboriginal landowners to undertake land and sea management programs.
- › Staff turnover has reduced by 7% over the past year as of 30 August 2024.

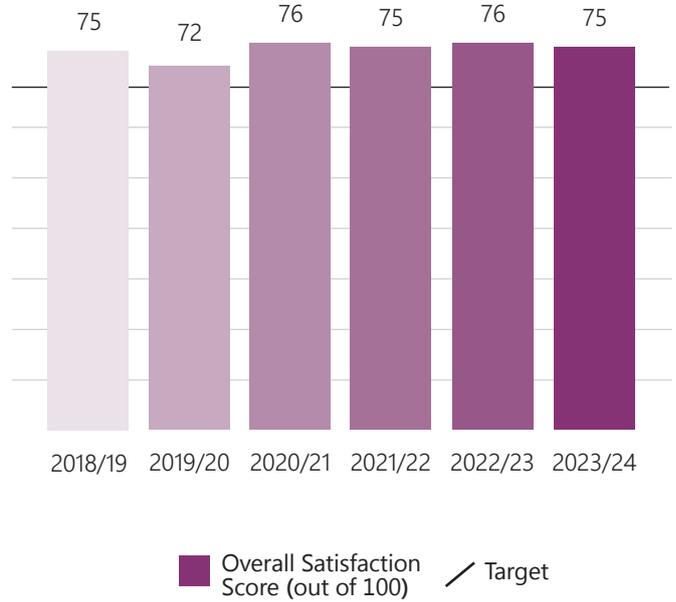
Maintain or improve a positive gap between performance and importance in Annual Community Survey for Financial Responsibility

Please note the target is 0



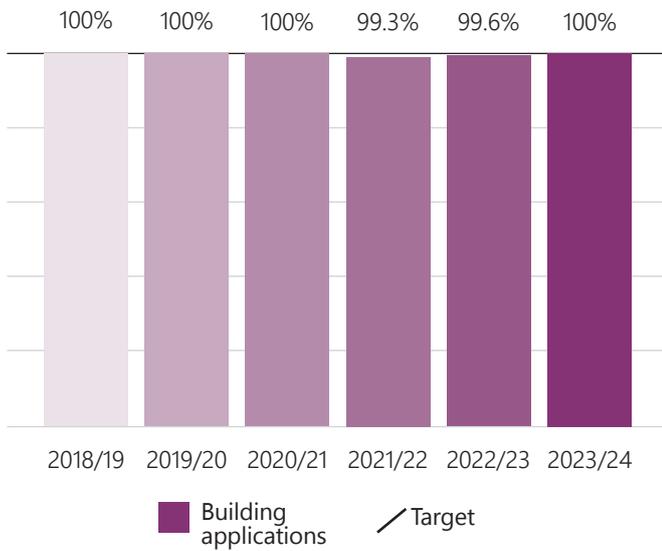
Increase in overall community satisfaction score through the Annual Community Survey

Please note the target is 68



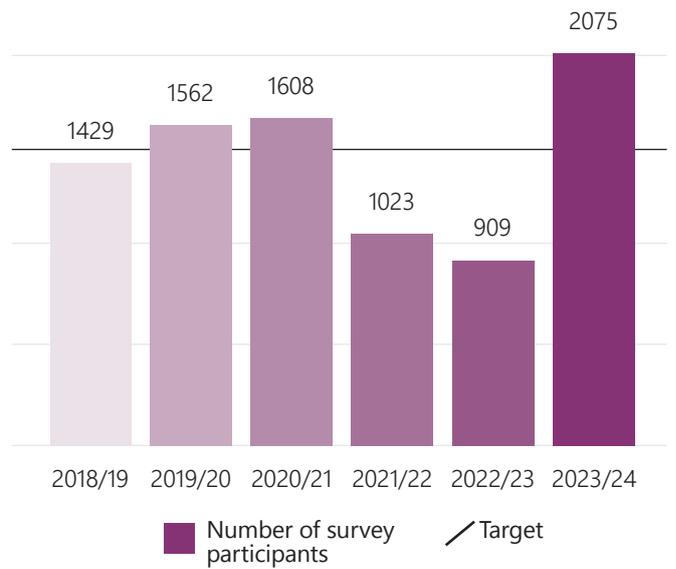
Assess all building applications within the statutory time frames

Please note the target is 100%



Statistically relevant number of participants in Annual Community Survey

Please note the target is 1500



5

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.



5.1 Governance

The City of Karratha is one of 138 local governments in Western Australia and is led by a Council consisting of nine 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 Act can be found at www.dlgsc.wa.gov.au.

- The risk management framework is regularly reviewed by the Administration taking into consideration the continued impact of COVID across the world and the emergence of artificial intelligence in our day-to-day activities. Management review existing data and ensure risks ratings are reflective of current risk mitigation strategies and controls.
- A total of nine policies were reviewed over the 2023/24 period influenced by changes in direction by Council or legislative changes.

For the 2023 calendar year, the City obtained a compliance rate on 91.6%. Areas of non-compliance included minor misdemeanours related to complying with delegations of power/duty, non-disclosure of interest in a timely manner, audits not being completed in a timely manner and non-compliance with the City's procurement policy.

5.5.1 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.

5.1.2 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 2023 local government elections marked a change in the local government electoral process as a result of legislative reforms and consequential impacts to the City's representation. The ward system was abandoned in favour of one district election, the number of representative councillors reduced from 11 to 10, a popular elected mayor being voted by the electors as opposed to the Council itself and the elections now under an optional preferential voting system rather than by first past the post.

On 21 October 2023, the conduct of the mayoral election resulted in a newly elected mayor Daniel Scott attaining a four year term and the former mayor Peter Long being unsuccessful in his bid after representing Council since 2011.

In the councillor elections, Councillors Garry Bailey retired after 20 years on Council and Margaret Bertling retired from office since 2015. Councillor Geoffrey Harris was unsuccessful in his bid after a four-year term and new councillors Brenton Johannsen, Sarah Roots and Tony Simpson were for four year terms. The next date for ordinary local government elections is Saturday 18 October 2025.

5.1.3 Councillors



Mayor

Daniel Scott

Councillor since: 2015

Mayor since: 2023

T 0438 938 332

E Cr.Scott@karratha.wa.gov.au

Mayor Scott was elected the City of Karratha Mayor in October 2023.

Mayor Scott was born and raised in the Pilbara, spending his childhood in Dampier and the last 14 years in Karratha. He is the Director of North West Brewing Company and has served as a councillor for the past seven years.

Mr Scott has a rich background in economic development, strategic planning, and community engagement. His understanding of the Pilbara's unique landscape is enhanced by his appreciation for its potential in driving economic prosperity and diversification, and his commitment to the Pilbara community is shown through his active involvement in local initiatives, highlighting his community-focused mindset.

Mayor Scott's vision for the Pilbara includes its economic transformation and the enhancement of its liveability and sustainability, promising a future where the region is recognised for its dynamic, diversified economy and vibrant community life.



Cr Gillian Furlong

Councillor since: 2021

T 0400 162 346

E Cr.Furlong@karratha.wa.gov.au

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



Cr Kelly Nunn

Councillor since: 2017

T 0448 882 508

E Cr.Nunn@karratha.wa.gov.au

Councillor Nunn is a community volunteer working with and representing a number of Wickham community groups including Wickham Tidy Towns and Wickham Primary School P&C. Through her engagement role with Volunteering WA she also works with a variety of community organisations. Cr Nunn is focused on making the region a better place for families to live.



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 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.



Deputy Mayor

Cr Daiva Gillam

Councillor since: 2021

Deputy Mayor since: 2023

T 0400 007 082

E Cr.Gillam@karratha.wa.gov.au

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



Cr Brenton Johannsen

Councillor since: October 2023

T 0474 502 034

E Cr.Johannsen@karratha.wa.gov.au

Councillor Johannsen is a long-time resident and active member of the community. In 2023, he received the Active Citizenship Award. Cr Johannsen is focused on making Karratha sustainable to everyone and managing and maintaining the next boom cycle.



Cr Tony Simpson

Councillor since: October 2023

T 0438 354 236

E Cr.Simpson@karratha.wa.gov.au

Councillor Simpson has several diverse roles under his belt having previously served as a Shire Councillor as well as a Member for Parliament. Cr Simpson is currently the Chief Executive of Regional Development Association Pilbara and is driven to continue Karratha's growth.



Cr Sarah Roots

Councillor since: October 2023

T 0433 434 731

E Cr.Roots@karratha.wa.gov.au

Councillor Roots has lived in Karratha for more than 12 years and has worked across a broad intersection of the community. Cr Roots is an active member of the community and has strong interests in community wellbeing, youth services as well as arts and cultural activities.



Cr Travis McNaught

Councillor since: 2021

T 0409 209 628

E Cr.McNaught@karratha.wa.gov.au

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

5.2 Mayor and Councillor attendance

Council is the decision-making body for the City and meets on the fourth Monday of every month at 6:00pm. The Chief Executive Officer and Directors also attend this meeting with the Mayor as the presiding member. The CEO with the support of Directors, assists Council 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 AT OCM (INC MEDIA)
Ordinary Council Meeting	31/07/2023	Chambers	N	3
Ordinary Council Meeting	28/08/2023	Chambers	N	9
Ordinary Council Meeting	18/09/2023	Chambers	N	23
Ordinary Council Meeting	30/10/2023	Chambers	N	6
Ordinary Council Meeting	20/11/2023	Chambers	N	3
Ordinary Council Meeting	11/12/2023	Chambers	N	0
Ordinary Council Meeting	12/02/2024	Chambers	N	7
Ordinary Council Meeting	25/03/2024	Chambers	Y	5
Ordinary Council Meeting	29/04/2024	Chambers	Y	5
Ordinary Council Meeting	27/05/2024	Chambers	Y	15
Ordinary Council Meeting	28/06/2024	Chambers	Y	10
Totals				86
Special Council Meeting	23/10/2023	Chambers	N/A	12
Special Council Meeting	28/06/2024	Chambers	N/A	0
Electors' Meeting 2023-24	19/08/2024	Chambers	N/A	0
Totals				12



CR BAILEY	CR BERTLING	CR FURLONG	CR GILLAM	CR HARRIS	CR LONG	CR MILLER	CR McNAUGHT	CR NUNN	CR SCOTT	CR WATERSTROM MULLER	CR SIMPSON	CR ROOTS	CR JOHANNSEN	TOTAL NUMBER OF COUNCILLORS IN ATTENDANCE
✓	X	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	X	10
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	X	X	X	11
✓	✓	✓	✓	✓	X	✓	✓	✓	✓	✓	X	X	X	10
X	X	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓	10
X	X	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓	10
X	X	X	✓	X	X	✓	✓	✓	✓	✓	✓	X	✓	8
X	X	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓	10
X	X	✓	✓	X	X	✓	✓	✓	✓	✓	✓	X	✓	9
X	X	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓	10
X	X	✓	✓	X	X	✓	✓	✓	✓	✓	✓	X	✓	9
X	X	X	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓	9
3	2	9	11	3	2	11	11	11	11	11	8	5	8	
X	X	✓	✓	X	X	✓	✓	✓	✓	✓	✓	X	✓	9
X	X	✓	✓	X	X	✓	✓	✓	✓	✓	✓	✓	✓	10
X	X	✓	✓	X	X	X	✓	✓	✓	✓	✓	✓	✓	9
0	0	3	3	0	0	2	3	3	3	3	3	2	3	



	Name	Date	Term
Newly Elected	Cr Johannsen	21/10/2023	4 Years
	Cr Roots	21/10/2023	4 Years
	Cr Simpson	21/10/2023	4 Years
	Cr Scott (Mayor)	21/10/2023	4 Years
Resignations			
Retirement	Cr Bailey	20/10/2023	2003-2023
	Cr Bertling	20/10/2023	2011-2013, 2015-2023
	Cr Harris	20/10/2023	2013-2017, 2019-2023
	Cr Long	20/10/2023	2011-2023
Councillors	Cr Furlong	16/10/2021	4 Years
	Cr Gillam	16/10/2021	4 Years
	Cr McNaught	16/10/2021	4 Years
	Cr Miller	16/10/2021	4 Years
	Cr Nunn	16/10/2021	4 Years
	Cr Waterstrom Muller	16/10/2021	4 Years



Dampier Mother's Day event during the Red Earth Arts Festival

5.2.1 Details of Council sub-committee and number of meeting days

Audit and Organisational Risk Committee for a two-year term

- Cr Long, Cr McNaught, Cr Bailey and Cr Scott
No. of sitting days in 2023: one
- Cr Gillam, Cr Scott, Cr Simpson and Cr McNaught
No. of sitting days in 2024: two

5.5.2 Internal advisory groups with councillor representation

Environment and Sustainability Advisory Group for a two-year term

- Cr Nunn, Cr Roots, Cr Furlong

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

- Cr Waterstrom Muller, Cr Miller, Cr Roots, Cr Furlong

Youth Advisory Group

- Cr Nunn, Cr Furlong, Cr Waterstrom Muller

5.2.3 External bodies with councillor representation

Council representatives to the Murujuga Rock Art Stakeholder Reference Group for a two-year term

- Cr Roots

Council representative to the Pilbara Joint Development Assessment Panel

- Cr Nunn, Cr McNaught, Cr Scott (Proxy),
Cr Simpson (Proxy)

Council representative to the Pilbara Ports Community Consultation Group

- Cr Johannsen

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

- Cr Waterstrom Muller

Rio Tinto Coastal Communities Environment Forum for a two-year term

- Cr Furlong

Council representatives to the Western Australia Local Government Association (WALGA) Pilbara Zone for a two-year term

- Cr Scott, Cr Johannsen, Cr Waterstrom Muller

Council representative to the Wickham Key Stakeholders Meeting

- Cr Johannsen

Council representative to Woodside Community Liaison Group

- Cr Gillam

5.3 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 their 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 2023-2024

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, 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.



5.3.1 Our organisation

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

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

CEO				
OFFICE OF THE CEO	DIRECTOR CORPORATE AND COMMERCIAL	DIRECTOR STRATEGIC PROJECTS AND INFRASTRUCTURE SERVICES	DIRECTOR COMMUNITY EXPERIENCE	DIRECTOR DEVELOPMENT SERVICES
Manager Human Resources Manager Marketing and Communications Manager Corporate Development	Manager Financial Services/CFO Manager Governance and Organisational Strategy Manager Information Services	Manager Airport Manager City Services Manager Infrastructure Projects Manager Infrastructure Services	Manager Community Facilities Manager Community Programs Manager Community Planning Manager Engagement & Partnerships	Manager Approvals & Compliance Manager City Growth

5.3.2 Executive Management Team

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



Virginia Miltrup

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

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

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

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

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

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



Alistair Pinto

*Director Corporate & Commercial
Appointed: October 2023
Master of Health Management (MHM),
Doctor of Medicine in Psychiatry (MD),
Bachelor of Medicine & Bachelor of Surgery (M.B.B.S.),
Diploma in Community Development*

Alistair is new to local government, having worked for a decade with the WA Country Health Service.

Alistair has experience working in senior Executive roles across multiple WA health regions and has provided leadership on key health programs and initiatives targeted at improving health outcomes for regional communities.

Alistair has lived in the Pilbara for over six years and is passionate about working with other stakeholders to support and empower our regional communities.



Simon Kot

Director Strategic Projects & Infrastructure

Appointed: February, 2013

Diploma in Project Management, Diploma Management & Public Sector, Bachelor of Applied Science, Leisure Science

Simon has over 20 years' experience working in management and executive teams for local government with previous roles including Manager Community Services at the Shire of Katanning as well as Executive Manager Community Services at City of Karratha. Simon became Director Strategic Projects & Infrastructure in 2013 and has overseen the development of \$300 million worth of City-led infrastructure projects including the Karratha Leisureplex, Karratha Airport Redevelopment and the Red Earth Arts Precinct.



Lee Reddell

Director Development Services

Appointed: July, 2022

Bachelor of Arts; Post Graduate Diploma, Urban Planning

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



Emma Landers

Director Community Experience

Appointed: August, 2023

Emma has nearly two decades of experience within local government, serving in project, business management and leadership roles. Overseen and managed operating budgets and set the strategic direction in collaboration with communities and stakeholders.



Employee diversification statistics



Female Workforce
65.3% for Female Workforce



Mature Employees
13.65% for Mature Employees



**Aboriginal and Torres Strait
Islander Australians**
5.5% for Aboriginal and
Torres Strait Islander Australians



Young People
16.1% for Youth

5.3.6 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.

5.3.7 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 2023/24 the City provided two 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.

Additional highlights:

- 165 workplace inspections across City facilities
- 129 employees undertook a skin screen
- 55 employees completed a health risk assessment

Our Recruitment Processes

The City has a People and Culture 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 2023/24, the People and Culture team undertook 221 recruitment processes across all levels of the organisation.

5.3.8 Workplace occupational safety and health

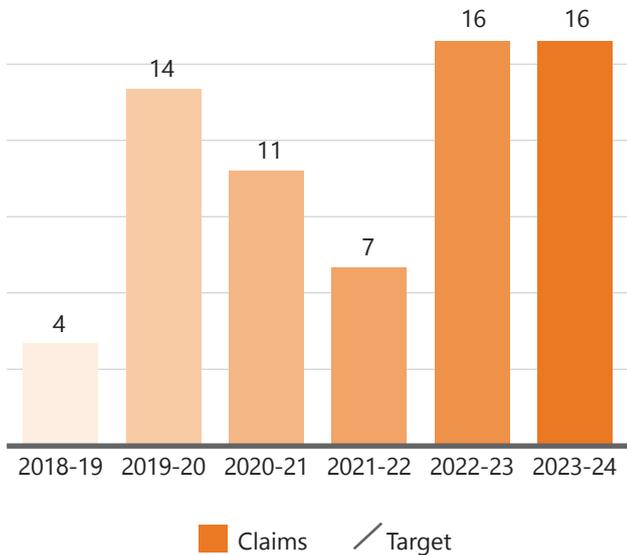
The City of Karratha has made a commitment to provide employees a safe working environment. Our key focus is on providing appropriate information, training and supervision to all employees and contractors, employing the kinds of people who hold the same values as Council; integrity, teamwork, innovation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

A number of risk management strategies are in place organisation-wide which promote and continuously improve health and safety performance. Each of our 16 worksites has a designated Work Health and Safety 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 Work Health and Safety Officer and actioned appropriately. The Occupational Health and Safety policy is reviewed every four years.

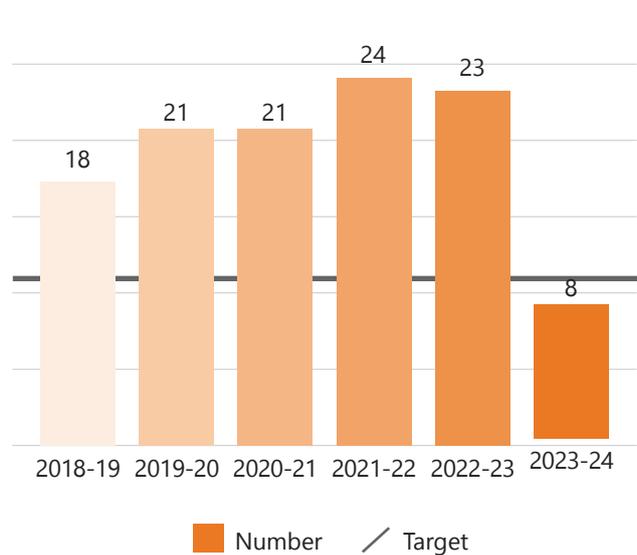
Number of workers compensation claims per annum

Please note the target is 0



Number of Indigenous staff employed

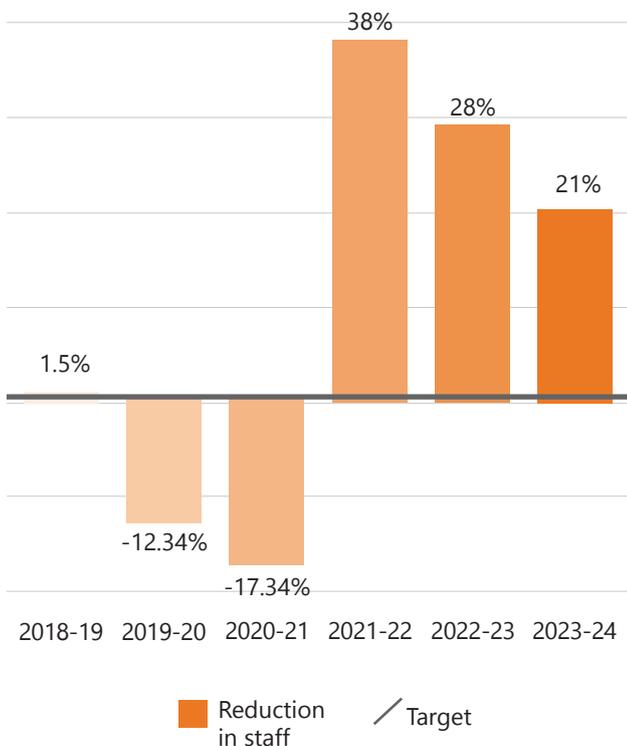
Please note the target is 12



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



131 staff left the organisation in 2023/24, making a total turnover figure of 21%. Increased demand for employees across the district continues with the cost of living continuing to rise.

2023/24 highlights

-  **165 workplace inspections** across City facilities
-  **129 employees** undertook a skin screen
-  **55 employees** completed a health risk assessment

5.3.9 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 2023/24 financial year, no matters were referred to any government agency.

5.3.9.1 Councillor Conduct

No complaints were received in 2023/24.

5.3.9.2 Records Management

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

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

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

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

5.3.9.3 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 2023/2024 financial year, 14 FOI applications were received. 12 applications were settled within the statutory 45-day period and two applicants approved an extension to allow the FOI to be finalised. One matter was referred to the Office of Information Commissioner for an external review.

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

- Council agenda and minutes
- Annual budgets
- Annual reports.

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

5.3.9.4 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.

5.3.10 Strategic asset management

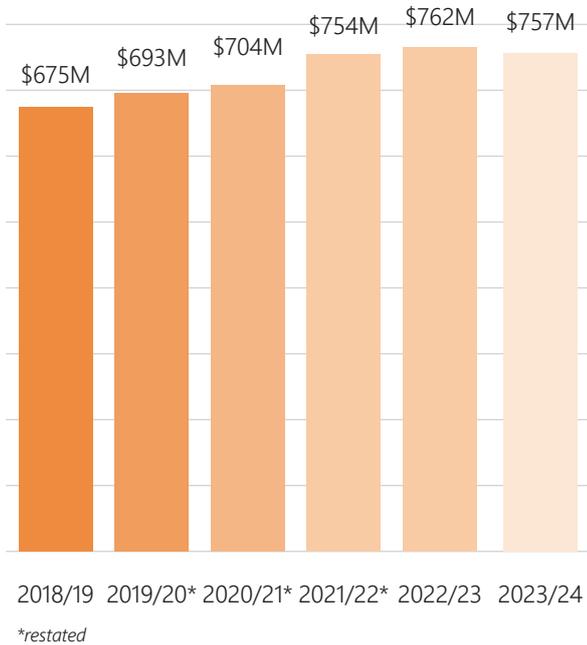
The City of Karratha manages an asset portfolio of more than \$650m and has extensive management policies in place to ensure best results for the community.

5.3.10.1 Asset Management Planning

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

The City of Karratha reviews its Asset Management Planning documents and Policy to ensure planning in place remains current and takes into account any new, replaced or improved assets as they stand. A major review of the Strategic Asset Management Plan was undertaken in 2019, with the updated plan adopted by Council in February 2020. The next substantial review will take place in 2024.

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



The 31st Cossack Art Awards program had more than 8,600 attendees

5.3.11 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.

5.3.11.1 Strategic, Corporate and Operational Risks

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

5.3.11.2 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.

The Audit and Organisational Risk Committee membership is comprised of four elected members. During 2023/24 Mayor Daniel Scott held the position of Chair.

The Audit and Organisational Risk Committee met three times in the last financial year on 11 September 2023, 26 February 2024 and 20 May 2024.

5.3.11.3 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 & Organisational Risk Committee.

5.3.11.4 Independent Auditing

The Office of Auditor General (OAG) continues to undertake the financial audit of the City. For the 2023/24 financial year the OAG provided an unqualified audit. The management reports identified three moderate and two minor risks that are being actioned by the administration.

5.3.12 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 24 tenders and 70 formal requests for quotation during 2023/24.

Significant contracts awarded included:

- Minor Works Airconditioning – Estimated \$4M
- Grounds Maintenance – Eastern Areas – Estimated \$4.5M
- Coolawanyah – De Witt Roads Intersection Upgrade \$1.9M
- Cossack Road Culvert Replacement – \$1.3M
- The Supply and Laying of Concrete & Kerbing – Estimated \$2.5M

In 2023/24 the City issued 10,193 purchase orders with 66 per cent of all work allocated to local business, to the value of \$32.5 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. In the 2023/24 Financial year there are 270 suppliers registered with the City's Tenderlink Portal for the purpose of tendering and more than 279 local suppliers registered as Marketplace suppliers in Vendorpanel for quoting.

5.3.12.1 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*.

5.3.12.2 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.

Wickham Recreation Precinct celebrated its 5 year anniversary



5.3.13 Information about trading undertaking

Regulation 19BB of the *Local Government (Administration) Regulations 1996* states that we need to provide information about trading undertakings in the annual report. In the 2023/24 financial year the City operated two trading undertakings: The Quarter, and Karratha Airport.

The Quarter

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

	2023/2024 Actual \$	2023/2024 Budget \$
Operating Revenue		
Leases	\$ 2,731,734	\$ 2,904,936
Other Revenue	\$ 1,425,711	\$ 1,279,411
	\$ 4,157,445	\$ 4,184,347
Operating Expenditure		
Employee Costs	-\$ 10,817	\$ -
Materials & Contracts	-\$ 1,297,211	-\$ 1,061,392
Utilities	-\$ 538,407	-\$ 320,501
Insurance	-\$ 167,808	-\$ 167,808
Other Expenditure	-\$ 686,290	-\$ 209,659
	-\$ 2,700,533	-\$ 1,759,360
	\$ 1,456,912	\$ 2,424,987
The Quarter Gain/(Loss)	\$ 1,456,912	\$ 2,424,987
Current Assets		
Trade and other receivables	\$ 388,130	
	\$ 388,130	
Non-Current Assets		
Land	\$ 3,024,800	
Buildings	\$ 43,325,200	
Current Liabilities	\$ 46,350,000	
Equity	\$ 46,738,130	
Retained Surplus	\$ 46,738,130	
Total Equity	\$ 46,738,130	

Karratha Airport

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

	2023/2024 Actual \$	2023/2024 Budget \$
Operating Revenue		
Fees and Charges	\$ 28,478,521	\$ 27,857,860
Grants and Contributions	\$ 426,992	\$ 376,992
Other Revenue	\$ 63,352	\$ 39,160
	\$ 28,968,864	\$ 28,274,012
Operating Expenditure		
Employee Costs	-\$ 2,150,629	-\$ 2,399,415
Materials & Contracts	-\$ 5,830,975	-\$ 5,842,831
Utilities	-\$ 1,797,833	-\$ 1,655,207
Insurance	-\$ 806,979	-\$ 798,539
Depreciation	-\$ 4,531,148	-\$ 4,419,304
Other Expenditure	-\$ 94,566	-\$ 45,192
	-\$ 15,212,129	-\$ 15,160,488
Capital Revenue		
Transfer to City Operations	\$ 15,250	\$ 12,500
	\$ 15,250	\$ 12,500
Capital Expense		
Capital Expenditure	-\$ 244,714	-\$ 533,620
	-\$ 244,714	-\$ 533,620
Airport Gain/(Loss)	\$ 13,527,271	\$ 12,592,404
Current Assets		
Trade and other receivables	\$ 2,631,564	
Reserves - Cash Backed	\$ 17,853,223	
	\$ 20,484,787	
Non-Current Assets		
Buildings	\$ 1,148,000	
Less Accumulated Depreciation	-\$ 677,730	
Infrastructure	\$ 162,869,799	
Less Accumulated Depreciation	-\$ 45,298,625	
Plant & Equipment	\$ 380,250	
Less Accumulated Depreciation	-\$ 138,239	
Furniture & Equipment	\$ 996,085	
Less Accumulated Depreciation	-\$ 640,514	
Artwork	\$ 147,500	
Less Accumulated Depreciation	-\$ 17,536	
	\$ 118,768,989	
Current Liabilities		
Trade and other payables	\$ 1,509,700	
	\$ 1,509,700	
Net Assets	\$ 137,744,076	
Equity		
Reserves - cash backed	\$ 17,853,223	
Retained Surplus	\$ 119,890,853	
Total Equity	\$ 137,744,076	

5.3.14 Information about land transactions

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

In the 2023/24 financial year no new major land transactions occurred.

5.3.15 Fees, expenses or allowances for the 2023/24 financial year

Elected Member	Mayor & Deputy Mayor Allowance	Meeting Attendance Fees	ICT Allowance	Travel and Accommodation Expenses	Other Approved Expenses	Total
Mayor - Cr Daniel Scott (Oct 2024 onwards)	\$ 62,729	\$ 43,274	\$ 3,500	\$ 858	\$ 446	\$ 110,807
Mayor - Cr Peter Long (Jul 2024 to Oct 2024)	\$ 28,016	\$ 14,832	\$ 1,076	\$ 2,240	\$ -	\$ 46,165
Deputy Mayor - Cr Daiva Gillam (Oct 2024 onwards)	\$ 15,183	\$ 32,153	\$ 3,500	\$ 291	\$ 460	\$ 51,586
Deputy Mayor - Cr Kelly Nunn (Jul 2024 to Oct 2024)	\$ 7,565	\$ 32,153	\$ 3,500	\$ 2,283	\$ -	\$ 45,501
Cr Garry Bailey	\$ -	\$ 9,888	\$ 1,076	\$ 663	\$ -	\$ 11,627
Cr Margaret Bertling	\$ -	\$ 9,888	\$ 1,076	\$ -	\$ -	\$ 10,965
Cr Gillian Furlong	\$ -	\$ 32,153	\$ 3,500	\$ -	\$ 104	\$ 35,757
Cr Geoffrey Harris	\$ -	\$ 9,888	\$ 1,076	\$ 123	\$ -	\$ 11,088
Cr Brenton Johannsen	\$ -	\$ 22,314	\$ 2,333	\$ 488	\$ -	\$ 25,136
Cr Travis McNaught	\$ -	\$ 32,153	\$ 3,500	\$ -	\$ -	\$ 35,653
Cr Pablo Miller	\$ -	\$ 32,153	\$ 3,500	\$ 95	\$ -	\$ 35,748
Cr Sarah Roots	\$ -	\$ 22,314	\$ 2,333	\$ -	\$ -	\$ 24,648
Cr Anthony Simpson	\$ -	\$ 22,314	\$ 2,333	\$ 639	\$ -	\$ 25,287
Cr Joanne Waterstrom Muller	\$ -	\$ 32,153	\$ 3,500	\$ 84	\$ -	\$ 35,737

5.3.16 Capital Grants for the Renewal of Assets

Income from capital grants, subsidies and contributions.

	2024 Actual \$	2023 Actual \$	2022 Actual \$
Law, order, public safety	-	-	14,324
Housing	-	-	500,000
Community amenities	-	-	338,303
Recreation and culture	1,303,687	674,071	1,461,698
Transport	2,072,571	2,148,793	827,334
	3,376,258	2,822,864	3,141,659

6

FINANCES

The final section of this report outlines the City of Karratha's finances for 2023/24 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 2024

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

To be Australia's most liveable regional City.

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

**CITY OF KARRATHA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

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

STATEMENT BY CEO

The accompanying financial report of the City of Karratha has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

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

Signed on the 12th day of December 2024



CEO

Virginia Miltrup

Name of CEO



**CITY OF KARRATHA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	2(a),27	54,861,525	54,760,778	49,061,054
Grants, subsidies and contributions	2(a)	18,828,429	16,747,721	16,800,058
Fees and charges	2(a)	62,270,194	57,907,917	53,596,090
Interest revenue	2(a)	6,208,182	5,731,009	3,673,354
Other revenue	2(a)	1,046,525	783,854	1,458,989
		143,214,855	135,931,279	124,589,545
Expenses				
Employee costs	2(b)	(45,087,635)	(40,073,621)	(38,920,864)
Materials and contracts		(32,899,382)	(33,896,015)	(31,418,003)
Utility charges		(7,385,085)	(6,319,707)	(6,354,674)
Depreciation		(29,337,164)	(29,211,014)	(27,394,053)
Finance costs	2(b)	(265,170)	(348,440)	(118,838)
Insurance		(3,773,833)	(3,376,414)	(3,313,238)
Other expenditure	2(b)	(2,380,297)	(2,549,417)	(1,930,745)
		(121,128,566)	(115,774,628)	(109,450,415)
		22,086,289	20,156,651	15,139,130
Capital grants, subsidies and contributions	2(a)	3,376,258	3,369,694	2,822,864
Profit on asset disposals		35,447	0	519,054
Loss on asset disposals		(1,875,761)	(30,000)	(1,528,097)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	9,393	0	0
Fair value adjustments to investment property	12	6,937,242	0	4,174,392
Loss on revaluation of land and buildings	8(a)	(604,555)	0	0
		7,878,024	3,339,694	5,988,213
Net result for the period	26(b)	29,964,313	23,496,345	21,127,343
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	18	492,326	0	220,098
Total other comprehensive income for the period	18	492,326	0	220,098
Total comprehensive income for the period		30,456,639	23,496,345	21,347,441

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



**CITY OF KARRATHA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024**

	NOTE	2024 \$	2023 \$
CURRENT ASSETS			
Cash and cash equivalents	3	14,993,326	15,536,908
Trade and other receivables	5	9,044,641	8,528,026
Other financial assets	4(a)	106,021,285	73,024,711
Inventories	6	2,005,847	2,901,664
Other assets	7	6,855,926	4,326,374
TOTAL CURRENT ASSETS		138,921,025	104,317,683
NON-CURRENT ASSETS			
Other financial assets	4(b)	3,945,549	3,955,342
Property, plant and equipment	8	297,560,753	303,744,458
Infrastructure	9	408,731,471	414,283,217
Right-of-use assets	11(a)	886,435	1,044,196
Investment property	12	46,350,000	39,300,000
TOTAL NON-CURRENT ASSETS		757,474,208	762,327,213
TOTAL ASSETS		896,395,233	866,644,896
CURRENT LIABILITIES			
Trade and other payables	13	11,569,062	12,187,618
Other liabilities	14	609,084	280,000
Lease liabilities	11(b)	133,322	134,325
Borrowings	15	21,285	24,765
Employee related provisions	16	4,634,109	4,061,537
TOTAL CURRENT LIABILITIES		16,966,862	16,688,245
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	807,005	940,327
Borrowings	15	0	19,186
Employee related provisions	16	267,696	340,444
Other provisions	17	5,471,760	6,231,423
TOTAL NON-CURRENT LIABILITIES		6,546,461	7,531,380
TOTAL LIABILITIES		23,513,323	24,219,625
NET ASSETS		872,881,910	842,425,271
EQUITY			
Retained surplus		471,038,754	472,216,783
Reserve accounts	30	115,590,641	84,448,299
Revaluation surplus	18	286,252,515	285,760,189
TOTAL EQUITY		872,881,910	842,425,271

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 2024**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2022		457,512,213	78,025,526	285,540,091	821,077,830
Comprehensive income for the period					
Net result for the period		21,127,343	0	0	21,127,343
Other comprehensive income for the period	18	0	0	220,098	220,098
Total comprehensive income for the period		21,127,343	0	220,098	21,347,441
Transfers from reserve accounts	30	30,848,592	(30,848,592)	0	0
Transfers to reserve accounts	30	(37,271,365)	37,271,365	0	0
Balance as at 30 June 2023		472,216,783	84,448,299	285,760,189	842,425,271
Comprehensive income for the period					
Net result for the period		29,964,313	0	0	29,964,313
Other comprehensive income for the period	18	0	0	492,326	492,326
Total comprehensive income for the period		29,964,313	0	492,326	30,456,639
Transfers from reserve accounts	30	11,933,821	(11,933,821)	0	0
Transfers to reserve accounts	30	(43,076,163)	43,076,163	0	0
Balance as at 30 June 2024		471,038,754	115,590,641	286,252,515	872,881,910

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 2024**

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		55,257,316	48,125,347
Grants, subsidies and contributions		15,383,141	14,266,725
Fees and charges		62,171,861	55,062,702
Interest revenue		4,986,312	3,673,354
Goods and services tax received		593,572	160,382
Other revenue		1,046,525	1,458,989
		<u>139,438,727</u>	<u>122,747,499</u>
Payments			
Employee costs		(44,031,096)	(38,612,277)
Materials and contracts		(34,302,926)	(38,706,284)
Utility charges		(7,385,085)	(6,354,674)
Finance costs		(20,341)	(22,598)
Insurance paid		(3,773,833)	(3,313,238)
Goods and services tax paid		(661,730)	0
Other expenditure		(2,380,297)	(1,930,745)
		<u>(92,555,308)</u>	<u>(88,939,816)</u>
Net cash provided by operating activities	19(b)	46,883,419	33,807,683
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost - loans to clubs/institutions		0	(900,000)
Payments for financial assets at amortised cost		(33,000,052)	(11,597,825)
Payments for financial assets at amortised cost - self supporting loans		0	(50,000)
Payments for purchase of property, plant & equipment	8(a)	(8,245,635)	(15,350,610)
Payments for construction of infrastructure	9(a)	(11,084,744)	(17,054,113)
Payments for investment property	12	(112,758)	0
Capital grants, subsidies and contributions		3,376,258	2,822,864
Proceeds from financial assets at amortised cost - self supporting loans		22,666	24,765
Adjustments to fair value of investment property		0	4,174,392
Proceeds from sale of property, plant & equipment		975,684	1,099,639
Proceeds from sale of infrastructure		798,571	0
Net cash used in investing activities		<u>(47,270,010)</u>	<u>(36,830,888)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	29(a)	(22,666)	(22,903)
Payments for principal portion of lease liabilities	29(b)	(134,325)	(168,429)
Proceeds from new borrowings	29(a)	0	50,000
Net cash used in financing activities		<u>(156,991)</u>	<u>(141,332)</u>
Net decrease in cash held		<u>(543,582)</u>	<u>(3,164,537)</u>
Cash at beginning of year		15,536,908	18,701,445
Cash and cash equivalents at the end of the year	19(a)	<u>14,993,326</u>	<u>15,536,908</u>

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



**CITY OF KARRATHA
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	27	54,800,841	54,705,378	49,003,804
Rates excluding general rates	27	60,684	55,400	57,250
Grants, subsidies and contributions		18,828,429	16,747,721	16,800,058
Fees and charges		62,270,194	57,907,917	53,596,090
Interest revenue		6,208,182	5,731,009	3,673,354
Other revenue		1,046,525	783,854	1,458,989
Profit on asset disposals		35,447	0	519,054
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	9,393	0	0
Fair value adjustments to investment property	12	6,937,242	0	4,174,392
		150,196,937	135,931,279	129,282,991
Expenditure from operating activities				
Employee costs		(45,087,635)	(40,073,621)	(38,920,864)
Materials and contracts		(32,899,382)	(33,896,015)	(31,418,003)
Utility charges		(7,385,085)	(6,319,707)	(6,354,674)
Depreciation		(29,337,164)	(29,211,014)	(27,394,053)
Finance costs		(265,170)	(348,440)	(118,838)
Insurance		(3,773,833)	(3,376,414)	(3,313,238)
Other expenditure		(2,380,297)	(2,549,417)	(1,930,745)
Loss on asset disposals		(1,875,761)	(30,000)	(1,528,097)
Loss on revaluation of non-current assets		(604,555)	0	0
		(123,608,882)	(115,804,628)	(110,978,512)
Non cash amounts excluded from operating activities	28(a)	22,294,700	29,241,014	23,344,482
Amount attributable to operating activities		48,882,755	49,367,665	41,648,961
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		3,376,258	3,369,694	2,822,864
Proceeds from disposal of assets		1,774,255	763,272	1,099,639
Proceeds from financial assets at amortised cost - self supporting loans	29(a)	22,666	22,666	24,765
		5,173,179	4,155,632	3,947,268
Outflows from investing activities				
Payments for financial assets at amortised cost - self supporting loans		0	0	(50,000)
Payments for financial assets at amortised cost - loans to clubs/institutions		0	0	(900,000)
Purchase of property, plant and equipment	8(a)	(8,245,635)	(13,702,085)	(18,369,555)
Purchase and construction of infrastructure	9(a)	(12,217,169)	(14,828,201)	(23,083,053)
Payments for investment property	12	(112,758)	(347,000)	0
		(20,575,562)	(28,877,286)	(42,402,608)
Non-cash amounts excluded from investing activities	28(b)	1,840,374	(763,272)	2,813,333
Amount attributable to investing activities		(13,562,009)	(25,484,926)	(35,642,007)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	29(a)	0	0	50,000
Transfers from reserve accounts	30	11,933,821	9,638,265	30,848,592
		11,933,821	9,638,265	30,898,592
Outflows from financing activities				
Repayment of borrowings	29(a)	(22,666)	(22,666)	(22,903)
Payments for principal portion of lease liabilities	29(b)	(134,325)	(134,326)	(168,429)
Transfers to reserve accounts	30	(43,076,163)	(37,480,762)	(37,271,365)
		(43,233,154)	(37,637,754)	(37,462,697)
Amount attributable to financing activities		(31,299,333)	(27,999,489)	(6,564,105)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	28(c)	4,126,240	4,126,240	4,745,520
Amount attributable to operating activities		48,882,755	49,367,665	41,648,961
Amount attributable to investing activities		(13,562,009)	(25,484,926)	(35,642,007)
Amount attributable to financing activities		(31,299,333)	(27,999,489)	(6,564,105)
Restricted surplus June 30 c/fwd - Pilbara Underground Power		0	0	62,129
Surplus or deficit after imposition of general rates	28(c)	8,147,653	9,490	4,126,240

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

**CITY OF KARRATHA
FOR THE YEAR ENDED 30 JUNE 2024
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**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

1. BASIS OF PREPARATION

The financial report of the City of Karratha which is a Class 1 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

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

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

The *Local Government (Financial Management) Regulations 1996* provide that:

- land and buildings classified as property, plant and equipment; or
- infrastructure; or
- vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 *Property, Plant and Equipment*, which would have required the City to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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.

Critical accounting estimates and judgements

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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - note 8
 - Infrastructure - note 9
- Expected credit losses on financial assets - note 5
- Investment property - note 12
- Measurement of employee benefits - note 16
- Measurement of provisions - note 17

Fair value hierarchy information can be found in note 25

The local government reporting entity

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

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

Initial application of accounting standards

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

- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

New accounting standards for application in future years

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

- *AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
 - *AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
 - *AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
 - *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
 - *AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*
- These amendments are not expected to have any material impact on the financial report on initial application.
- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*

This amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

- *AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

This amendment may result in additional disclosures in the case of applicable finance arrangements.

**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	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	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - 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	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

Revenue Recognition

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

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	54,800,841	60,684	54,861,525
Grants, subsidies and contributions	0	0	18,828,429	0	18,828,429
Fees and charges	62,270,194	0	0	0	62,270,194
Interest revenue	0	0	403,663	5,804,519	6,208,182
Other revenue	0	0	0	1,046,525	1,046,525
Capital grants, subsidies and contributions	0	3,376,258	0	0	3,376,258
Total	62,270,194	3,376,258	74,032,933	6,911,728	146,591,113

For the year ended 30 June 2023

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

**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2024 Actual \$	2023 Actual \$
Assets and services acquired below fair value		
Contributed assets	1,132,425	2,813,333
	1,132,425	2,813,333
Interest revenue		
Financial assets at amortised cost - self supporting loans	1,149	1,407
Interest on reserve account	3,949,894	2,364,930
Rate instalment and penalty interest	344,201	300,751
Trade and other receivables overdue interest	59,462	21,494
Interest on municipal investments	988,891	0
Other interest revenue	864,585	984,772
	6,208,182	3,673,354
The 2024 original budget estimate in relation to Trade and other receivables overdue interest was \$24,000.		
Fees and charges relating to rates receivable		
Charges on instalment plan	62,405	60,920
The 2024 original budget estimate in relation to: Charges on instalment plan was \$62,000		
(b) Expenses		
Auditors remuneration		
- Audit of the Annual Financial Report	105,407	86,000
- Other services – grant acquittals	3,550	5,150
	108,957	91,150
Employee Costs		
Employee benefit costs	44,287,514	38,148,729
Other employee costs	800,121	772,135
	45,087,635	38,920,864
Finance costs		
Provisions: unwinding of discount	244,829	96,240
Borrowings	1,149	782
Lease liabilities	19,192	21,816
	265,170	118,838
Other expenditure		
Impairment losses on rates and statutory receivables	0	28
Sundry expenses	2,380,297	1,930,717
	2,380,297	1,930,745

**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

3. CASH AND CASH EQUIVALENTS

Note	2024	2023
	\$	\$
Cash at bank and on hand	14,993,326	15,536,908
Total cash and cash equivalents	14,993,326	15,536,908
Held as		
- Unrestricted cash and cash equivalents	4,814,886	3,808,609
- Restricted cash and cash equivalents	10,178,440	11,728,299
	14,993,326	15,536,908

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Note	2024	2023
	\$	\$
Financial assets at amortised cost	106,021,285	73,024,711
	106,021,285	73,024,711
Other financial assets at amortised cost		
Self supporting loans receivable	21,285	24,711
Term deposits	106,000,000	73,000,000
	106,021,285	73,024,711
Held as		
- Unrestricted other financial assets at amortised cost	14,021,285	24,711
- Restricted other financial assets at amortised cost	92,000,000	73,000,000
	106,021,285	73,024,711
(b) Non-current assets		
Financial assets at amortised cost	3,800,000	3,819,186
Financial assets at fair value through profit or loss	145,549	136,156
	3,945,549	3,955,342
Financial assets at amortised cost		
Self supporting loans receivable	0	19,186
Loans receivable - clubs/institutions	3,800,000	3,800,000
	3,800,000	3,819,186
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	136,156	136,156
Movement attributable to fair value increment	9,393	0
Units in Local Government House Trust - closing balance	145,549	136,156

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

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 25 (i)) due to the observable market rates).

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

Financial assets at fair value through profit or loss

The City has elected to classify the following financial assets at fair value through profit or loss:

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

Impairment and risk

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

**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

5. TRADE AND OTHER RECEIVABLES

	Note	2024	2023
		\$	\$
Current			
Rates and statutory receivables		1,865,963	2,076,385
Trade receivables		7,236,464	7,060,294
Other receivables		399,914	609,110
GST receivable		750,075	88,345
Allowance for credit losses of rates and statutory receivables		(37,553)	(43,201)
Allowance for credit losses of trade receivables	23(b)	(1,170,222)	(1,262,907)
		9,044,641	8,528,026

The carrying amounts of the trade and other receivables include receivables which are subject to a factoring arrangement. Under the factoring arrangement, the City of Karratha has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables, late payment and credit risk remains with the City of Karratha, therefore the City continues to recognise the transferred assets in their entirety. The amount repayable under the factoring arrangement is presented as a secured borrowing under other loans at Note 15. The City considers that the held to collect business model remains appropriate for these receivables and continues measuring them at amortised cost.

Disclosure of opening and closing balances related to contracts with customers

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

	Note	30 June 2024 Actual	30 June 2023 Actual	1 July 2022 Actual
		\$	\$	\$
Trade and other receivables from contracts with customers		7,636,378	10,583,371	12,034,288
Contract assets	7	607,649	654,000	635,000
Allowance for credit losses of trade receivables	5	(1,170,222)	(1,262,907)	(1,406,094)
Total trade and other receivables from contracts with customers		7,073,805	9,974,464	11,263,194

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

6. INVENTORIES

Note	2024	2023
	\$	\$
Current		
Fuel and materials	723,597	604,570
Corporate Uniform	56,737	32,525
Food, drinks & merchandise Roebourne Aquatic Centre	40,266	34,598
Land held for resale		
Cost of acquisition	265,294	255,568
Development costs	2,562,206	2,562,206
Disposal costs	(1,642,253)	(587,803)
	2,005,847	2,901,664
The following movements in inventories occurred during the year:		
Balance at beginning of year	2,901,664	3,079,554
Inventories expensed during the year	(2,652,599)	(2,334,013)
Transfers from inventory to PPE	(707,949)	(207,933)
Additions to inventory	2,464,730	2,364,056
Balance at end of year	2,005,847	2,901,664

MATERIAL 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 City's intentions to release for sale.

**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

7. OTHER ASSETS

Other assets - current

Prepayments
Accrued income
Contract assets

2024	2023
\$	\$
962,750	758,407
5,285,527	2,913,967
607,649	654,000
<u>6,855,926</u>	<u>4,326,374</u>

MATERIAL ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Contract assets

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

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

**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

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.

	Assets not subject to operating lease				Assets subject to operating lease				Total Property				Plant and equipment				Total property, plant and equipment
	Land	Buildings - specialised	Buildings - non-specialised	Buildings - specialised	Land	Buildings - specialised	Buildings - non-specialised	Buildings - specialised	Land	Buildings - specialised	Buildings - non-specialised	Buildings - specialised	Work in progress	Total Property	Furniture and equipment	Plant and equipment	
Balance at 1 July 2022	14,924,250	45,779,506	136,775,933	61,423,814	1,664,600	5,215,713	61,423,814	16,988,850	50,995,219	198,199,747	12,795,033	278,578,849	3,249,298	11,386,917	2,185,314	295,400,378	
Additions*	384,759	0	15,516,234	0	0	0	0	384,759	0	15,516,234	2,226,996	18,127,989	314,977	1,199,980	7,492	19,850,438	
Disposals	0	(387,278)	0	0	0	0	0	0	(387,278)	0	(271,623)	(658,901)	(3,845)	(247,063)	0	(909,809)	
Revaluation increments / (decrements) transferred to revaluation surplus	2,257,308	(2,037,210)	0	0	0	0	0	2,257,308	(2,037,210)	0	0	220,098	0	0	0	220,098	
Transfers from Inventory	207,933	0	0	0	0	0	0	207,933	0	0	0	207,933	0	0	0	207,933	
Depreciation	0	(1,512,784)	(4,989,639)	(1,868,969)	0	(356,080)	(1,868,969)	0	(1,868,864)	(6,858,608)	0	(8,727,472)	(696,607)	(1,811,848)	(45,255)	(11,281,182)	
Transfers	1,729,631	0	8,452,010	0	1,729,631	0	8,452,010	1,729,631	0	8,452,010	(10,011,006)	170,635	187,988	4,111	93,868	456,602	
Balance at 30 June 2023	19,503,881	41,842,234	155,754,538	61,423,814	1,664,600	4,859,633	59,554,845	21,168,481	46,701,867	215,309,383	4,739,400	287,919,131	3,051,811	10,532,097	2,241,419	303,744,458	
Comprises:																	
Gross balance amount at 30 June 2023	19,503,881	50,338,987	160,744,177	61,423,814	1,664,600	5,215,713	61,423,814	21,168,481	55,554,700	222,167,991	4,739,400	303,630,572	5,717,848	15,677,606	2,458,386	327,484,412	
Accumulated depreciation at 30 June 2023	0	(8,496,753)	(4,989,639)	(1,868,969)	0	(356,080)	(1,868,969)	0	(8,852,833)	(6,858,608)	0	(15,711,441)	(2,666,037)	(5,145,509)	(216,967)	(23,739,954)	
Balance at 30 June 2023	19,503,881	41,842,234	155,754,538	61,423,814	1,664,600	4,859,633	59,554,845	21,168,481	46,701,867	215,309,383	4,739,400	287,919,131	3,051,811	10,532,097	2,241,419	303,744,458	
Additions*	1,204,555	1,749,619	1,793,219	395,226	0	48,551	395,226	1,204,555	1,798,170	2,188,445	253,319	5,444,489	72,934	2,728,212	0	8,245,635	
Disposals	(219,000)	(1,032,044)	0	0	0	0	0	(219,000)	(1,032,044)	0	(1,371,232)	(2,622,276)	0	(197,592)	0	(2,819,868)	
Revaluation increments transferred to revaluation surplus	0	492,326	0	0	0	0	0	0	492,326	0	0	492,326	0	0	0	492,326	
Revaluation loss transferred to profit or loss	(604,555)	0	0	0	(604,555)	0	0	(604,555)	0	0	0	(604,555)	0	0	0	(604,555)	
Depreciation	0	(1,694,046)	(5,440,655)	(2,061,315)	0	(352,177)	(2,061,315)	0	(2,046,223)	(7,501,970)	0	(9,548,193)	(866,039)	(1,924,405)	(50,424)	(12,209,061)	
Adjustments to reallocate by asset class	0	992,193	(839,538)	0	0	0	0	0	992,193	(839,538)	0	152,655	(132,966)	(15,818)	(1)	3,870	
Transfers from inventory to PPE	707,949	0	0	0	0	0	0	707,949	0	0	0	707,949	0	0	0	707,949	
Transfers	0	752,306	252,071	1,710,599	0	0	1,710,599	0	752,306	1,962,670	(2,937,570)	(222,594)	2,305,740	222,593	0	2,528,333	
Balance at 30 June 2024	20,592,830	43,102,588	151,519,635	64,585,129	1,664,600	4,566,007	59,599,355	22,257,430	47,658,595	211,118,990	683,917	281,718,932	2,305,740	11,345,087	2,190,994	297,560,753	
Comprises:																	
Gross balance amount at 30 June 2024	20,592,830	66,984,511	189,778,441	74,391,117	1,664,600	13,106,713	74,391,117	22,257,430	80,091,224	264,169,558	683,917	367,202,129	4,628,781	18,143,979	2,458,376	392,433,265	
Accumulated depreciation at 30 June 2024	0	(23,881,923)	(38,258,806)	(14,791,762)	0	(8,550,706)	(14,791,762)	0	(32,432,629)	(53,050,568)	0	(85,483,197)	(2,323,041)	(6,798,892)	(267,382)	(94,872,512)	
Balance at 30 June 2024	20,592,830	43,102,588	151,519,635	64,585,129	1,664,600	4,566,007	59,599,355	22,257,430	47,658,595	211,118,990	683,917	281,718,932	2,305,740	11,345,087	2,190,994	297,560,753	

* Asset additions included additions received at substantially less than fair value:
During the year ended 30 June 2023 0 1,054,568 0 0 0 0 0 0 0 0 0 0 1,054,568 0 0 0 1,054,568
During the year ended 30 June 2024 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0

**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date					
Land and buildings					
Land	3	Market approach	Independent Valuation	June 2022	While the unit rates based on square meters could be supported from market evidence (level 2) other inputs such as zoning, restrictions, accessibility (level 3) required extensive professional judgement and impacted significantly on the final determination.
Buildings - non-specialised	3	Market approach	Independent Valuation	June 2022	Market or estimated price per square meter. This also included significant level 3 inputs that required extensive professional judgement such as components that were extrapolated from other market data.
Buildings - specialised	3	Cost approach using current replacement cost	Independent Valuation	June 2022	This required estimating the replacement costs for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. Other inputs such as residual value, useful life, pattern of consumption and asset condition required extensive professional judgement and impacted significantly on the final determination
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied, they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.					
(ii) Cost					
Furniture and equipment	Cost	N/A	Cost	N/A	Purchase Cost
Plant and equipment	Cost	N/A	Cost	N/A	Purchase Cost

**CITY OF KARRATHA
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9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks and ovals	Infrastructure - work in progress	Landfill Post Closure Asset	Infrastructure - Aerodromes	Infrastructure - Miscellaneous Structures	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	206,374,441	35,878,791	25,166,727	56,281,091	7,577,693	2,504,021	76,685,466	8,831,951	419,300,181
Additions*	6,449,778	543,174	1,062,086	1,571,833	806,480	3,278,124	172,060	0	13,883,535
(Disposals)	(1,181,732)	(112,496)	(86,439)	(108,460)	(1,022,282)	0	0	0	(2,511,409)
Depreciation	(6,680,404)	(945,833)	(590,200)	(3,375,237)	0	(417,337)	(2,649,612)	(1,273,865)	(15,932,488)
Transfers	719,192	910,881	443,456	3,187,505	(6,668,691)	0	755,131	195,924	(456,602)
Balance at 30 June 2023	205,681,275	36,274,517	25,995,630	57,556,732	693,200	5,364,808	74,963,045	7,754,010	414,283,217
Comprises:									
Gross balance at 30 June 2023	212,361,321	37,220,351	26,585,830	60,931,968	693,200	5,782,145	77,612,657	9,027,874	430,215,346
Accumulated depreciation at 30 June 2023	(6,680,046)	(945,834)	(590,200)	(3,375,236)	0	(417,337)	(2,649,612)	(1,273,864)	(15,932,129)
Balance at 30 June 2023	205,681,275	36,274,517	25,995,630	57,556,732	693,200	5,364,808	74,963,045	7,754,010	414,283,217
Additions *	2,504,633	2,830,235	264,997	2,262,623	4,140,499	0	83,720	130,462	12,217,169
(Disposals)	(163,414)	(61,311)	0	(66,889)	(354,301)	0	0	0	(645,915)
Depreciation	(6,740,911)	(967,404)	(610,931)	(3,560,848)	0	(1,075,901)	(2,721,767)	(1,292,581)	(16,970,343)
Adjustments to reallocate by asset class	(669,782)	(1,862)	518,985	293,357	0	0	(24,932)	(268,422)	(152,656)
Transfers	16,005	42,257	519	21,523	(97,638)	0	17,333	0	(1)
Balance at 30 June 2024	200,627,806	38,116,432	26,169,200	56,506,498	4,381,760	4,288,907	72,317,399	6,323,469	408,731,471
Comprises:									
Gross balance at 30 June 2024	304,900,134	54,671,377	36,482,344	90,316,932	4,381,760	5,782,145	111,430,133	13,964,323	621,929,148
Accumulated depreciation at 30 June 2024	(104,272,328)	(16,554,945)	(10,313,144)	(33,810,434)	0	(1,493,238)	(39,112,734)	(7,640,854)	(213,197,677)
Balance at 30 June 2024	200,627,806	38,116,432	26,169,200	56,506,498	4,381,760	4,288,907	72,317,399	6,323,469	408,731,471

* Asset additions included additions received at substantially less than fair value:
During the year ended 30 June 2023 1,438,594
During the year ended 30 June 2024 569,786

The contributed assets identified above relate to the Tambrey Subdivision project.

**CITY OF KARRATHA
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FOR THE YEAR ENDED 30 JUNE 2024**

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	5 to 15 years
Sealed roads and streets formation	not depreciated
pavement	50 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads formation	not depreciated
pavement	50 years
Footpaths - slab	20 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years
Landfill assets	30 years
Right-of-use (buildings)	Based on the remaining lease term
Right-of-use (plant and equipment)	Based on the remaining lease term
Infrastructure	
- Aerodrome Assets	10 to 80 years
- Lighting	15 to 30 years
- Miscellaneous Structures	15 to 100 years
- Park Developments	15 to 30 years

(b) Fully Depreciated Assets in Use

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

	2024	2023
	\$	\$
Buildings - non-specialised	234,884	0
Furniture and equipment	0	980,107
Plant and equipment	101,587	8,420
Infrastructure - roads	0	40,439
Infrastructure - footpaths	0	25
Infrastructure - drainage	0	1,536
	336,471	1,030,527

**CITY OF KARRATHA
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FOR THE YEAR ENDED 30 JUNE 2024**

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the 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. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

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 *Local Government (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.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the City's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

Reportable Value

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are *land and buildings classified as property, plant and equipment*, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

Revaluation

Land and buildings classified as property, plant and equipment, *infrastructure or vested improvements that the local government controls* and measured at reportable value, are only required to be revalued 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 land vested in the City.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the City to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

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

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

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the City is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposal

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

**CITY OF KARRATHA
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11. LEASES

(a) Right-of-Use Assets

	Note	Right-of-use assets \$	Right-of-use assets Total \$
Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.			
Balance at 1 July 2022		1,224,578	1,224,578
Depreciation		(180,382)	(180,382)
Balance at 30 June 2023		1,044,196	1,044,196
Gross balance amount at 30 June 2023		1,538,492	1,538,492
Accumulated depreciation at 30 June 2023		(494,296)	(494,296)
Balance at 30 June 2023		1,044,196	1,044,196
Depreciation		(157,761)	(157,761)
Balance at 30 June 2024		886,435	886,435
Gross balance amount at 30 June 2024		1,538,492	1,538,492
Accumulated depreciation at 30 June 2024		(652,057)	(652,057)
Balance at 30 June 2024		886,435	886,435

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

	2024 Actual \$	2023 Actual \$
Depreciation on right-of-use assets	(157,761)	(180,382)
Finance charge on lease liabilities	(19,192)	(21,816)
Total amount recognised in the statement of comprehensive income	(176,953)	(202,198)
Total cash outflow from leases	(153,517)	(190,245)
(b) Lease Liabilities		
Current	133,322	134,325
Non-current	807,005	940,327
	29(b) 940,327	1,074,652

Secured liabilities and assets pledged as security

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

MATERIAL ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 29(b).

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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12. INVESTMENT PROPERTY

Non-current assets - at reportable value

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Carrying balance at 1 July	39,300,000	39,300,000	35,125,608
Acquisitions	112,758	347,000	0
Net gain/(loss) from fair value adjustment	6,937,242	0	4,174,392
Closing balance at 30 June	46,350,000	39,647,000	39,300,000

Amounts recognised in profit or loss for investment properties

Rental income	4,157,444	4,202,826	4,255,008
Direct operating expenses from property that generated rental income	(2,700,532)	(2,307,456)	(1,628,908)
Fair value gain recognised in profit or loss	6,937,242	0	4,174,392

Leasing arrangements

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

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

Less than 1 year	2,644,226	0	2,846,366
1 to 2 years	2,402,211	0	2,593,258
2 to 3 years	1,979,413	0	2,278,361
3 to 4 years	1,879,497	0	1,766,455
4 to 5 years	1,872,752	0	1,649,317
> 5 years	5,015,048	0	5,369,776
	15,793,147	0	16,503,533

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

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

Expectations about the future residual values are reflected in the fair value of the property.

MATERIAL ACCOUNTING POLICIES

Investment properties

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the City.

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are investment properties, are shown at their reportable value.

Reportable value for the purposes of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date.

Revaluation

In accordance with the regulatory framework, investment properties are required to be revalued whenever required by AASB 140 and, in any event, every five years.

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, yields, expected vacancy rates and rental growth rates estimated by management based on comparable transactions and industry data.

**CITY OF KARRATHA
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13. TRADE AND OTHER PAYABLES

Current

	2024	2023
	\$	\$
Sundry creditors	3,157,357	3,763,672
Prepaid rates	754,321	568,952
Income received in advance	1,442,832	4,117,805
Accrued payroll liabilities	1,295,428	738,713
Other liabilities	47,883	924,543
Bonds and deposits	1,219,263	596,934
Accrued expenses	3,058,406	1,476,999
	<u>11,569,062</u>	<u>12,187,618</u>

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

Prepaid rates

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

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14. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities

	2024	2023
	\$	\$
Contract liabilities	359,084	280,000
Capital grant/contributions liabilities	250,000	0
	609,084	280,000

Reconciliation of changes in contract liabilities

Opening balance
Additions
Revenue from contracts with customers included as a contract liability at the start of the period

Opening balance	280,000	0
Additions	359,084	280,000
Revenue from contracts with customers included as a contract liability at the start of the period	(280,000)	0
	359,084	280,000

The aggregate amount of the performance obligations unsatisfied (or partially unsatisfied) in relation to these contract liabilities was \$702,834 (2023: \$280,000)

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

Reconciliation of changes in capital grant/contribution liabilities

Additions

Additions	250,000	0
	250,000	0

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

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

**CITY OF KARRATHA
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15. BORROWINGS

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Long term borrowings - self supporting loans		21,285	0	21,285	24,765	19,186	43,951
Total secured borrowings	29(a)	21,285	0	21,285	24,765	19,186	43,951

MATERIAL ACCOUNTING POLICIES

Borrowing costs

The City has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

Risk

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

Details of individual borrowings required by regulations are provided at Note 29(a).

Security

The self supporting loan is secured by a Deed of Charge between the Karratha Football & Sporting Club Inc and the City of Karratha.

**CITY OF KARRATHA
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FOR THE YEAR ENDED 30 JUNE 2024**

16. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2024	2023
Current provisions	\$	\$
Employee benefit provisions		
Annual leave	3,098,485	2,629,092
Long service leave	1,535,624	1,432,445
	4,634,109	4,061,537
Total current employee related provisions	4,634,109	4,061,537
Non-current provisions		
Employee benefit provisions		
Long service leave	267,696	340,444
	267,696	340,444
Total non-current employee related provisions	267,696	340,444
Total employee related provisions	4,901,805	4,401,981

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

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

Amounts are expected to be settled on the following basis:	Note	2024	2023
		\$	\$
Less than 12 months after the reporting date		4,634,109	4,061,537
More than 12 months from reporting date		267,696	340,444
		4,901,805	4,401,981

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

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

Other long-term employee benefits

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

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

**CITY OF KARRATHA
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17. OTHER PROVISIONS

	Make good provisions	Provision for remediation costs	Total
	\$	\$	\$
Opening balance at 1 July 2023			
Non-current provisions	60,000	6,171,423	6,231,423
	60,000	6,171,423	6,231,423
Reduction to provision	0	(1,004,492)	(1,004,492)
Charged to profit or loss			
- unwinding of discount	0	244,829	244,829
Balance at 30 June 2024	60,000	5,411,760	5,471,760
Comprises			
Non-current	60,000	5,411,760	5,471,760
	60,000	5,411,760	5,471,760

Make good provisions

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

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).

MATERIAL ACCOUNTING POLICIES

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 2024**

18. REVALUATION SURPLUS

	2024 Opening Balance	Total Movement on Revaluation	2024 Closing Balance	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	13,467,574	0	13,467,574	11,210,266	2,257,308	13,467,574
Revaluation surplus - Buildings - non-specialised	39,610,334	492,326	40,102,660	41,647,544	(2,037,210)	39,610,334
Revaluation surplus - Plant and equipment	66,266	0	66,266	66,266	0	66,266
Revaluation surplus - Artwork and sculptures	47,997	0	47,997	47,997	0	47,997
Revaluation surplus - Infrastructure - roads	133,235,450	0	133,235,450	133,235,450	0	133,235,450
Revaluation surplus - Infrastructure - footpaths	30,323,273	0	30,323,273	30,323,273	0	30,323,273
Revaluation surplus - Infrastructure - drainage	24,088,567	0	24,088,567	24,088,567	0	24,088,567
Revaluation surplus - Infrastructure - parks and ovals	3,716,676	0	3,716,676	3,716,676	0	3,716,676
Revaluation surplus - Landfill Post Closure Asset	295,213	0	295,213	295,213	0	295,213
Revaluation surplus - Infrastructure - Aerodromes	37,658,426	0	37,658,426	37,658,426	0	37,658,426
Revaluation surplus - Infrastructure - Miscellaneous Structures	3,250,413	0	3,250,413	3,250,413	0	3,250,413
	285,760,189	492,326	286,252,515	285,540,091	220,098	285,760,189

The movement in the revaluation surplus for buildings - non-specialised relates to a revaluation of 18 Warriar Street following circumstances arising after settlement. Refer to Note 8(a).

**CITY OF KARRATHA
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19. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	Note	2024 Actual \$	2023 Actual \$
Cash and cash equivalents	3	14,993,326	15,536,908

Restrictions

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	10,178,440	11,728,299
- Unrestricted financial assets at amortised cost	4	14,021,285	0
- Restricted financial assets at amortised cost	4	92,000,000	73,000,000
		<u>116,199,725</u>	<u>84,728,299</u>

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts	30	115,590,641	84,448,299
Contract liabilities	14	359,084	280,000
Capital grant liabilities	14	250,000	0
Total restricted financial assets		<u>116,199,725</u>	<u>84,728,299</u>

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

Net result		29,964,313	21,127,343
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(9,393)	0
Adjustments to fair value of investment property		(6,937,242)	(4,174,392)
Depreciation/amortisation		29,337,164	27,394,053
Loss on sale of asset		1,840,314	1,009,043
Loss on revaluation of fixed assets		604,555	0
Assets received for substantially less than fair value		(1,132,425)	(2,813,333)
Changes in assets and liabilities:			
Decrease in trade and other receivables		(516,615)	694,753
Increase in other assets		(2,529,552)	(226,933)
Decrease in inventories		187,869	177,890
Increase/(decrease) in trade and other payables		(618,556)	(832,356)
Increase/(decrease) in employee related provisions		499,824	(444,535)
Decrease in other provisions		(759,663)	(5,560,986)
Increase in other liabilities		329,084	280,000
Capital grants, subsidies and contributions		(3,376,258)	(2,822,864)
Net cash provided by operating activities		<u>46,883,419</u>	<u>33,807,683</u>

(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		200,000	110,000
Credit card balance at balance date		(56,783)	(15,919)
Total amount of credit unused		<u>1,143,217</u>	<u>1,094,081</u>

Loan facilities

Loan facilities - current		21,285	24,765
Loan facilities - non-current		0	19,186
Total facilities in use at balance date		<u>21,285</u>	<u>43,951</u>

Unused loan facilities at balance date

NIL

NIL

**CITY OF KARRATHA
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20. CONTINGENT LIABILITIES

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

- Roebourne Airport
- Karratha Airport
- Karratha Depot

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

21. CAPITAL COMMITMENTS

	2024	2023
	\$	\$
Contracted for:		
City Housing	15,186	196,439
Karratha Leisureplex Facility Improvement Study	46,962	48,998
Kevin Richards Memorial Oval	0	43,364
Kevin Richards Memorial Oval Change and Club Room	0	304,261
Murujuga Access Road	130,615	133,505
Roebourne Streetscape	14,651	8,268
Walgu Park	0	2,385
Windy Ridge & Hampton Oval	0	40,725
Lot 7020 Development Proposal	124,450	138,950
Housing Construction - Jingarri Sites	11,679	953,092
Shakespeare Precinct Redevelopment	0	194,705
Bulgarra Oval Lighting Replacement	1,553,235	0
Karratha Leisureplex Outdoor Court Shading	369,436	0
Playground Revitalisation - Smith-Delambre Park	256	0
Hillview and Balmoral Roads Reconstruction	3,667,523	0
Operations Centre B4 HVAC Upgrade	673,563	0
Building Improvements	261,895	190,532
Equipment Purchases	454,918	0
Information Technology Projects	55,792	49,076
Playground Replacement/Upgrade	735,163	690
Road Projects	1,030,238	18,533
Karratha Revitalisation Strategy	18,036	0
Land and Housing Developments	877,327	0
Pathway Projects	972,544	0
Stormwater Structure Projects	1,424,134	0
Plant Purchases	420,276	103,285
	12,857,879	2,426,808
Payable:		
- not later than one year	12,857,879	2,426,808

**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

22. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

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

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
Mayor's annual allowance	90,745	91,099	89,753
Mayor's meeting attendance fees	58,106	58,332	47,516
Mayor's other expenses	446	7,943	0
Mayor's annual allowance for ICT expenses	4,576	4,600	3,500
Mayor's travel and accommodation expenses	3,098	6,315	2,312
Mayor's non cash benefits	0	0	417
	<u>156,971</u>	<u>168,289</u>	<u>143,498</u>
Deputy Mayor's annual allowance	22,748	22,775	24,308
Deputy Mayor's meeting attendance fees	32,153	32,153	34,318
Deputy Mayor's other expenses	460	5,000	0
Deputy Mayor's annual allowance for ICT expenses	3,500	3,500	3,792
Deputy Mayor's travel and accommodation expenses	2,574	3,746	4,390
Deputy Mayor's non cash benefits	0	0	417
	<u>61,435</u>	<u>67,174</u>	<u>67,225</u>
All other council member's meeting attendance fees	257,373	261,071	285,102
All other council member's All other council member expenses	104	39,057	0
All other council member's annual allowance for ICT expenses	27,730	26,899	31,500
All other council member's travel and accommodation expenses	2,092	28,791	3,471
All other council member's non cash benefits	0	0	2,085
	<u>287,299</u>	<u>355,818</u>	<u>322,158</u>
22(b)	<u>505,705</u>	<u>591,281</u>	<u>532,881</u>

(b) Key Management Personnel (KMP) Compensation

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

Short-term employee benefits	1,161,719	1,487,986
Post-employment benefits	128,233	134,059
Employee - other long-term benefits	111,372	145,893
Employee - termination benefits	0	229,078
Council member costs	505,705	532,881
22(a)	<u>1,907,029</u>	<u>2,529,897</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

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

Council member costs

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

**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

22. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

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

	2024 Actual	2023 Actual
	\$	\$
Sale of goods and services	33,343	25,992
Purchase of goods and services	167,273	70,007
Amounts outstanding from related parties:		
Trade and other receivables	3,662	646
Amounts payable to related parties:		
Trade and other payables	0	5,359

Related Parties

The City's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the City, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 22(a) and 22(b).

ii. Other Related Parties

During the previous year, two companies controlled by different council members, were awarded contracts under the selective tender process on terms and conditions equivalent for those that prevail in arm's length transactions under the City's procurement process.

One contract involved providing art program management to the City, and amounted to \$126,218 in the current year.

Another contract involved providing photography services to the City, and amounted to \$31,328 in the current year.

Outside of normal citizen type transactions with the City, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.

iii. Entities subject to significant influence by the City

There were no such entities requiring disclosure during the current or previous year.

**CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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23. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2024					
Cash and cash equivalents	2.41%	14,993,326	0	14,993,326	0
Financial assets at amortised cost - term deposits	5.30%	106,000,000	106,000,000	0	0
Financial assets at amortised cost - self supporting loans	3.72%	21,285	21,285	0	0
Financial assets at amortised cost - clubs/institutions	4.00%	3,800,000	3,800,000	0	0
2023					
Cash and cash equivalents	3.95%	15,536,908	0	15,536,908	0
Financial assets at amortised cost - term deposits	4.71%	73,000,000	73,000,000	0	0
Financial assets at amortised cost - self supporting loans	3.72%	43,951	43,951	0	0
Financial assets at amortised cost - clubs/institutions	4.00%	3,800,000	3,800,000	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.

	2024	2023
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	149,933	155,369

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 29(a).

**CITY OF KARRATHA
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23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

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

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 Financial Instruments simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2023 or 1 July 2024 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for trade and rates receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2024					
Trade receivables					
Expected credit loss	0.42%	0.10%	2.53%	146.78%	
Gross carrying amount	5,556,302	595,327	169,570	777,865	7,099,064
Loss allowance	23,581	601	4,292	1,141,748	1,170,222
Rates receivables					
Expected credit loss	0.94%	1.75%	3.06%	14.24%	
Gross carrying amount	594,545	308,429	108,361	163,420	1,174,755
Loss allowance	5,570	5,396	3,319	23,268	37,553
30 June 2023					
Trade receivables					
Expected credit loss	0.24%	0.68%	6.80%	101.58%	
Gross carrying amount	5,103,968	50,294	85,314	1,225,231	6,464,807
Loss allowance	12,158	341	5,800	1,244,608	1,262,907
Rates receivables					
Expected credit loss	1.12%	2.74%	4.70%	12.44%	
Gross carrying amount	997,744	229,257	114,911	163,580	1,505,492
Loss allowance	11,155	6,292	5,404	20,350	43,201

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23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Trade receivables		Rates receivables		Contract Assets	
	2024 Actual	2023 Actual	2024 Actual	2023 Actual	2024 Actual	2023 Actual
Opening loss allowance as at 1 July	\$ 1,262,907	\$ 1,406,094	\$ 43,201	\$ 55,046	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	0	0	0	0	0	0
Receivables written off during the year as uncollectible	(407,388)	0	(16,019)	28	0	0
Unused amount reversed	314,703	(143,187)	10,371	(11,873)	0	0
Closing loss allowance at 30 June	1,170,222	1,262,907	37,553	43,201	0	0

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

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

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.

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23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 19(c).

The contractual undiscounted cash flows of the City's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying amounts, 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 amount
	\$	\$	\$	\$	\$
<u>2024</u>					
Trade and other payables	11,569,062	0	0	11,569,062	11,569,062
Borrowings	22,434	0	0	22,434	21,285
Lease liabilities	149,905	748,660	153,013	1,051,578	940,327
	<u>11,741,401</u>	<u>748,660</u>	<u>153,013</u>	<u>12,643,074</u>	<u>12,530,674</u>
<u>2023</u>					
Trade and other payables	12,187,618	0	0	12,187,618	12,187,618
Borrowings	25,981	19,484	0	45,465	43,951
Contract liabilities	280,000	0	0	280,000	0
Lease liabilities	153,517	585,755	366,218	1,105,490	1,074,652
	<u>12,647,116</u>	<u>605,239</u>	<u>366,218</u>	<u>13,618,573</u>	<u>13,306,221</u>

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

After the financial year 2023/24 the City of Karratha commenced a process to correct a rating matter that required an application to the State Administrative Tribunal (SAT). The City intends to seek the necessary approvals to remediate the rating matter.

**CITY OF KARRATHA
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25. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

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 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

**CITY OF KARRATHA
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26. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
<p>Governance</p> <p>To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting council members and ratepayers on matters which do not concern specific local government services. Other tasks include the City's internal audit functions, Freedom of Information requests, Public Interest Disclosures and procurement policy development and oversight.</p>
<p>General purpose funding</p> <p>To collect revenue to allow for the provision of services.</p>	<p>Rates (including ex-gratia contributions), general purpose government grants and interest and investment revenue.</p>
<p>Law, order, public safety</p> <p>To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services. Includes Ranger Services and disaster and recovery expenses.</p>
<p>Health</p> <p>To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control, mosquito control and waste disposal compliance.</p>
<p>Education and welfare</p> <p>To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Maintenance of childminding centres, playgroup centres, senior citizen centres and aged care centres. Provision and maintenance of home care programs and youth services. Includes donations for school awards.</p>
<p>Housing</p> <p>To provide and maintain staff housing.</p>	<p>Provision and maintenance of staff housing.</p>
<p>Community amenities</p> <p>To provide services required by the community.</p>	<p>Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of storm water drainage, protection of the environment and administration of town planning schemes, cemeteries and public toilets.</p>
<p>Recreation and culture</p> <p>To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.</p>	<p>Maintenance of public halls, civic centres, aquatic centres, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of libraries, museums and other cultural facilities. Key facilities include the Karratha Leisureplex, the Red Earth Arts Precinct, community hubs and pavilions, ovals and parks and coastal rehabilitation. Includes radio re-broadcasting within this function.</p>
<p>Transport</p> <p>To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, streets, footpaths and cycleways, drainage, depots, parking facilities and traffic control. Cleaning of streets and maintenance and provision of street trees and street lighting. Also includes operation and maintenance of the Karratha and Roebourne Airports.</p>
<p>Economic services</p> <p>To help promote the local government and its economic wellbeing.</p>	<p>Tourism and area promotion including the maintenance and operation of visitor services and camping grounds. Provision of rural services including weed control, vermin control and standpipes. Also includes administration of building controls.</p>
<p>Other property and services</p> <p>To monitor and control operating accounts.</p>	<p>Private works operations on properties and services not under the care, control and management of the City. Plant operations, technical services and unclassified works.</p>

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

26. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2024	2023
	Actual	Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	82,419	87,090
General purpose funding	66,122,433	56,670,251
Law, order, public safety	169,832	155,856
Health	209,091	192,475
Education and welfare	64,152	77,846
Housing	1,025,746	1,477,998
Community amenities	19,657,789	15,948,586
Recreation and culture	7,140,907	6,496,961
Transport	28,557,122	24,593,448
Economic services	697,225	824,087
Other property and services	7,641,791	364,713
	131,368,507	106,889,311
Grants, subsidies and contributions and capital grants, subsidies and contributions		
General purpose funding	6,234,150	5,202,841
Law, order, public safety	486,149	316,594
Health	33,146	13,295
Housing	53,418	500,000
Community amenities	64,200	197,693
Recreation and culture	9,465,832	9,171,535
Transport	3,960,007	5,411,354
Economic services	88,500	14,250
Other property and services	1,819,286	214,590
	22,204,688	21,042,152
Total Income	153,573,195	127,931,463
Expenses		
Governance	(3,691,935)	(2,400,447)
General purpose funding	(2,987,334)	(2,271,714)
Law, order, public safety	(2,093,293)	(1,403,355)
Health	(1,087,597)	(816,184)
Education and welfare	(243,465)	(59,492)
Housing	(3,641,044)	(2,058,783)
Community amenities	(16,046,759)	(11,644,013)
Recreation and culture	(50,676,725)	(40,416,466)
Transport	(35,133,363)	(27,048,827)
Economic services	(2,431,308)	(2,025,083)
Other property and services	(5,576,059)	(16,659,756)
Total expenses	(123,608,882)	(106,804,120)
Net result for the period	29,964,313	21,127,343
(c) Total Assets		
Governance	44,707,029	40,013,889
General purpose funding	14,993,326	18,803,358
Law, order, public safety	2,694,663	3,025,311
Health	880,173	687,852
Education and welfare	2,281,456	200,507
Housing	41,510,856	40,267,491
Community amenities	36,993,074	26,495,196
Recreation and culture	243,814,680	243,638,769
Transport	468,074,685	456,617,514
Economic services	4,071,699	4,462,959
Other property and services	35,951,252	32,484,530
Unallocated	422,340	(52,480)
	896,395,233	866,644,896

CITY OF KARRATHA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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28. DETERMINATION OF SURPLUS OR DEFICIT

Note	2023/24 (30 June 2024 Carried Forward) \$	2023/24 Budget (30 June 2024 Carried Forward) \$	2022/23 (30 June 2023 Carried Forward) \$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
	(35,447)	0	(519,054)
	(1,132,425)	0	(2,813,333)
	(572,572)	0	0
	(9,393)	0	0
	1,875,761	30,000	1,528,097
	8(a) 604,555	0	0
	8(a) 0	0	0
	8(a),9(a),11(a) 29,337,164	29,211,014	27,394,053
Non-cash movements in non-current assets and liabilities:			
	0	0	8,937,451
	12 (6,937,242)	0	(4,174,392)
	0	0	(280)
	6 0	0	(226,933)
	72,748	0	(56,708)
	(759,663)	0	(5,560,986)
	0	0	(1,341,323)
	(148,786)	0	0
	0	0	177,890
	22,294,700	29,241,014	23,344,482
(b) Non-cash amounts excluded from investing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
	8(a) 0	0	1,054,568
	9(a) 1,132,425	0	1,758,765
	8(a) 707,949	0	0
	0	(763,272)	0
	1,840,374	(763,272)	2,813,333
(c) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
	30 (115,590,641)	(107,929,444)	(84,448,299)
	4(a) (21,285)	0	(24,711)
	426,592	0	173,360
	707,949	0	0
	(1,207,775)	0	(155,060)
	(62,129)	0	(62,129)
	(22,434)	0	(25,239)
	6 (1,185,247)	(2,437,904)	(2,229,971)
	0	0	(1,293,905)
	(1,911,555)	0	0
	(399,914)	0	0
	15 21,285	22,666	24,765
	609,084	0	280,000
	11(b) 133,322	134,326	134,325
	4,634,109	4,061,537	4,061,537
	62,129	0	124,258
	0	0	(62,129)
	(113,806,510)	(106,148,819)	(83,503,198)
Net current assets used in the Statement of Financial Activity			
	138,921,025	116,934,393	104,317,683
	(16,966,862)	(10,776,084)	(16,688,245)
	(113,806,510)	(106,148,819)	(83,503,198)
	8,147,653	9,490	4,126,240

**CITY OF KARRATHA
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29. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual			Date final payment is due	Interest Rate	Institution	Loan Number	Budget		
		Principal at 1 July 2022	New Loans During 2022-23	Principal at 30 June 2023					New Loans During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
Self Supporting Loans											
Karratha RSL		16,854	0	(16,854)	31/05/2023	2.65%	WATC*	100	0	0	0
Karratha Kats Football and Sporting Club Inc		0	50,000	(6,049)	31/03/2025	3.72%	WATC*	2023-1	43,951	0	(22,666)
Total Self Supporting Loans		16,854	50,000	(22,903)					43,951	0	(22,666)
Total Borrowings	15	16,854	50,000	(22,903)					43,951	0	(22,666)

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

Borrowing Finance Cost Payments

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2024
Self Supporting Loans Finance Cost Payments						
Karratha RSL	100	WATC*	2.65%	31/05/2023	(336)	0
Karratha Kats Football and Sporting Club Inc	2023-1	WATC*	3.72%	31/03/2025	(446)	(1,149)
Total Self Supporting Loans Finance Cost Payments					(782)	(1,149)
Total Finance Cost Payments					(782)	(1,149)

* WA Treasury Corporation

(b) Lease Liabilities

Purpose	Note	Actual			Date final payment is due	Interest Rate	Institution	Lease Number	Budget		
		Principal at 1 July 2022	New Leases During 2022-23	Principal at 30 June 2023					New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 30 June 2024
Lease Finance Cost Payments											
ERP Project Office		34,739	0	(29,747)	31/08/2023	1.20%	Glensaid Pty Ltd		0	0	(4,994)
Roebourne Library		42,762	0	(14,779)	30/04/2025	2.30%	Wawardu Ltd		27,983	0	(15,118)
Tambrey Indoor Play Centre		1,165,580	0	(123,903)	31/10/2030	1.90%	Tambrey Developments Pty Ltd		1,041,677	0	(114,215)
Total Lease Liabilities	11(b)	1,243,081	0	(168,429)					1,074,652	0	(134,325)
Lease Finance Cost Payments									1,074,652	0	(134,325)
ERP Project Office									4,994	0	(4,994)
Roebourne Library									27,983	0	(15,118)
Tambrey Indoor Play Centre									1,041,676	0	(114,214)
Total Lease Liabilities									1,074,653	0	(134,326)

Lease Term: ERP Project Office (3 years), Roebourne Library (6 years), Tambrey Indoor Play Centre (10 years)

**CITY OF KARRATHA
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30. RESERVE ACCOUNTS

	2024 Actual		2024 Actual		2024 Budget		2024 Budget		2023 Actual		2023 Actual		2023 Actual	
	Opening	Transfer	Actual	Actual	Opening	Transfer	Transfer	Closing	Opening	Actual	Actual	Actual	Actual	Closing
	Balance	to	to	(from)	Balance	to	(from)	Balance	Balance	to	(from)	Transfer	Transfer	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by legislation/agreement														
(a) Employee Entitlement Reserve	4,401,981	807,700	807,700	(101,788)	4,401,981	202,329	0	4,604,310	5,352,644	180,949	(1,131,612)	4,401,981		
(b) Public Open Space Reserve	135,438	6,341	6,341	0	135,438	6,358	0	141,796	131,009	4,429	0	135,438		
	4,537,419	814,041	814,041	(101,788)	4,537,419	208,687	0	4,746,106	5,483,653	185,378	(1,131,612)	4,537,419		
Restricted by council														
(c) Aerodrome Reserve	5,909,675	11,943,548	11,943,548	0	5,909,675	6,433,099	0	12,342,774	2,854,391	3,055,284	0	5,909,675		
(d) Carry Forward Budget Reserve	0	0	0	0	0	0	0	0	2,440,822	0	(2,440,822)	0		
(e) Community Development Reserve	599,859	28,084	28,084	0	599,859	28,712	0	628,571	580,244	19,615	0	599,859		
(f) Dampier Drainage Reserve	0	0	0	0	0	402	0	402	11,213	379	(11,592)	0		
(g) Economic Development Reserve	1,397,320	65,419	65,419	0	1,397,320	61,339	(100,000)	1,358,659	1,351,627	45,693	0	1,397,320		
(h) Infrastructure Reserve	45,765,379	13,092,932	13,092,932	(7,130,344)	41,404,027	22,448,996	(5,579,573)	58,273,450	39,120,277	27,914,093	(21,268,991)	45,765,379		
(i) Medical Services Assistance Package Reserve	197,749	9,258	9,258	(90,644)	197,749	9,168	(114,500)	92,417	305,990	9,853	(118,094)	197,749		
(j) Mosquito Control Reserve	10,556	494	494	(8,796)	10,556	496	0	11,052	10,211	345	0	10,556		
(k) Partnership Reserve	12,089,510	8,840,521	8,840,521	(4,545,428)	12,089,510	4,760,496	(3,779,192)	13,070,814	6,614,690	5,474,820	0	12,089,510		
(l) Restricted Funds Reserve	79,845	0	0	(56,821)	79,845	0	0	79,845	393,835	0	(313,990)	79,845		
(m) Waste Management Reserve	13,512,717	8,265,561	8,265,561	0	13,512,717	3,512,600	0	17,025,317	18,457,626	552,351	(5,497,260)	13,512,717		
(n) Workers Compensation Reserve	348,270	16,305	16,305	0	348,270	16,767	(65,000)	300,037	400,947	13,554	(66,231)	348,270		
	79,910,880	42,262,122	42,262,122	(11,832,033)	79,910,880	37,272,075	(9,638,265)	103,183,338	72,541,873	37,085,987	(29,716,980)	79,910,880		
	84,448,299	43,076,163	43,076,163	(11,933,821)	84,448,299	37,480,762	(9,638,265)	107,929,444	78,025,526	37,271,365	(30,848,592)	84,448,299		

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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30. RESERVE ACCOUNTS (Continued)

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

Name of reserve account Restricted by legislation/agreement	Purpose of the reserve account
(a) Employee Entitlement Reserve	To fund employee leave entitlements when on extended leave, including long service leave as well as periods of annual leave for periods greater than 4 weeks duration, thereby retaining salary and wages budgets for the funding of replacement staffing during extended periods of leave.
(b) Public Open Space Reserve	To fund development of land set aside for the purpose of public enjoyment and protection of unique, environmental, social and cultural values for existing and future generations.
Restricted by council	
(c) Aerodrome Reserve	The purpose of this reserve is to fund the development, operation and maintenance of the Karratha Airport, inclusive of any repayments of borrowings and the funding of employee entitlements.
(d) Carry Forward Budget Reserve	This reserve is for the purpose of preserving project funds carried over.
(e) Community Development Reserve	The purpose of this reserve is to hold Annual Community Association Grant Scheme unspent payments each year and to fund future projects initiated by Community Associations from time to time via the Annual Community Association Grant Scheme.
(f) Dampier Drainage Reserve	This reserve is maintained as part of an agreement between the City and Hamersley Iron. The purpose of the reserve is to ensure funds are available for the maintenance of drainage in Dampier. Hamersley Iron pay to the City each year a \$10,000 contribution towards this maintenance with any additional works required being drawn from this reserve and similarly, any funds remaining unspent being transferred to this reserve.
(g) Economic Development Reserve	To fund economic development activities within the City, including destination marketing, business attraction, property development and tourism.
(h) Infrastructure Reserve	The purpose of this reserve is to allow for the use of these reserve funds for the enhancement, replacement, refurbishment and purchase of infrastructure assets or project works of the City inclusive of the associated repayment of borrowings on infrastructure. Project works funded from this reserve may not necessarily belong to the City but must be carried out for the benefit of the City.
(i) Medical Services Assistance Package Reserve	The purpose of this reserve is to fund future assistance to Medical Services in accordance with the City's participation in the Medical Services Incentive Scheme. This is inclusive of retention payments to General Practitioner's in accordance with the Medical Services Incentive Scheme.
(j) Mosquito Control Reserve	The purpose of this reserve is to fund mosquito control programmes inclusive of the purchase of replacement equipment as required.
(k) Partnership Reserve	This reserve is maintained as part of the Community Infrastructure and Services Partnership (the Partnership) and the related funding agreements between the City and Rio Tinto Iron Ore. The purpose of the reserve is to preserve funds received under each funding agreement under the Partnership and restrict the funds for the purpose of each funding agreement.
(l) Restricted Funds Reserve	This reserve is for the purpose of holding unexpended or prepaid grants (other than Royalties for Regions) and capital contributions provided for specific purposes.
(m) Waste Management Reserve	The purpose of this reserve is to fund development, operation and maintenance of the City's waste management facilities inclusive of repayments of borrowings and the funding of employee entitlements.
(n) Workers Compensation Reserve	The purpose of this reserve is to provide the 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 2024**

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 2023	Amounts Received	Amounts Paid	30 June 2024
	\$	\$	\$	\$
Public Open Space Contributions	611,767	0	0	611,767
Karratha Agistment Centre Compensation Funds	206,780	0	0	206,780
Other Bonds & Guarantees	26,577	0	(4,229)	22,348
VAST	119	0	0	119
Ranger Bonds	4,665	0	0	4,665
Unclaimed Monies	2,983	0	0	2,983
Accounts Payable Unclaimed	0	3,149	0	3,149
	852,891	3,149	(4,229)	851,811



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

City of Karratha

To the Council of the City of Karratha

Opinion

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

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report:

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the City for the year ended 30 June 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

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

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

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

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

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

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

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

The Chief Executive Officer (CEO) of the City is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of Karratha for the year ended 30 June 2024 included in the annual report on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the City to confirm the information contained in the website version.



Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
13 December 2024



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

This report is available in alternative formats on request.