



City of
**Kalgoorlie
Boulder**

Annual Report

2018-2019



CENTENARY OF WESTERN AUSTRALIA
1900
The General People are invited to visit
the statue of the
PATRICK HAY



Acknowledgement of Country

In presenting this Annual Report, the City of Kalgoorlie-Boulder acknowledges the Traditional Custodians of this land and pays its respects to its elders past, present and emerging.





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Mission and Strategic Vision Statements

Mission Statement

The City of Kalgoorlie-Boulder will be a dynamic regional centre with a proud history and a high quality of life. We are dedicated to working with the community to achieve the best possible services.

Strategic Statement

To guide the growth and enhancement of an integrated and broad economy for the City of Kalgoorlie-Boulder and the wider region by providing outstanding civic leadership, creating a better environment for people to live, work and invest, and by ensuring our own organisation is always financially strong, smart, operationally effective, internally and externally focused and dedicated to delivering measurable results that show we are really making a difference.

Vision Statement

The City of Kalgoorlie-Boulder has a vision to be a sustainable regional city of the future. In pursuit of that vision, we aim to:

- Be a clean and green city.
- Be a place people will call home.
- Have adequate facilities and services for everyone.
- Encourage and support economic development and diversification.
- Be a quality employer.
- Project a positive image at all times, demonstrating a 'can do' attitude.



Mayor's Foreword

It is an honour as your Mayor to be presenting the Annual Report for the financial year 2018/19.

2018/19 saw the conclusion of Kalgoorlie-Boulder's 125th Anniversary year, and it was wonderful to see the community spirit continue for the second half of the year.

There were a number of organisations, community groups and sporting clubs who participated in the anniversary celebrations and held special events, and in particular I was very impressed with the work of the Eastern Goldfields Historical Society, which not only initiated a number of events, but also carried out a lot of research for events throughout the year.

One highlight was the presentation of the Key to the City to local lads Dom Sheed and Jamie Graham, for their achievements in the 2018 AFL Grand Final. On a personal note, as the Chair of the Miners Memorial Wall last year, it was of immense satisfaction that there was no name unveiled at the dedication ceremony – a sign of how deeply ingrained in our local mining culture safety has become.

During 2018, as part of the 125th Anniversary Celebrations, we took the opportunity to induct a number of deserving past residents to the Walk of Fame, including Mrs Esther Roadnight OAM, who was inducted at the Art Prize Awards Night, and Sir Richard Moore OBE, who was inducted on Australia Day. Inductees from earlier in the year included Ross Rogers OAM, Nobel Prize winner, Professor Barry Marshall, Charles Cooke Hunt, Thomas Lesley Axford VC, John Carroll VC, Eileen Joyce, Roy Woodall and Patricia Leighton.

The year saw the continued dedicated hard work of City staff, from both the inside and outside workforces. I am always humbled to see that for most of the staff it is the pride they have in our City that sees them take extra care with their work. As for our administrative staff, the ongoing reduction of cost and careful management has seen the City's Financial Health Index ranking improve to equal fourth place in the mycouncil results.



Wherever I go, everyone, be they visitors, former locals or people currently living in Kalgoorlie-Boulder, everyone tells me they have never seen the City look better. Whilst some may bemoan the number of roundabouts, drivers are getting used to them and they always look amazing.

It is clear that efforts from myself, Council and City staff to highlight the importance of the Buy Local message, and supporting local procurement is starting to rub off, although we will always need to maintain that focus as there are commercial interests elsewhere always working to undermine our local commercial and retail sectors.

There are many proud moments that have contributed to the success of the 2018/19 financial year. In saying this I would like to congratulate and thank our staff and my fellow councillors for their diligence, commitment and their combined efforts in meeting the needs of our community

John Bowler
Mayor, City of Kalgoorlie-Boulder



Message from the CEO

In 2018/19 the City of Kalgoorlie-Boulder continued to progress bold ideas and deliver on projects and promises.

In 2018/19 the City of Kalgoorlie-Boulder switched gears, moving from a planning and preparing phase and into delivery. where the future became the focus of Council with growth and sustainability at the forefront of the everyday.

The austerity measures implemented in 2016/17 came to fruition, with the City now ranked equal fourth in the mycouncil results announced in April 2018. The resulting surplus has allowed further distributions to infrastructure and capital projects, and let us to now begin delivering on the planning and promises that we have for Kalgoorlie-Boulder.

In March, the City launched its new logo, branding and marketing campaign, “Dig a Little Deeper”, which is designed to target people who have not considered Kalgoorlie-Boulder as a place to live.

The purpose of this campaign was to help change the perception and image of Kalgoorlie-Boulder as a place to live and work, and stage one has shown significant success. This was taken up a notch as we honed in on the “Tuck your kids in at night” messaging, and in July 2019 the City upped

the ante to tackle the impact that FIFO workforces have on our community.

Improving the liveability in our City is still a work in progress, and there are a number of initiatives currently underway to improve this, with the community engagement component of the Kal City Centre project being a major initiative carried out by the City during the 2018/19 financial year.

Moving forward, we will also see the delivery of the reports the City has commissioned into both the impact of FIFO and on the feasibility of the Hannans North Tourist Mine, as we look to further develop the tourism offering for the City.

John Walker
CEO, City of Kalgoorlie-Boulder



Councillors



John Bowler
Mayor
Term Expires 2019



Allan Pental
Deputy Mayor
Term Expires 2021



Deborah Botica
Councillor
Term Expires 2019



Lisa Malicky
Councillor
Term Expires 2019



Laurie Ayers
Councillor
Term Expires 2021



Mandy Reidy
Councillor
Term Expires 2019



Gary Brown
Councillor
Term Expires 2021



Suzie Williams
Councillor
Term Expires 2019



Glenn Wilson
Councillor
Term Expires 2019



Natalie Coxon
Councillor
Term Expires 2019



Pam O'Donnell
Councillor
Term Expires 2021



Nardia Turner
Councillor
Term Expires 2021



Linden Brownley
Councillor
Term Expires 2021





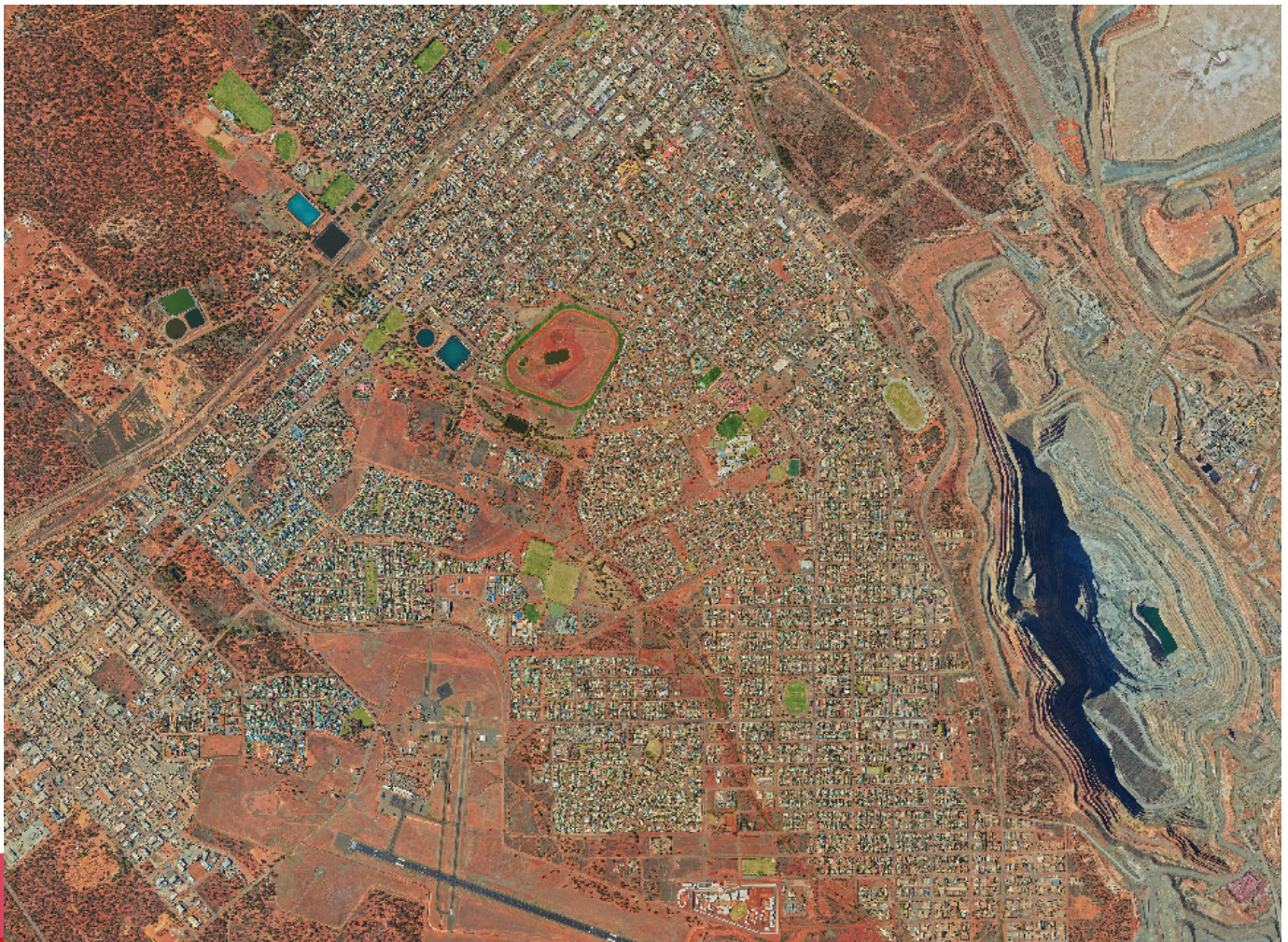
The City has a Mayor and 12 Councillors who are elected for overlapping four-year terms.

	Total Number of Meetings 2018/19	OCM 20	APC 9
Mayor J Bowler	Meetings Attended	20	6
Cr A Pental	Meetings Attended	19	8
Cr D Botica	Meetings Attended	16	5
Cr L Malicky	Meetings Attended	15	5
Cr L Ayers	Meetings Attended	14	6
Cr M Reidy	Meetings Attended	15	4
Cr G Brown	Meetings Attended	20	9
Cr S Williams	Meetings Attended	17	5
Cr G Wilson	Meetings Attended	19	9
Cr N Coxon	Meetings Attended	18	9
Cr P O'Donnell	Meetings Attended	17	8
Cr N Turner	Meetings Attended	16	9
Cr L Brownley	Meetings Attended	18	9



City Snapshot

The City of Kalgoorlie-Boulder is WA's largest inland city and is a dynamic and sophisticated regional centre.





People:
30k



Dwellings:
12.7k



Rates Levied:
\$24.37m



Sealed Roads:
416km



Electors:
16.5k



Land Area:
95k km²



Total Revenue:
\$69.9m



Unsealed Roads:
990km

The City of Kalgoorlie-Boulder is located in the Goldfields-Esperance Region of Western Australia, approximately 600km east of Perth.

The City of Kalgoorlie-Boulder is responsible for a land area of 95,575km². The townsite of Kalgoorlie-Boulder is 70km², which is made up of residential, commercial and industrial properties.

The City includes the suburbs of Kalgoorlie, Boulder, Hannans, Karlkurla, Lamington, Piccadilly, Williamstown, South Kalgoorlie, Somerville, West Kalgoorlie, Victory Heights, Broadwood and South Boulder.

Kalgoorlie-Boulder is a modern and thriving city servicing the needs of a growing regional population.

Our globally significant mining industry, supported by our vast mineral base of gold, nickel, lithium and iron ore, continues to drive the economy.

As per the 2016 Census, Kalgoorlie-Boulder has a population of 30,059. The population is a young demographic with an influx of young adults into the mining industry with the median population age of 33 years.

Our Organisation

During 2018/19, the City of Kalgoorlie-Boulder employed on average 275 FTE staff across a diverse range of fields to ensure a high level of service provision to the community.





Organisational Structure 2018/19



Stuart Devenish
General Manager
Infrastructure &
Environment

- Infrastructure & Open Space
- Council Business & Property
- Planning, Development & Regulatory Services



Chief Executive Officer
John Walker

Ivana Castle
Chief Financial
Officer

- Financial Services
- Information & Communication Technology



Holly Phillips
General Manager
City Living

- Communities
- Strategy & Place
- Goldfields Arts Centre

Key Statistics

During 2018/19, the City of Kalgoorlie-Boulder employed on average 470 staff across a diverse range of fields.



40% | 60%
Employees



50% | 50%
Management

Planning and Reporting

In 2011, the Department of Local Government introduced the Integrated Planning and Reporting Framework to encourage a movement towards best practice strategic planning and reporting standards across the Western Australian local government industry.



Strategic Community Plan

The City of Kalgoorlie-Boulder's Strategic Community Plan, of the Integrated Planning and Reporting Framework, is the primary document and must be reviewed every four years, but can also be reviewed at a strategic level every two years. Council's Strategic Community Plan is currently undergoing a review to reflect the City's current strategic direction.

The Plan takes into account current and expected changes in community demographics, social issues and local, national and global influences.

As part of the review, the vision, themes and projects included in the Strategic Community Plan will be reviewed and if necessary updated to ensure that the Plan retains its relevance and adequately reflects community and Council goals and aspirations.

Corporate Business Plan

The City of Kalgoorlie-Boulder adopted its Corporate Business Plan in 2017. The Corporate Business Plan is a four-year plan that translates the City's strategies into priorities and actions which support the achievement of the Strategic Community Plan. It is an internal business planning tool that informs the annual planning and budgeting process. It outlines specific operating activities and capital works programs that are to be delivered.

The Corporate Business Plan is based on the themes and aspirations of the community as outlined in the Strategic Community Plan.



Long Term Financial Plan

The City of Kalgoorlie-Boulder adopted its Long Term Financial Plan (LTFP) in June 2017, the plan will be reviewed again in 2019. The LTFP has provided the City with a clear path in terms of long-term financial sustainability. It is a fluid document linking to the Corporate Business Plan and Asset Management Plan. With reference to achieving this fluidity, the City has invested in MagiQ, a Business Intelligence Tool, to ensure that the conceptual link between planning and reality is reported in a timely manner, thus allowing the City greater visibility and responsiveness.

The City uses the LTFP as a base for budgeting, it guides rate increases, resourcing, operating costs, and capital programming costs, all of which support the fulfilment of the actions and strategies within the Corporate Business Plan. It does this in the context of ensuring that the City maintains a high standard of financial performance. The LTFP has helped drive an improved financial performance in both 2016-17 and 2017-18 financial years. It has provided insight into the City's capacity and capability, and has helped deliver efficiencies and resulted in a more effective organisation.

The City is focusing on service level reviews as a priority, this is a critical element in ensuring that the Strategic Community Plan is delivered, and in turn this vision is realised through the LTFP.

In the 2018-19 financial year the planned increase for rates was 3.5%, the City was able to deliver a reduced rate increase of 1.8%. This reduction is directly linked to austerity measures that have been applied since early 2016. Subsequently, the City is confident that the conservative rate increase of 3.0% over the next eight years is achievable.

The City's two-year Asset Management program, which commenced in October 2016, was due to be completed in 2018, this project has experienced some delays and is now on track, with the expectation of delivery in 2019. This program will provide more accurate asset information, and thus will better support decision making, as well as give the City a deeper understanding of renewal and maintenance programming requirements in the context of established service levels.

The LTFP will be formally updated again in 2019, it is reviewed internally as priorities change. The City acknowledges that this is made necessary due to the requirement to make assumptions, the changing economy, and the unknown impact of external elements that influence the local economy. This process is informed through a collaborative effort with Management, Council and the Audit Finance Committee.

Youth Strategic Action Plan 2018 - 2021

In 2014 the City conducted 'Youth Talk Back Time', a consultation process which led to the development of the City's inaugural plan for young people - the Youth Strategic Action Plan 2014-2017.

The Youth Strategic Action Plan (YSAP) guides how the City of Kalgoorlie-Boulder will deliver its services for young people. The existing YSAP 2018-2021 is the result of a six-week consultation process undertaken with more than 500 community members in 2017. The YSAP provides a snapshot of who our young people are and the strategic aims and actions the City will undertake to address the needs and gaps identified in the plan. Three key goals are identified in the plan, those being to build confidence in our young people, to grow the capability of our young people and to foster connection between them and the wider community.





Reconciliation Action Plan

The City adopted its Reconciliation Action Plan (RAP) on 8 October 2018 and officially launched the RAP on 28 November 2018.

Coinciding with the launch of the RAP the City in partnership with Northern Star Resources Ltd unveiled a student mural on the Aboriginal flag pole erected in Centennial Park as a mark of respect and unity in the community.

The City has met with internal and external stakeholders to progress RAP initiatives, support projects and to collaborate ideas.

It has supported organisations by way of grants and waiving of hire fees for venues including significant contributions to the NAIDOC week and Goldfields Girl events, as well as ensuring staff participated in events promoting cultural understanding and awareness.

A key outcome of the RAP was the ability for the City to work with the State Library of Western Australia to collaborate on the Storylines project.

Storylines will become a central point for Aboriginal people who wish to access the State Library's extensive heritage collections, and a safe place to store records of people, place and history.

The City continues to advance Aboriginal employment, training and business opportunities, including reviewing initiatives to increase supplier diversity.

The City will continue to work to embed reconciliation efforts as it sets out to develop its next RAP during the 2019/20.





Growing Kalgoorlie-Boulder Plan

The Plan is a guiding strategic document focusing on economic growth for the whole of the City. The Plan provides an essential strategic planning platform for us to improve collaboration and decision making in agreed areas. It is also a tool to assist businesses to realise their growth potential and acts as a catalyst for the community to engage in the future of Kalgoorlie-Boulder driving improved wellbeing and prosperity.

2018/19 saw the continuous delivery of the following major initiatives from the Plan; Strategic Industrial Land, Kalgoorlie Rail Realignment and Intermodal Terminal, Kal City Centre Economic Transformation and Virtual Power Plant trial.

The other major delivered projects included; a submission to Productivity Commission on Fringe Benefits Tax (FBT) Reform, the Dig a Little Deeper Marketing Program, the City of Kalgoorlie-Boulder Reconciliation Plan and Shop Local Program.

The City of Kalgoorlie-Boulder's Community Strategic Plan, Corporate Business Plan, Long Term Financial Plan, Youth Strategic Action Plan and Reconciliation Action Plan should be read in conjunction with the Growing Kalgoorlie-Boulder Plan to gain a full understanding of our direction.



Achievements

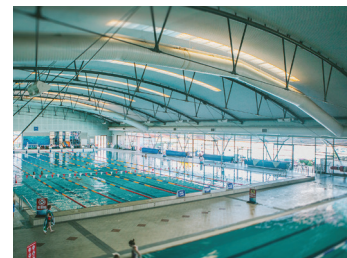
Throughout the course of the 2018/19 financial year, the City of Kalgoorlie-Boulder has celebrated many community events, achieved strategic goals and completed major projects.



July 2018
Boulder Town
Hall Reopens



September 2018
Art Prize Awards
and Exhibition



October 2018
Goldfields Oasis
win Parks and
Leisure award

July 2018
Safer Streets
Patrol on the
beat



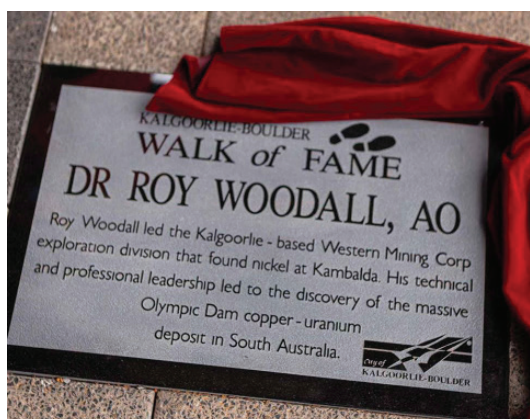
September 2018
Esther Roadnight
inducted into the
Walk of Fame



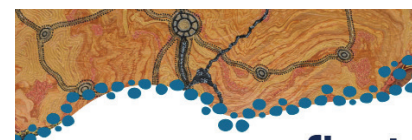
September 2018
Kalgoorlie-
Boulder awarded
GWN7 Top
Tourism Town



November 2018
Christmas Street
Party and Lighting of
the Christmas Tree



August 2018
Two Walk of
Fame inductees
announced
- Ray Woodall
- Pat Leighton



reflect
Reconciliation Action Plan

November 2019
Reconciliation Action
Plan launched

January 2019

Australia Day citizenship ceremony and awards



March 2019

Goldfields War Museum opens at the Boulder Town Hall



December 2019

West Coast Eagles star, Dom Sheed named as honorary recipient of the Key to the City



March 2019

Goldfields Designated Area Migration (DAMA) approved



May 2019

Youthfest and Youth Awards



April 2019

Kidsfest



June 2019

Multicultural Festival

January to February 2019

Sunset at the Soundshell Concert Series



March 2019

Department of Commerce approve year round Sunday Trade



Statutory Reports

As a local government authority, the City is required to comply with a number of statutory regulations.





Water Utility Services Plan

This plan is the guiding strategic document for the newly created Water Services department in the Infrastructure and Environment service area. Adopted in January 2019, the plan outlines the strategic intent for the delivery of wastewater and recycled water services to the City of Kalgoorlie-Boulder and gives effect to two of the five community aspirations set out in the City's Corporate Business Plan 2017-21:

Infrastructure – ensuring a sustainable asset and infrastructure base

Environment – utilizing water efficiently and maximise reuse potential

The Plan has defined objectives and Key Performance Indicators that are already driving significant changes in the water services area. In particular the fast track development of an integrated Asset Management System that will be completed before the end of the current financial year and will create a continuous improvement culture.

A substantial thirteen million dollar capital works programme has also been developed and adopted by Council aimed at upgrading both the wastewater and recycled water assets in line with the plan's objectives. These projects, together with the substantial work being undertaken to identify future opportunities for storm water harvesting will create a sustainable loop providing a recycled water resource of the highest order to attract industry to this vital town.

The plan has built on the original vision of CY O'Connor and will ensure the treated wastewater remains a valuable resource that underpins the sustainability of the town.



Policy Review

The policy review is biennial (or otherwise as required). The last full policy review was 2017/2018 so there was no review in 2018/2019. Work has commenced on the 2019/20 Policy Review.

The policy review process is intended to ensure the policies are relevant to operational and legislative requirements. The reviewed and amended policies are presented to Council for endorsement and the individual policy documents will be then made available on the City website and ECM.

Policies are now published as independent documents. The Record Keeping Policy and is published on the staff intranet, City website and registered in ECM and is promulgated throughout the organisation during inductions. It is available to all staff, contractors, Elected Members and outsourced agencies.

The record keeping procedures and guidelines are authorised by the Information Management Coordinator. These procedures set out standardised processes for all staff and contractors to follow when carrying out record keeping tasks.

The procedures and guidelines are available to all staff and to contractors, Elected Members and for outsourced agencies when requested.

Freedom Of Information Act (1992)

Freedom of Information gives the public a right to access government documents, subject to some limitations. In Western Australia, under the Freedom of Information Act 1992 (the FOI Act), the right applies to documents held by most State government agencies such as local government. Documents accessible under the FOI Act include paper records, plans and drawings, photographs, tape recordings, films, videotapes or information stored in a computerised form. As part of this, yearly statistical return are required, below shows table of activity for the city.

	2018/19	2017/18	2016/17	2015/16	2014/15
FOI Requests Received	11	11	17	10	9
Average Processing Time (Days)	25	25	16	19	32
3rd Party Consultations	-	-	-	-	-
	<i>Outcome</i>	<i>Outcome</i>	<i>Outcome</i>	<i>Outcome</i>	<i>Outcome</i>
Access in Full	1	4	3	3	1
Access with Redaction (Exemption)	7	5	14	6	8
Application Withdrawn	1	1	-	1	-
Access Denied	-	-	-	-	-
Access Refused	1	1	-	-	-





The State Records Act 2000

The City of Kalgoorlie-Boulder, as a Local Government Authority, is required under the State Records Act 2000 (the Act) to provide an annual report, as outlined in the Record Keeping Plan.

Recordkeeping System & Evaluation: The City's Record Keeping Plan was first created in February 2004 and has received comprehensive reviews and approval in 2007 and 2014. The 2019 review is awaiting approval from the State Records Commission at the next meeting in December. The City's record keeping systems are continuously reviewed and developed to improve efficiency, reliability and meet new requirements. ECM/Ci Anywhere provides centralisation for all corporate documents and increases efficiency in document retrieval, storage and retention. Additional business information systems have been added to the 2019 plan, they are; Synergy Soft, Links Modular, OCLC Worldshare, Alchemy Service Management System, Definitiv, ManageEngine and Intramaps.

Training Program & Evaluation: Training for new & existing employees is provided by the Information Management Team and forms a part of the Induction Program. Information Sessions are presented, on a fortnightly basis, all employees are required to attend. This training starts with a Records Management and Freedom of Information (FOI) session. In these sessions employees are informed of their record keeping obligations and are provided access to the Record Keeping Policy, Record Keeping Guidelines, Record Keeping Procedures and a brief overview of the Record Keeping system. Employees are also provided with information regarding FOI, which is outlining their responsibility and the process.

A second training session covers the City's electronic document records management systems (ECM/ Ci Anywhere) which are complemented by recordkeeping work instructions and guidelines, in accordance with the course outline. Employees are required to engage with the IM Training plan.

The effectiveness and efficiency of the recordkeeping program is reviewed regularly to ensure it meets the business needs and compliance for record keeping. Evaluation forms are completed at the end of each training session.

Elected Members will receive training in their record keeping obligations and the associated process at the commencement of their term of office. Regular updates are provided to Elected Members through their normal communication channels.

Disability Access and Inclusion Plan 2016 – 2021

The Disability Access and Inclusion Plan (DAIP) for 2016-2021 was reviewed, and comment was sought on barriers to physical access, barriers to communication/accessible information, barriers due to lack of staff awareness and skills in delivering services to people with disabilities, barriers to opportunities to participate in complaints/grievances, decision making processes and public consultations, as well as general feedback. The DAIP will be fully reviewed in 2021, with ongoing annual consultation planned with stakeholders in the interim to ensure ongoing feedback encouraging inclusion.

National Competition Act Compliance

The City of Kalgoorlie-Boulder, in satisfaction of the provisions of clause seven of the Competition Principles Agreement, offers the following reports on activities which occurred during 2017-18.

Competitive Neutrality

This principle deals with ensuring that government business operations have no advantage or disadvantage in comparison with the private sector.

The policy dictates that competitive neutrality should apply to all business activities which generate a user pays income of over \$200,000 unless it can be shown that it is not in the public interest. In this regard, no significant new business activities for the purposes of competitive neutrality were initiated or considered during the year and no noncompliance allegations were made.





Payments to Employees

Set out below in bands of \$10,000 is the number of employees of the City entitled to an annual salary of \$100,000 or more.

Salary Range \$	2019	2018
380,000 - 389,999	1	0
370,000 - 379,999	0	0
360,000 - 369,999	0	1
260,000 - 359,999	0	0
250,000 - 259,999	1	0
240,000 - 249,999	0	0
230,000 - 239,999	0	1
220,000 - 229,999	1	0
210,000 - 219,999	1	1
190,000 - 209,999	0	0
180,000 - 189,999	2	1
170,000 - 179,999	2	4
160,000 - 169,999	0	0
150,000 - 159,999	2	1
140,000 - 149,999	5	2
130,000 - 139,999	2	4
120,000 - 129,999	3	4
110,000 - 119,999	12	9
100,000 - 109,999	15	13



Financial Report

For the year ended 30 June 2019.



CITY OF KALGOORLIE-BOULDER
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

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Principal place of business:
577 Hannan Street
Kalgoorlie WA 6430

**CITY OF KALGOORLIE-BOULDER
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Kalgoorlie-Boulder for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the City of Kalgoorlie-Boulder at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.


Signed on the

18

day of

DECEMBER

2019



John Walker
Chief Executive Officer

CITY OF KALGOORLIE-BOULDER
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	23(a)	24,402,931	24,348,555	23,712,316
Operating grants, subsidies and contributions	2(a)	5,124,070	4,579,230	5,210,286
Fees and charges	2(a)	32,846,597	31,286,209	29,877,776
Income from Property	23(c)	1,867,073	1,815,436	2,043,179
Interest earnings	2(a)	1,551,511	1,321,513	1,317,082
Other revenue	2(a)	4,146,186	10,662,423	5,770,673
		<u>69,938,368</u>	<u>74,013,366</u>	<u>67,931,312</u>
Expenses				
Employee costs		(25,532,949)	(26,145,807)	(24,699,142)
Materials and contracts		(17,499,434)	(19,074,194)	(18,967,229)
Contributions, Donations & Subsidies		(1,885,779)	(1,930,884)	(1,814,262)
Utility charges		(3,922,583)	(4,227,439)	(3,640,413)
Depreciation on non-current assets	9(c)	(10,643,078)	(9,790,313)	(9,477,935)
Interest expenses	2(b)	(460,369)	(461,976)	(1,115,562)
Insurance expenses		(776,747)	(716,729)	(828,228)
Other expenditure		(1,086,177)	(7,199,699)	(806,890)
		<u>(61,807,116)</u>	<u>(69,547,041)</u>	<u>(61,349,661)</u>
		8,131,252	4,466,325	6,581,651
Non-operating grants, subsidies and contributions	2(a)	3,213,330	10,707,610	5,755,819
Profit on asset disposals	9(a)	68,779	416,926	464,840
(Loss) on asset disposals	9(a)	(105,841)	(240,342)	(276,062)
Reversal of prior year loss on revaluation of Infrastructure - Parks & Reserves	9(a)	0	0	333,156
Reversal of prior year loss on revaluation of Infrastructure - Parking	9(a)	0	0	218,688
Change of Investment in Associate (AMCA)	20	(2,841)	0	186
		<u>3,173,427</u>	<u>10,884,194</u>	<u>6,496,627</u>
Net result for the period		11,304,679	15,350,519	13,078,278
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	(3,176,131)
Total other comprehensive income for the period		0	0	(3,176,131)
Total comprehensive income for the period		11,304,679	15,350,519	9,902,147

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

CITY OF KALGOORLIE-BOULDER
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
	2(a)			
Governance		2,647	8,000,360	2,012
General purpose funding		28,664,417	28,454,414	27,552,137
Law, order, public safety		237,891	246,750	258,635
Health		475,904	541,177	501,049
Education and welfare		2,226,698	2,000,093	1,696,207
Housing		33,484	30,700	28,610
Community amenities		16,060,588	16,287,109	15,925,247
Recreation and culture		5,372,233	6,044,538	6,094,040
Transport		13,498,745	10,373,709	11,704,451
Economic services		752,113	802,385	567,935
Other property and services		2,613,648	1,232,132	3,600,989
		<u>69,938,368</u>	<u>74,013,367</u>	<u>67,931,312</u>
Expenses				
	2(b)			
Governance		(2,835,013)	(2,858,249)	(2,384,407)
General purpose funding		(1,079,019)	(893,906)	(614,703)
Law, order, public safety		(1,811,743)	(1,789,898)	(1,331,219)
Health		(1,117,301)	(1,295,918)	(1,202,108)
Education and welfare		(2,588,083)	(2,963,194)	(2,451,602)
Housing		(57,797)	(45,345)	(36,315)
Community amenities		(9,950,488)	(12,606,783)	(9,613,537)
Recreation and culture		(20,403,123)	(21,373,316)	(19,389,536)
Transport		(16,282,374)	(21,557,048)	(17,466,282)
Economic services		(2,847,684)	(3,192,898)	(2,863,248)
Other property and services		(2,374,123)	(508,511)	(2,881,142)
		<u>(61,346,748)</u>	<u>(69,085,066)</u>	<u>(60,234,099)</u>
Finance Costs				
	2(b)			
General purpose funding		0	0	(1,214)
Education and welfare		(14,907)	0	0
Community amenities		825	0	(37,392)
Recreation and culture		11,170	(4,852)	(887,381)
Economic services		(12,875)	(3,710)	(22,223)
Other property and services		(444,581)	(453,414)	(167,352)
		<u>(460,368)</u>	<u>(461,976)</u>	<u>(1,115,562)</u>
		8,131,252	4,466,325	6,581,651
Non-operating grants, subsidies and contributions	2(a)	3,213,330	10,707,610	5,755,819
Profit on disposal of assets	9(a)	68,779	416,926	464,840
(Loss) on disposal of assets	9(a)	(105,841)	(240,342)	(276,062)
Reversal of prior year loss on revaluation of Infrastructure - Parks & Reserves	9(a)	0	0	333,156
Reversal of prior year loss on revaluation of Infrastructure - Parking	9(a)	0	0	218,688
Change of Investment in Associate (AMCA)	20	(2,841)	0	186
		<u>3,173,427</u>	<u>10,884,194</u>	<u>6,496,627</u>
		11,304,679	15,350,519	13,078,278
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	10	0	0	(3,176,131)
		<u>0</u>	<u>0</u>	<u>(3,176,131)</u>
		11,304,679	15,350,519	9,902,147

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

CITY OF KALGOORLIE-BOULDER
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	50,438,978	31,423,592
Trade receivables	5	9,607,149	8,695,055
Inventories	6	810,528	815,865
TOTAL CURRENT ASSETS		60,856,655	40,934,512
NON-CURRENT ASSETS			
Trade receivables	5	1,365,243	646,807
Inventories	6	80,000	80,000
Property, plant and equipment	8	141,367,677	139,987,572
Infrastructure	9	384,333,197	385,248,350
Investment property	7	11,333,447	11,363,038
Investment in Associate (AMCA)		7,345	10,186
TOTAL NON-CURRENT ASSETS		538,486,909	537,335,953
TOTAL ASSETS		599,343,564	578,270,465
CURRENT LIABILITIES			
Trade and other payables	11	15,534,908	5,330,894
Borrowings	12(a)	1,174,305	1,228,278
Employee related provisions	13	2,341,445	2,826,048
TOTAL CURRENT LIABILITIES		19,050,658	9,385,220
NON-CURRENT LIABILITIES			
Borrowings	12(a)	8,672,670	9,004,369
Employee related provisions	13	794,461	359,780
TOTAL NON-CURRENT LIABILITIES		9,467,131	9,364,149
TOTAL LIABILITIES		28,517,789	18,749,369
NET ASSETS		570,825,775	559,521,096
EQUITY			
Retained surplus		254,407,306	254,709,021
Reserves - cash backed	4	37,783,602	26,177,208
Revaluation surplus	10	278,634,867	278,634,867
TOTAL EQUITY		570,825,775	559,521,096

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

CITY OF KALGOORLIE-BOULDER
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2017		244,588,778	23,219,173	281,810,998	549,618,949
Comprehensive income					
Net result for the period		13,078,278	0	0	13,078,278
Other comprehensive income	10	0	0	(3,176,131)	(3,176,131)
Total comprehensive income		13,078,278	0	(3,176,131)	9,902,147
Transfers from/(to) reserves		(2,958,035)	2,958,035	0	0
Balance as at 30 June 2018		254,709,021	26,177,208	278,634,867	559,521,096
Comprehensive income					
Net result for the period		11,304,679	0	0	11,304,679
Total comprehensive income		11,304,679	0	0	11,304,679
Transfers from/(to) reserves		(11,606,394)	11,606,394	0	0
Balance as at 30 June 2019		254,407,306	37,783,602	278,634,867	570,825,775

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

CITY OF KALGOORLIE-BOULDER
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		24,103,539	24,498,555	23,357,933
Operating grants, subsidies and contributions		3,963,611	4,729,230	5,420,687
Fees and charges		32,846,597	33,101,645	29,877,776
Investment Property Income		1,867,073	0	2,043,179
Interest received		1,551,511	1,321,513	1,317,082
Goods and services tax received		0	0	952,167
Other revenue		4,146,186	10,662,423	5,770,673
		<u>68,478,517</u>	<u>74,313,366</u>	<u>68,739,497</u>
Payments				
Employee costs		(25,631,980)	(26,145,807)	(24,941,750)
Materials and contracts		(16,192,998)	(18,809,415)	(19,555,528)
Council Contributions		(1,885,779)	(1,930,884)	(1,814,262)
Utility charges		(3,922,583)	(4,227,439)	(3,640,413)
Interest expenses		(134,130)	(461,976)	(1,110,211)
Insurance paid		(776,747)	(716,729)	(828,228)
Goods and services tax paid		666,337	(5,000)	(1,419,367)
Other expenditure		(1,086,177)	(8,565,199)	(806,890)
		<u>(48,964,057)</u>	<u>(60,862,449)</u>	<u>(54,116,649)</u>
Net cash provided by (used in) operating activities	14	<u>19,514,460</u>	<u>13,450,917</u>	<u>14,622,848</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(4,847,059)	(11,443,522)	(5,707,019)
Payments for construction of infrastructure		(6,559,737)	(10,595,472)	(12,119,507)
Payments for investment property		(56,417)	(640,080)	(116,914)
Payment for Investment in Associate (AMCA)		0	0	(10,000)
Non-operating grants, subsidies and contributions		3,213,330	10,707,610	5,755,819
Proceeds from self supporting loans		(837,016)	24,680	23,208
Proceeds from sale of property, plant & equipment		289,156	620,500	632,350
Proceeds from disposal of land held for resale		116,110	600,000	855,909
Net cash provided by (used in) investment activities		<u>(8,681,633)</u>	<u>(10,726,284)</u>	<u>(10,686,154)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(1,385,673)	(1,222,787)	(844,719)
Proceeds from new borrowings		1,000,000	0	0
Net cash provided by (used in) financing activities		<u>(385,673)</u>	<u>(1,222,787)</u>	<u>(844,719)</u>
Net increase (decrease) in cash held		10,447,154	1,501,846	3,091,975
Cash at beginning of year		31,423,592	31,317,522	28,331,617
Transfer from Trust Fund		8,568,232	0	0
Cash and cash equivalents at the end of the year	14	<u><u>50,438,978</u></u>	<u><u>32,819,368</u></u>	<u><u>31,423,592</u></u>

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

CITY OF KALGOORLIE-BOULDER
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	8,678,112	3,157,298	7,334,409
		8,678,112	3,157,298	7,334,409
Revenue from operating activities (excluding rates)				
Governance		2,646	8,000,360	2,012
General purpose funding		4,261,486	4,105,859	3,839,821
Law, order, public safety		237,890	220,750	258,635
Health		478,456	503,677	501,049
Education and welfare		2,226,698	2,000,093	1,696,207
Housing		33,484	30,700	28,610
Community amenities		16,060,588	16,235,109	15,925,247
Recreation and culture		5,379,904	5,862,190	6,113,337
Transport		13,498,745	10,157,672	11,704,776
Economic services		752,113	789,696	567,935
Other property and services		2,672,205	955,132	4,046,207
		45,604,215	48,861,238	44,683,836
Expenditure from operating activities				
Governance		(2,835,013)	(2,858,249)	(2,384,407)
General purpose funding		(1,079,019)	(893,906)	(615,917)
Law, order, public safety		(1,819,711)	(1,806,314)	(1,331,219)
Health		(1,120,617)	(1,312,203)	(1,232,698)
Education and welfare		(2,602,990)	(2,963,194)	(2,451,602)
Housing		(57,797)	(45,345)	(36,315)
Community amenities		(9,967,818)	(12,623,698)	(9,690,046)
Recreation and culture		(20,410,343)	(21,461,188)	(20,357,400)
Transport		(16,323,451)	(21,655,551)	(17,529,144)
Economic services		(2,862,831)	(3,196,608)	(2,892,756)
Other property and services		(2,836,207)	(971,127)	(2,552,375)
		(61,915,797)	(69,787,383)	(61,073,879)
Non-cash amounts excluded from operating activities	24(a)	10,657,051	9,588,730	8,510,338
Amount attributable to operating activities		3,023,581	(8,180,117)	(545,296)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		3,213,330	10,707,610	5,755,819
Proceeds from disposal of assets	9(a)	405,266	1,220,500	1,488,259
Proceeds from self supporting loans	12(b)	(837,016)	24,680	23,208
Purchase of property, plant and equipment	8(a)	(4,847,059)	(12,083,603)	(5,707,019)
Purchase and construction of infrastructure	9(a)	(6,559,737)	(10,595,472)	(12,119,507)
Purchase of investment property	11	(56,417)	0	(116,914)
Payment for investment in associate (AMCA)		0	0	(10,000)
Amount attributable to investing activities		(8,681,633)	(10,726,285)	(10,686,154)
FINANCING ACTIVITIES				
Repayment of borrowings	12(b)	(1,385,673)	(1,222,787)	(844,719)
Proceeds from borrowings	12(c)	1,000,000	0	0
Transfers to reserves (restricted assets)	4	(13,191,799)	(9,122,064)	(15,649,478)
Transfers from reserves (restricted assets)	4	1,585,405	6,673,397	12,691,443
Amount attributable to financing activities		(11,992,067)	(3,671,454)	(3,802,754)
Surplus/(deficit) before imposition of general rates		(17,650,119)	(22,577,855)	(15,034,204)
Total amount raised from general rates	23	24,402,931	24,343,555	23,712,316
Surplus/(deficit) after imposition of general rates	24(b)	6,752,812	1,765,700	8,678,112

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

1. BASIS OF PREPARATION

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

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

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 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

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 26 to these financial statements.

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance			
General purpose funding	2,458,131	2,351,000	2,340,877
Law, order, public safety	35,506	47,000	36,830
Health	231,446	233,000	229,541
Education and welfare	1,853,697	1,493,250	1,443,521
Recreation and culture	200,556	285,960	743,831
Transport	336,134	142,000	247,745
Economic services	418	240	81,168
Other property and services	8,182	26,780	86,773
	5,124,070	4,579,230	5,210,286
Non-operating grants, subsidies and contributions			
Education and welfare	0	40,000	25,500
Recreation and culture	54,776	0	0
Transport	2,334,058	5,075,611	4,641,412
Economic services	13,091	5,000,000	0
Other property and services	811,405	591,999	1,088,907
	3,213,330	10,707,610	5,755,819
	8,337,400	15,286,840	10,966,105

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 22. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Significant revenue			
Reimbursement for flood damage (WANDRRA)	0	0	846,827
Other revenue			
Reimbursements and recoveries	960,428	1,198,644	2,220,637
Sale of inventory			
Other	3,185,758	9,463,779	3,550,036
	<u>4,146,186</u>	<u>10,662,423</u>	<u>5,770,673</u>
Fees and Charges			
Governance	1,255	360	274
General purpose funding	191,945	200,200	188,384
Law, order, public safety	155,600	171,250	172,952
Health	216,071	258,177	207,914
Education and welfare	171,447	151,500	161,985
Housing	0	0	0
Community amenities	16,026,648	16,197,109	15,796,520
Recreation and culture	4,113,040	4,494,904	4,020,876
Transport	11,783,945	9,122,500	9,141,068
Economic services	177,468	685,109	120,442
Other property and services	9,178	5,100	67,361
	<u>32,846,597</u>	<u>31,286,209</u>	<u>29,877,776</u>
There were no changes during the year to the amount of the fees or charges detailed in the original budget.			
Interest earnings			
Loans receivable - clubs/institutions	21,520	6,243	38,256
Reserve accounts interest	630,503	564,159	423,959
Rates instalment and penalty interest (refer Note 23(d))	475,517	500,000	528,959
Other interest earnings	423,971	251,111	325,908
	<u>1,551,511</u>	<u>1,321,513</u>	<u>1,317,082</u>

CITY OF KALGOORLIE-BOULDER
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(b) Expenses	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Significant expense			
Expenditure on flood damage re-instatement	0	0	846,827
Auditors remuneration			
- Audit of the Annual Financial Report	79,000	80,000	47,319
- Other services	0	0	33,663
	79,000	80,000	80,982
Interest expenses (finance costs)			
Borrowings (refer Note 12(b))	331,099	371,976	886,288
Other interest expenses	27,393	20,000	21,115
Guarantee Fee	101,877	70,000	208,159
	460,369	461,976	1,115,562
Rental charges			
- Operating leases	531,931	176,428	357,567
	531,931	176,428	357,567

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		4,087,145	5,246,384
Term deposits		46,351,833	26,177,208
		<u>50,438,978</u>	<u>31,423,592</u>
Comprises:			
- Unrestricted cash and cash equivalents		4,087,144	5,246,384
- Restricted cash and cash equivalents		46,351,834	26,177,208
		<u>50,438,978</u>	<u>31,423,592</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Leave Reserve	4	568,468	554,968
Plant Reserve	4	849,645	33,822
Building Reserve	4	957,595	1,041,742
Computer Facilities Reserve	4	863,865	840,135
Sewerage Construction Reserve	4	4,242,434	3,163,839
Recreation Reserve	4	425,902	421,060
Parking Facilities Reserve	4	168,423	166,526
Senior Citizens Reserve	4	781,783	772,553
Oasis Reserve	4	37,965	37,064
Aerodrome Reserve	4	10,600,160	8,375,456
Valuations Equalisation Reserve	4	334,820	229,245
Insurance Equalisation Reserve	4	122,602	21,965
Town Halls Refurbishment Reserve	4	1,046,936	544,852
Waste Initiatives Reserve	4	70,342	68,672
Airport and City Promotions Reserve	4	988,924	483,259
HACC Asset Management Reserve	4	196,281	21,752
Future Projects Reserve	4	14,437,341	8,043,285
Drainage Reserve	4	720,000	0
		<u>37,413,486</u>	<u>24,820,195</u>
Other restricted cash and cash equivalents			
Unspent grants/contributions	22	370,116	1,357,013
		<u>37,783,602</u>	<u>26,177,208</u>
Bonds and deposits held	26	8,568,232	0
Total restricted cash and cash equivalents		<u>46,351,834</u>	<u>26,177,208</u>

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk

Cash and cash equivalents (Continued)

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

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Closing Balance	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Closing Balance	2018 Actual Transfer (from)	2018 Actual Closing Balance
(a) Leave Reserve	\$ 554,968	\$ 13,500	\$ 568,468	\$ 556,517	\$ 36,665	\$ 0	\$ 593,182	\$ 820,338	\$ 8,426	\$ (273,796)	\$ 554,968	
(b) Plant Reserve	33,822	815,823	849,645	33,386	815,286	0	848,672	33,386	436	0	33,822	
(c) Building Reserve	1,041,742	275,335	(359,482)	896,650	268,805	(244,060)	921,375	1,252,569	15,289	(226,116)	1,041,742	
(d) Computer Facilities Reserve	840,135	23,730	863,865	755,618	44,373	(485,000)	314,991	1,235,194	14,808	(409,867)	840,135	
(e) Sewerage Construction Reserve	3,163,839	1,078,595	4,242,434	3,168,320	207,565	0	3,375,885	2,904,024	2,904,024	0	3,163,839	
(f) Recreation Reserve	421,060	4,842	425,902	351,331	54,470	(201,027)	204,774	593,706	6,088	(178,734)	421,060	
(g) Parking Facilities Reserve	166,526	1,897	168,423	164,256	3,475	(126,000)	41,731	675,708	8,865	(518,047)	166,526	
(h) Senior Citizens Reserve	772,553	9,230	781,783	768,160	16,039	(490,000)	294,199	762,159	10,394	0	772,553	
(i) Airport Movement Area Reserve	0	0	0	0	0	0	0	4,744,486	18,000	(4,762,486)	0	
(j) Oasis Reserve	37,064	901	37,965	25,745	75,495	0	101,240	191,344	2,491	(156,771)	37,064	
(k) Aerodrome Reserve	8,375,456	2,224,704	10,600,160	7,875,034	671,804	(453,656)	8,093,182	2,974,297	5,701,159	(300,000)	8,375,456	
(l) Valuations Equalisation Reserve	229,245	105,575	334,820	234,954	104,767	0	339,721	127,493	101,752	0	229,245	
(m) Insurance Equalisation Reserve	21,965	100,637	122,602	20,593	100,459	0	121,052	279,095	3,806	(260,936)	21,965	
(n) Town Halls Refurbishment Reserve	544,852	502,084	1,046,936	903,665	43,413	(593,957)	353,121	96,375	1,157,870	(709,393)	544,852	
(o) Waste Initiatives Reserve	68,672	1,670	70,342	69,202	1,428	0	70,630	67,748	924	0	68,672	
(p) Airport and City Promotions Reserve	483,259	505,665	988,924	360,919	7,565	(125,000)	243,484	556,340	7,588	(80,669)	483,259	
(q) Staff Retention and Attraction Reserve	0	0	0	0	0	0	0	4,700	49	(4,749)	0	
(r) HACC Asset Management Reserve	21,752	174,529	196,281	21,655	21,999	0	43,654	21,495	257	0	21,752	
(s) Future Projects Reserve	8,043,285	6,394,056	14,437,341	8,101,178	2,193,987	(3,500,000)	6,795,165	2,500,000	5,543,285	0	8,043,285	
(t) Unspent Grants, Contributions & Lo	1,357,013	239,026	(1,225,923)	692,541	4,454,469	(454,677)	4,692,333	6,022,925	143,967	(4,809,879)	1,357,013	
(u) Drainage Reserve	0	720,000	720,000	0	0	0	0	0	0	0	0	
	26,177,208	13,191,799	(1,585,405)	37,783,602	(1,585,405)	(6,673,397)	27,448,391	23,219,173	15,649,478	(12,691,443)	26,177,208	

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Leave Reserve	Future	To fund payment to staff for accrued leave and / or budgeted leave
Plant Reserve	Future	To fund the City's ten (10) year Plant Replacement Program
Building Reserve	Future	To fund building projects and major structural repairs to existing assets
Computer Facilities Reserve	Future	To fund Information Technology projects
Sewerage Construction Reserve	Future	To provide for the ongoing construction and future replacement sewerage lines and any other relevant initiatives
Recreation Reserve	Future	To be utilised for future reserves, ovals, or any other recreational projects Council deems necessary
Parking Facilities Reserve	Future	To provide for the future parking needs of the City
Senior Citizens Reserve	Future	To meet any requirement the Community Centre may have
Airport Movement Area Reserve	Nil balance	Replacement/Replenishment of the Movement area infrastructure. (Closed, balance transferred to Aerodrome Reserve)
Oasis Reserve	Future	To improve the Goldfields Oasis
Aerodrome Reserve	Future	To facilitate the replacement of assets to subsidise operations
Valuations Equalisation Reserve	Future	To provide for revaluation expenses, every three (3) years
Insurance Equalisation Reserve	Future	To provide for any Workers Compensation expenses
Town Halls Refurbishment Reserve	Future	To provide for the future maintenance, refurbishment, heritage development of the Kalgoorlie and Boulder Town Halls
Waste Initiatives Reserve	Future	To develop and introduce alternative or modified water collection treatment and disposal options
Airport and City Promotions Reserve	Future	To promote the City of Kalgoorlie-Boulder and the Kalgoorlie - Boulder Airport
Staff Retention and Attraction Reserve	Future	To assist in the implementation of the Workplace agreement adopted in December 2006 (No longer being used)
HACC Asset Management Reserve	Future	To hold surplus annual grant funds received in accordance with the HACC funding agreement. Used to replace existing assets at the EGCC
Future Projects Reserve	Future	To fund future projects that the Council supports as a desired outcome for the overall Community
Unspent Grants, Contributions & Lo	Future	To manage unspent grants, contributions and loans
Drainage Reserve	Future	To fund the City's Drainage Capital Works

5. TRADE RECEIVABLES

Current

	2019	2018
	\$	\$
Rates receivable	2,725,859	2,402,475
Sundry receivables	5,209,095	3,703,281
Prepayments	239,017	241,729
GST receivable	237,838	904,175
Loans receivable - clubs/institutions	116,545	21,957
Accrued Income	1,078,795	1,421,438
	9,607,149	8,695,055

Non-current

Pensioner's rates and ESL deferred	426,259	450,251
Loans receivable - clubs/institutions	938,984	196,556
	1,365,243	646,807

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

Classification and subsequent measurement

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

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

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

CITY OF KALGOORLIE-BOULDER
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 FOR THE YEAR ENDED 30TH JUNE 2019

6. INVENTORIES

	2019	2018
	\$	\$
Current		
Fuel and Materials	61,344	21,148
Goldfields Oasis	5,431	5,357
Kalgoorlie Golf Course	72,161	54,604
Goldfields Arts Centre	2,803	8,415
Land Held for Resale - Cost	668,789	726,341
	810,528	815,865
Non-current		
Land held for resale - cost	80,000	80,000
	80,000	80,000

The following movements in inventories occurred during the year:

Carrying amount at 1 July	895,865	1,251,558
Additions to inventory	(5,337)	(355,693)
Carrying amount at 30 June	890,528	895,865

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

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

Land held for resale (continued)

Finance 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 on to the buyer at this point.

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

7. INVESTMENT PROPERTY

	2019 \$	2018 \$
(a). Freehold land at:		
- Independent Valuation 2017 - Level 2	3,496,000	3,496,000
	<u>3,496,000</u>	<u>3,496,000</u>
Buildings at:		
- Independent Valuation 2017 - Level 2	7,770,000	7,770,000
- Management Valuation 2017 - Level 3	69,015	69,015
- Additions after Valuation - cost	173,331	116,914
Less Accumulated Depreciation	<u>(174,899)</u>	<u>(88,891)</u>
	<u>7,837,447</u>	<u>7,867,038</u>
Total Investment Property	<u>11,333,447</u>	<u>11,363,038</u>

(b). Movements in Carrying Amounts

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

	Land (Level 2) \$	Buildings (Level 2) \$	Buildings (Level 3) \$	Total \$
Balance at the beginning of the year	3,496,000	7,798,023	69,015	11,363,038
Additions	0	56,417	0	56,417
Depreciation (Expense)	0	(86,008)	0	(86,008)
Carrying amount at the end of year	<u>3,496,000</u>	<u>7,768,432</u>	<u>69,015</u>	<u>11,333,447</u>

(c). Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Investment Property					
Land - freehold land	Level 2	Market approach using recent observable market values as evidenced by sales transactions of similar property types	Independent registered Valuer	June 2017	Price per square metre
Buildings	Level 2	Market approach using recent observable market data for properties	Independent registered Valuer	June 2017	Price per square metre
Buildings	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2017	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land - Independent valuation 2017 - level 2	Land - freehold land	Total land	Buildings - non- specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Light Vehicles	WIP	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	3,822,460	33,530,417	37,352,877	72,500	83,945,113	84,017,613	121,370,490	2,013,278	11,481,264	2,324,737	0	137,189,769
Additions	0	0	0	0	961,711	961,711	961,711	373,467	2,121,524	246,197	2,004,120	5,707,019
(Disposals)	0	(97,117)	(97,117)	0	0	0	(97,117)	0	(791,628)	0	0	(888,745)
Depreciation (expense)	0	0	0	(1,812)	(1,269,282)	(1,271,094)	(1,271,094)	(320,194)	(1,012,761)	(303,690)	0	(2,907,739)
Transfers	0	0	0	0	815,512	815,512	815,512	0	71,756	0	0	887,268
Carrying amount at 30 June 2018	3,822,460	33,433,300	37,255,760	70,688	84,453,054	84,523,742	121,779,502	2,066,551	11,870,155	2,267,244	2,004,120	139,987,572
Comprises:												
Gross carrying amount at 30 June 2018	3,822,460	33,433,300	37,255,760	72,500	85,722,336	85,794,836	123,050,596	2,631,992	13,717,669	2,809,215	2,004,120	144,213,592
Accumulated depreciation at 30 June 2018	0	0	0	(1,812)	(1,269,282)	(1,271,094)	(1,271,094)	(565,441)	(1,847,514)	(541,971)	0	(4,226,020)
Carrying amount at 30 June 2018	3,822,460	33,433,300	37,255,760	70,688	84,453,054	84,523,742	121,779,502	2,066,551	11,870,155	2,267,244	2,004,120	139,987,572
Additions	0	0	0	0	1,793,742	1,793,742	1,793,742	145,339	1,377,862	577,626	952,490	4,847,059
(Disposals)	0	0	0	0	0	0	0	0	(76,413)	(297,695)	0	(374,108)
Depreciation (expense)	0	0	0	0	(1,216,757)	(1,216,757)	(1,216,757)	(366,221)	(1,113,800)	(396,068)	0	(3,092,846)
Transfers	0	0	0	0	583,243	583,243	583,243	0	0	0	(583,243)	0
Carrying amount at 30 June 2019	3,822,460	33,433,300	37,255,760	70,688	85,613,282	85,683,970	122,939,730	1,845,669	12,057,804	2,151,107	2,373,367	141,367,677
Comprises:												
Gross carrying amount at 30 June 2019	3,822,460	33,433,300	37,255,760	72,500	88,099,321	88,171,821	125,427,581	2,777,331	14,986,368	2,888,820	2,373,367	148,453,467
Accumulated depreciation at 30 June 2019	0	0	0	(1,812)	(2,486,039)	(2,487,851)	(2,487,851)	(931,662)	(2,928,564)	(737,713)	0	(7,085,790)
Carrying amount at 30 June 2019	3,822,460	33,433,300	37,255,760	70,688	85,613,282	85,683,970	122,939,730	1,845,669	12,057,804	2,151,107	2,373,367	141,367,677

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	Level 2	Market approach using recent observable market values as evidence by sales transactions of similar property types	Independent registered Valuer	June 2017	Price per square metre
Land - freehold land	Level 3	Market approach using recent observable market values adjusted for condition and comparability, at their current use as highest and best use	Independent registered Valuer	June 2017	Price per square metre adjusted for zoning restrictions
Land - vested in and under the control of the Council	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life (Level 3) inputs
Buildings - non-specialised	Level 2	Market approach using recent observable market data for properties	Management Valuation	June 2017	Price per square metre
Buildings - specialised	Level 3	Cost approach using depreciated replacement cost	Independent registered Valuer/Management valuation	June 2017	Construction costs and current condition (level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised	Level 2	Market approach using recent observable market data for properties	Independent registered Valuer	June 2017	Price per square metre

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.

CITY OF KALGOORLIE-Boulder
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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9. INFRASTRUCTURE

(a) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Reserves	Infrastructure - Laneways	Infrastructure - Parking	Infrastructure - Street Lighting	Infrastructure - Sewerage	Infrastructure - Effluent	Infrastructure - Airport	Infrastructure - Bus shelters	Infrastructure - Water Conservation	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	245,466,895	19,211,029	15,487,243	23,431,128	809,734	1,222,251	343,374	44,454,916	7,557,439	22,148,066	88,228	3,312,136	393,532,439
Additions	9,852,265	280,185	224,636	491,853	0	614,343	0	130,863	166,862	358,500	0	0	12,119,507
(Disposals)	0	0	0	0	0	0	0	0	(410,736)	0	0	0	(410,736)
Revaluation increments / (decrements) transferred to revaluation surplus	(3,254,861)	(2,436,274)	(7,573,788)	0	(302,574)	2,133,090	316,305	154,914	(779,792)	1,803,675	1,855	6,761,319	(3,176,131)
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	333,156	0	218,688	0	0	0	0	0	0	551,844
Depreciation (expense)	(3,759,566)	(252,546)	(215,187)	(716,040)	(15,979)	(20,370)	(8,054)	(762,973)	(190,660)	(410,774)	(2,013)	(127,143)	(6,481,305)
Transfers								(700,000)		(187,268)			(887,268)
Carrying amount at 30 June 2018	248,304,733	16,802,394	7,922,904	23,540,097	491,181	4,168,002	651,625	43,277,720	6,343,113	23,712,199	88,070	9,946,312	385,248,350
Comprises:													
Gross carrying amount at 30 June 2018	248,304,733	16,802,394	7,922,904	23,540,097	491,181	4,168,002	651,625	43,277,720	6,343,113	23,712,199	88,070	9,946,312	385,248,350
Carrying amount at 30 June 2018	248,304,733	16,802,394	7,922,904	23,540,097	491,181	4,168,002	651,625	43,277,720	6,343,113	23,712,199	88,070	9,946,312	385,248,350
Additions	4,962,923	131,240	482,921	479,288	0	56,105	0	142,887	4,373	300,000	0	0	6,559,737
(Disposals)	0	0	0	(681,170)	0	0	0	0	0	0	0	0	(10,667)
Depreciation (expense)	(4,178,232)	(430,268)	(159,894)	(159,894)	(16,185)	(207,513)	(15,382)	(937,532)	(131,602)	(416,895)	(2,864)	(286,686)	(7,464,223)
Carrying amount at 30 June 2019	249,089,424	16,503,366	8,245,931	23,327,548	474,966	4,016,594	636,243	42,485,075	6,215,884	23,595,304	85,206	9,659,626	384,333,197
Comprises:													
Gross carrying amount at 30 June 2019	253,267,656	16,933,634	8,405,825	24,008,585	491,181	4,224,107	651,625	43,420,608	6,347,486	24,012,199	88,070	9,946,312	391,797,288
Accumulated depreciation at 30 June 2019	(4,178,232)	(430,268)	(159,894)	(681,037)	(16,185)	(207,513)	(15,382)	(937,533)	(131,602)	(416,895)	(2,864)	(286,686)	(7,464,091)
Carrying amount at 30 June 2019	249,089,424	16,503,366	8,245,931	23,327,548	474,966	4,016,594	636,243	42,485,075	6,215,884	23,595,304	85,206	9,659,626	384,333,197

CITY OF KALGOORLIE--BOULDER
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9. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Footpaths	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Drainage	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Parks & Reserves	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Laneways	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Parking	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Street Lighting	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Sewerage	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Effluent	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Airport	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Bus Shelters	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.
Infrastructure - Water Conservation	Level 3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs.

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

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

9. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

In accordance with *Local Government (Financial Management) Regulation 16(a)(ii)*, the City was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Land under roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the City.

CITY OF KALGOORLIE-BOULDER
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9. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land				0				0	97,117	39,117		(58,000)
Plant and equipment	76,413	45,273	1,422	(32,562)				0	791,628	593,233	19,667	(218,062)
Light Vehicles	297,695	243,883	8,800	(62,612)	333,610	300,000	77,614	(111,225)				0
WIP				0	447,305	320,500	2,311	(129,118)				0
Infrastructure - Parks & Reserves	10,667			(10,667)				0				0
Land held for Sale	57,553	116,110	58,557	0	263,000	600,000	337,000	0	410,736	855,909	445,173	0
	442,328	405,266	68,779	(105,841)	1,043,915	1,220,500	416,926	(240,342)	1,299,481	1,488,259	464,840	(276,062)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
Plant and Equipment				
Law, order, public safety				
Mazda Bt-50 Xt Tray Top Utility	12,723	7,726	0	(4,997)
Health				
Holden Commodore Sv6 Sportswagon	16,148	10,909	0	(5,239)
Holden Colorado Lx Crewcab Utility	16,031	10,455	0	(5,576)
Toyota Prado Dsl Wgn A/T Gxl 4277430 Rego Kbc066Q	53,774	56,325	2,551	0
Community amenities				
Volkswagen Amarok 2Wd Dual Cab	21,885	14,546	0	(7,339)
Recreation and culture				
Greens Mower - Toro Gr3250D	16,578	18,000	1,422	0
Holden Colorado Lx Crewcab 4Wd	17,737	14,764	0	(2,973)
2014 Rg Holden Colorado Lx Tray Top Utility	13,232	19,481	6,249	0
Usher Park - Metal Mesh 1.8M Fencing	10,667	0	0	(10,667)
Transport				
Vf Holden Commodore Evoke Sedan	19,626	11,111	0	(8,515)
Hako Citymaster 1250 Sweeper & Scrubber	59,835	27,272	0	(32,563)
Economic services				
Toyota Camry Altise	9,266	6,994	0	(2,272)
Honda Accord Euro Standard 2013	10,588	7,273	0	(3,315)
Other property and services				
Holden Colorado Lx Crew Cab	15,884	12,372	0	(3,512)
Rg Holden Colorado Lx Crew Cab Utility	16,942	11,088	0	(5,854)
Rg Holden Colorado Lx Crew Cab Utility	12,977	8,182	0	(4,795)
Holden Colorado Rg 2Wd Crew Cab Utility	16,285	12,273	0	(4,012)
Hyundai Iload Manual Panel Van	15,522	15,056	0	(466)
Hyundai Iload Manual Panel Van	15,522	13,965	0	(1,557)
Mazda Bt-50 Freestyle Tray Top Utility	13,553	11,364	0	(2,189)
	384,775	289,156	10,222	(105,841)
Land				
Other Property and Services				
Land held for Sale	57,553	116,110	58,557	0
	57,553	116,110	58,557	0
	442,328	405,266	68,779	(105,841)

(b) Fully Depreciated Assets in Use

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

	2019 \$	2018 \$
Buildings - non-specialised	28,040	1,040
Furniture and equipment	29,677	8,344
Plant and equipment	142,804	32,025
Light Vehicles	498,022	0
Infrastructure - Parks & Reserves	10,800	0
	709,343	41,409

CITY OF KALGOORLIE-BOULDER
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

9. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(c) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - non-specialised	0		1,812
Buildings - specialised	1,216,757	1,208,283	1,269,282
Furniture and equipment	366,221	340,107	320,194
Plant and equipment	1,113,800	1,058,402	1,012,761
Light Vehicles	396,068	281,581	303,690
Investment Property	86,008	89,772	88,891
Infrastructure - Roads	4,178,233	4,037,548	3,759,566
Infrastructure - Footpaths	430,268	253,049	252,546
Infrastructure - Drainage	159,894	216,601	215,187
Infrastructure - Parks & Reserves	681,170	702,011	716,040
Infrastructure - Laneways	16,185	15,980	15,979
Infrastructure - Parking	207,513	20,754	20,370
Infrastructure - Street Lighting	15,382	8,053	8,054
Infrastructure - Sewerage	937,532	819,401	762,973
Infrastructure - Effluent	131,602	190,661	190,660
Infrastructure - Airport	416,895	418,956	410,774
Infrastructure - Bus shelters	2,864	2,011	2,013
Infrastructure - Water Conservation	286,686	127,143	127,143
	10,643,078	9,790,313	9,477,935

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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

Depreciation rates

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

Asset Class	Useful life
Parks & Reserves	Nil - 100 years
Buildings	50 - 150 years
Sewerage & Effluent	10 - 80 years
Airport	10 - 100 years
Carparks	80 years
Roads	Nil - 80 years
Footpaths	80 years
Drainage	40 - 80 years
Laneways	Nil - 80 years
Bus Shelters	50 years
Street Lighting	25 - 50 years
Construction other than Buildings	80 - 100
Light Vehicles	4 years
Plant & Equipment	5 - 10 years
Furniture & Equipment	4 - 10 years

Depreciation (Continued)

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

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

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

10. REVALUATION SURPLUS

	2019	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018	2018	2018
	Opening	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation	Opening	Revaluation	Revaluation	Revaluation	Revaluation	Revaluation
	Balance	Increment	(Decrement)	(Decrement)	(Decrement)	(Decrement)	(Decrement)	Balance	Increment	(Decrement)	(Decrement)	(Decrement)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	27,682,507	0	0	0	0	0	0	27,682,507	0	0	0	0	27,682,507
Revaluation surplus - Land - vested in and under the control of Council	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation surplus - Buildings	31,329,382	0	0	0	0	0	0	31,329,382	0	0	0	0	31,329,382
Revaluation surplus - Buildings - specialised	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation surplus - Furniture and equipment	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation surplus - Plant and equipment	2,337,523	0	0	0	0	0	0	2,337,523	0	0	0	0	2,337,523
Revaluation surplus - Light Vehicles	365,259	0	0	0	0	0	0	365,259	0	0	0	0	365,259
Revaluation surplus - Investment Property	6,525,613	0	0	0	0	0	0	6,525,613	0	0	0	0	6,525,613
Revaluation surplus - Infrastructure - Bus shelters	54,877	0	0	0	0	0	0	53,022	1,855	0	0	0	54,877
Revaluation surplus - User defined 4	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation surplus - Infrastructure - Roads	143,013,876	0	0	0	0	0	0	146,268,737	0	(3,254,861)	0	0	143,013,876
Revaluation surplus - Infrastructure - Footpaths	8,669,236	0	0	0	0	0	0	11,105,510	0	(2,436,274)	0	0	8,669,236
Revaluation surplus - Infrastructure - Drainage	4,049,242	0	0	0	0	0	0	11,623,030	0	(7,573,788)	0	0	4,049,242
Revaluation surplus - Infrastructure - Parks and Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0
Revaluation surplus - Infrastructure - Laneways	549,605	0	0	0	0	0	0	852,179	0	(302,574)	0	0	549,605
Revaluation surplus - Infrastructure - Parking Areas	2,133,090	0	0	0	0	0	0	2,133,090	2,133,090	0	0	0	2,133,090
Revaluation surplus - Infrastructure - Street Lights	519,182	0	0	0	0	0	0	202,877	316,305	0	0	0	519,182
Revaluation surplus - Infrastructure - Sewerage	23,068,861	0	0	0	0	0	0	22,913,947	154,914	0	0	0	23,068,861
Revaluation surplus - Infrastructure - Effluent	1,384,692	0	0	0	0	0	0	2,164,484	0	(779,792)	0	0	1,384,692
Revaluation surplus - Infrastructure - Airport	17,819,685	0	0	0	0	0	0	16,016,010	1,803,675	0	0	0	17,819,685
Revaluation surplus - Infrastructure - Water Conservation	9,132,238	0	0	0	0	0	0	2,370,919	6,761,319	0	0	0	9,132,238
	278,634,867	0	0	0	0	0	0	281,810,988	11,171,158	(14,347,289)	0	(3,176,131)	278,634,867

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

11. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Creditor Accruals
 Accrued salaries and wages
 ATO liabilities
 Accrued Interest on Debentures
 Bonds and deposits held

	2019	2018
	\$	\$
	4,871,226	3,506,891
	352,857	26,618
	1,687,230	1,490,332
	2,536	248,543
	52,827	58,510
	8,568,232	0
	<u>15,534,908</u>	<u>5,330,894</u>

SIGNIFICANT ACCOUNTING POLICIES

Trade and other payables

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

Trade and other payables (Continued)

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

12. INFORMATION ON BORROWINGS

(a) Borrowings

	2019	2018
	\$	\$
Current	1,174,305	1,228,278
Non-current	8,672,670	9,004,369
	<u>9,846,975</u>	<u>10,232,647</u>

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2019		30 June 2019		30 June 2019		30 June 2019		30 June 2018		30 June 2018		30 June 2018	
				Actual New Loans	Actual Principal	Actual Interest	Actual repayments	Budget Principal	Budget Interest	Budget repayments	Actual Principal	Actual Interest	Actual repayments	Budget Principal	Budget Interest	Budget repayments	Actual Principal
Recreation and culture																	
Loan 352 (336) - Library Extensions		Western Austi	3.26%	0	62,069	32,145	573,967	713,009	61,325	27,249	651,684	664,682	28,646	136,318	636,036		
Loan 352 (339) - Oasis Alternative Energy		Western Austi	3.26%	0	13,263	6,889	465,804	152,109	13,104	5,823	139,004	543,317	64,250	14,554	479,067		
Loan 352 (341) - RFSC Construction		Western Austi	3.26%	0	299,685	16,089	2,355,617	3,442,407	296,093	131,564	3,146,314	2,708,064	52,762	311,767	2,655,302		
Loan 352 (343) - Museum Relocation		Western Austi	3.26%	0	58,444	30,269	754,809	671,179	57,744	25,657	613,435	851,954	38,701	43,719	813,253		
Loan 352 (344) - Oasis Alternative Energy		Western Austi	3.26%	0	34,856	18,049	443,116	399,285	34,435	18,537	364,850	493,762	15,790	46,741	477,972		
Loan 352 (345) - Shepherson Oval Lighting		Western Austi	3.26%	0	42,074	21,790	599,968	482,945	41,569	18,471	441,375	672,595	30,553	34,515	642,042		
Loan 346 - Golf Course Plant & Equipment		Western Austi	3.40%	0	165,623	4,927	0	246,365	160,133	1,615	86,232	325,756	160,133	9,726	165,623		
Loan 352 (350) - Ray Finlayson Sporting Complex		Western Austi	3.26%	0	257,465	133,340	2,278,174	2,952,807	254,379	113,029	2,698,428	2,635,193	99,554	155,226	2,535,639		
Economic services																	
Loan 349 - Burt Street Façade Project		Western Austi	2.73%	0	244,766	12,875	315,473	560,240	244,766	3,710	315,474	798,437	238,198	16,433	560,239		
Other property and services																	
Loan 352 (342) - Endowment Block Roof		Western Austi	3.26%	0	32,425	16,794	517,513	372,666	32,037	14,235	340,629	582,669	32,731	46,209	549,938		
Loan 352 (340) - Endowment Block Roof		Western Austi	3.26%	0	13,311	16,432	479,775	156,862	13,152	5,844	143,710	559,214	66,128	32,824	493,086		
				0	1,223,981	309,579	8,784,217	10,149,872	1,208,735	365,733	8,941,137	10,835,644	827,446	848,032	10,008,198		
Self Supporting Loans																	
Recreation and culture																	
Loan 352 (326) - Goldfields Tennis Club - Ssl				0	3,806	1,972	65,192	43,731	3,761	1,671	39,971	75,537	6,539	11,871	68,998		
Loan 352 (338) - Kalgoorlie Bowling Club Ssl				0	114,335	5,394	41,116	119,785	10,291	4,572	109,495	166,185	10,734	26,385	155,451		
Other property and services																	
Loan 355 Masonic Homes Ssl				0	1,000,000	43,551	956,449	0	0	0	0	0	0	0	0		
				0	1,000,000	161,692	1,062,758	163,516	14,052	6,243	149,466	241,722	17,273	38,256	224,449		
				10,232,647	1,000,000	331,099	9,846,975	10,313,388	1,222,787	371,976	9,090,603	11,077,366	844,719	886,288	10,232,647		

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 6 as other financial assets at amortised cost.
All other loan repayments were financed by general purpose revenue.

CITY OF KALGOORLIE-BOULDER
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

12. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2018/19

Particulars/Purpose	Institution	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges \$	Actual Balance Unspent \$
				2019 Actual \$	2019 Budget \$	2019 Actual \$	2019 Budget \$		
Loan 355 Masonic Homes Ssl	Western Australian Treasury Corporation	10	2.84%	1,000,000	0	1,000,000	0	149,887	0
				1,000,000	0	1,000,000	0	149,887	0

(d) Undrawn Borrowing Facilities	2019 \$	2018 \$
Credit Standby Arrangements		
Bank overdraft limit	3,000,000	3,000,000
Credit card limit	40,000	40,000
Credit card balance at balance date	(40,468)	(12,988)
Total amount of credit unused	2,999,532	3,027,012
Loan facilities		
Loan facilities - current	1,174,305	1,228,278
Loan facilities - non-current	8,672,670	9,004,369
Total facilities in use at balance date	9,846,975	10,232,647

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Borrowing costs

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

Risk

Information regarding exposure to risk can be found at Note 25.

13. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2018			
Current provisions	1,716,111	1,109,937	2,826,048
Non-current provisions	0	359,780	359,780
	1,716,111	1,469,717	3,185,828
Amounts used / Additional provision	(79,746)	29,824	(49,922)
Balance at 30 June 2019	1,636,365	1,499,541	3,135,906
Comprises			
Current	1,636,365	705,080	2,341,445
Non-current	0	794,461	794,461
	1,636,365	1,499,541	3,135,906
	2019	2018	
	\$	\$	
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date	2,341,445	1,392,988	
More than 12 months from reporting date	794,461	1,792,840	
	3,135,906	3,185,828	

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

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

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

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

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

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

Provisions

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

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

14. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	50,438,978	32,819,368	31,423,592

Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	11,304,679	15,350,519	13,078,278
Non-cash flows in Net result:			
Depreciation	10,643,078	9,790,313	9,477,935
(Profit)/loss on sale of asset	37,062	(176,584)	(188,778)
Reversal of loss on revaluation of fixed assets	0	0	(551,844)
Change of investments in Associate	2,841	0	(186)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(793,514)	2,572,346	(458,877)
(Increase)/decrease in other assets	0		24,955
(Increase)/decrease in inventories	(52,215)	829,204	(760,210)
Increase/(decrease) in payables	10,204,013	(3,898,004)	(242,608)
Increase/(decrease) in provisions	(49,922)	(309,267)	0
Transfer from Trust Fund	(8,568,232)	0	0
Grants contributions for the development of assets	(3,213,330)	(10,707,610)	(5,755,819)
Net cash from operating activities	19,514,460	13,450,917	14,622,848

15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	<u>2019</u>	<u>2018</u>
	\$	\$
Governance	3,600,425	3,259,164
General purpose funding	4,307,978	5,246,384
Law, order, public safety	983,387	915,103
Health	1,082,701	1,122,159
Education and welfare	4,561,782	4,525,460
Housing	1,167,930	858,749
Community amenities	49,721,043	48,593,732
Recreation and culture	130,620,803	131,107,334
Transport	313,773,416	310,095,372
Economic services	4,708,349	4,686,598
Other property and services	68,734,499	61,025,736
Unallocated	16,081,251	6,834,674
	<u>599,343,564</u>	<u>578,270,465</u>

16. CONTINGENT LIABILITIES

The City currently operates a landfill site. According to the City's current information this site has a life expectancy in excess of 20 years.

The City is responsible to fully restore this site at the end of the assets life.

Rehabilitation costs will include three components; closure, maintenance and monitoring costs.

- Closure costs include cell capping, site works and gas / leachate infrastructure installation of landfills

Earthworks include spreading topsoil and replanting vegetation.

- Maintenance costs include vegetation management, leachate disposal and maintenance, gas maintenance, site security, fire management

- Monitoring costs include development of monitoring plans, and ongoing groundwater and surface water monitoring.

Currently work is being undertaken to establish the scope and also the cost of the restoration works.

This cost will be provided in the accounts in accordance with AASB116 - Property, Plant and Equipment paragraph 16 once it can be reliably ascertained.

17. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

	2019	2018
	\$	\$
- capital expenditure projects	66,173	2,084,339
- plant & equipment purchases	81,177	0
	<u>147,350</u>	<u>2,084,339</u>

Payable:

- not later than one year	147,350	2,084,339
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The capital expenditure projects outstanding at the end of the current reporting period include the New SES building and shed, and various road construction works.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

	2019	2018
	\$	\$
- not later than one year	215,860	636,845
- later than one year but not later than five years	226,664	618,367
- later than five years	0	18,071
	<u>442,524</u>	<u>1,273,283</u>

SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leases (Continued)

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

18. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the Mayor.			
Meeting Fees	406,787	407,732	300,440
Mayors/President's allowance	91,561	88,864	69,807
Deputy Mayor / President's allowance	22,216	22,216	17,451
Travelling expenses	43,194	34,333	32,852
Telecommunications allowance	12,917	13,000	12,500
Training expenses	14,911	0	14,866
	591,586	566,145	447,916

Key Management Personnel (KMP) Compensation Disclosure

	2019 Actual	2018 Actual
	\$	\$
The total of remuneration paid to KMP of the City during the year are as follows:		
Short-term employee benefits	1,065,965	839,401
Post-employment benefits	110,298	105,171
Other long-term benefits	61,117	37,758
Termination benefits	0	2,634
	1,237,380	984,964

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

18. 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 guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:	2019 Actual \$	2018 Actual \$
Sale of goods and services	71,025	28,668
Purchase of goods and services	800,828	47,480
Amounts outstanding from related parties:		
Trade and other receivables	23,283	5,010
Amounts payable to related parties:		
Trade and other payables	2,000	157

Related Parties

The City's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

The associate person of KMP was employed by the City under normal employment terms and conditions.

iii. Entities subject to significant influence by the City

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

19. JOINT VENTURE ARRANGEMENTS

The City together with the Shires of Coolgardie, Dundas, Esperance, Laverton, Leonora, Menzies Ngaanyatjarraku, Ravensthorpe and Wiluna, have a joint venture arrangement for the provision of regional records service. The assets included in the joint venture recorded at Councils one-tenth share are as follows:

	2019	2018
	\$	\$
Non-current assets		
Land and buildings	72,500	72,500
Less: accumulated depreciation	(1,812)	(1,812)
	<u>70,688</u>	<u>70,688</u>
Plant and equipment	4,182	4,182
Less: accumulated depreciation	(1,512)	(1,008)
	<u>2,670</u>	<u>3,174</u>
Furniture and equipment	8,204	8,204
Less: accumulated depreciation	(2,707)	(1,805)
	<u>5,497</u>	<u>6,399</u>
Light vehicles	3,200	3,200
Less: accumulated depreciation	(1,440)	(960)
	<u>1,760</u>	<u>2,240</u>
Total Non-Current Assets	<u>80,615</u>	<u>82,501</u>

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

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

Interests in joint arrangements (Continued)

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

20. INVESTMENT IN ASSOCIATES

The City of Kalgoorlie-Boulder is a member of the Australian Mining Cities alliance (AMCA). Established November 2017, the AMCA exists to consider and address issues to enable the progress of economic development of mining cities across Australia. The City's interest in AMCA is 16.67%.

The City's interest in the assets and liabilities of the AMCA is as follows:

	2019	2018
	\$	\$
Current Assets	6,503	7,510
Non-Current Assets	1,004	2,676
Total Assets	<u>7,507</u>	<u>10,186</u>
Current Liabilities	(162)	0
Non-Current Liabilities	0	0
	<u>(162)</u>	<u>0</u>
Net Assets	<u><u>7,345</u></u>	<u><u>10,186</u></u>
Initial Investment	10,000	10,000
Increase / (decrease) in prior years	186	0
Net Movement	<u><u>2,841</u></u>	<u><u>186</u></u>

SIGNIFICANT ACCOUNTING POLICIES

Investment in associates

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in associates (Continued)

Profits and losses resulting from transactions between the City and the associate are eliminated to the extent of the City's interest in the associate. When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

20. MAJOR LAND TRANSACTIONS

O'Connor Sub-division

(a) Details

In 1990 the City obtained ownership and management of the airport which was relocated. As a result of this relocation of the airport, freehold land became available, which was developed and subdivided for residential lots. Additional costs were incurred by the City in developing the lots. Costs were for services such as sewerage, power and transport infrastructure.

(b) Current year transactions	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Operating income			
- Profit on sale	58,557	337,000	422,627
Capital income			
- Sale proceeds	116,110	600,000	855,909
Capital expenditures			
- Development costs	(57,553)	(263,000)	0
	<u>117,114</u>	<u>674,000</u>	<u>1,278,536</u>

The above capital expenditure is included in land held for resale.

(c) Expected future cash flows

No expected future outflows noted.

Lot 501 Phoenix Place subdivision

(a) Details

Lot 501, portion of reserve 37979, is in the process of being purchased from the Government of Western Australia Department of Planning, Lands and Heritage, in accordance with Section 20A of the Town Planning and Development Act. The City is proposing to develop Lot 501 Phoenix Place into 11 single residential lots and 1 multi (3) site. The aim is to make the developed lots attractive to first home buyers with appropriate conditions of sale.

(b) Current year transactions

No current year transactions noted.

(c) Expected future cash flows

No expected future outflows noted.

21. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

KALGOORLIE BOULDER AIRPORT OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
Operating Income	13,056,649	10,255,365
Operating Expenditure	(8,792,338)	(8,243,192)
Depreciation Expense	(693,553)	(705,992)
Loss on Asset Disposal	(8,515)	0
Operating Result	<u>3,562,243</u>	<u>1,306,181</u>
Capital Income	0	5,062,485
Capital Expenditure	(2,717,805)	(6,171,779)
Non Operating Result	<u>(2,717,805)</u>	<u>(1,109,294)</u>
Total Net Trading Undertaking	<u>844,438</u>	<u>196,887</u>
	2019	2018
	\$	\$
CURRENT ASSETS		
Cash at Bank	13,727,697	10,085,066
Receivables	1,652,103	1,495,022
	<u>15,379,800</u>	<u>11,580,088</u>
NON-CURRENT ASSETS		
Land	300	300
Buildings	7,749,418	7,743,068
Less Accumulated Depreciation	(179,230)	(101,111)
Furniture & Equipment	250,113	250,113
Less Accumulated Depreciation	(113,086)	(75,391)
Plant & Machinery	1,866,012	1,738,463
Less Accumulated Depreciation	(505,456)	(328,111)
Light Vehicles	102,902	68,700
Less Accumulated Depreciation	(15,062)	(7,110)
Airport Area Infrastructure	24,012,199	23,712,199
Less Accumulated Depreciation	(416,895)	0
Parks & Reserves Construction	25,000	0
Less Accumulated Depreciation	0	0
	<u>32,776,215</u>	<u>33,001,120</u>
NET ASSETS	<u>48,156,015</u>	<u>44,581,208</u>
EQUITY		
Reserves - Cash Backed	11,589,084	8,858,715
Retained Surplus	36,566,931	35,722,493
	<u>48,156,015</u>	<u>44,581,208</u>

21. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

**ENDOWMENT BLOCK
 OPERATING STATEMENT
 FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
Operating Income	737,170	817,631
Operating Expenditure	<u>(439,736)</u>	<u>(702,422)</u>
Operating Result	<u>297,434</u>	<u>115,209</u>
CURRENT ASSETS		
Cash at Bank	<u>7,186,836</u>	<u>6,967,277</u>
	<u>7,186,836</u>	<u>6,967,277</u>
NON-CURRENT ASSETS		
Land	3,496,000	3,496,000
Buildings	8,012,346	7,833,830
Less Accumulated Depreciation	<u>(174,898)</u>	<u>(74,257)</u>
	<u>11,333,448</u>	<u>11,255,573</u>
NET ASSETS	<u>18,520,284</u>	<u>18,222,850</u>
EQUITY		
Retained Surplus	<u>18,520,284</u>	<u>18,222,850</u>
	<u>18,520,284</u>	<u>18,222,850</u>

CITY OF KALGOORLIE-BOULDER
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

22. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening	Received ⁽²⁾	Expended ⁽³⁾	Closing	Received ⁽²⁾	Expended ⁽³⁾	Closing
	Balance ⁽¹⁾ 1/07/17	2017/18	2017/18	Balance ⁽¹⁾ 30/06/18	2018/19	2018/19	Balance ⁽¹⁾ 30/06/19
	\$	\$	\$	\$	\$	\$	\$
Health							
Indigenous Environmental Health Projects	73,839	351	(50,000)	24,190	17,422	0	41,612
Education and welfare							
HACC Non-Recurrent Funding	24,558	98	0	24,656	107	(24,763)	0
Regional Youth Collaboration Project	4,482	20	0	4,502	20	(4,521)	0
Lord Forrest Olympic Pool	1,460	8	0	1,468	6	(1,475)	(0)
Lynk Project	0	0	0	0	56,269	0	56,269
Kingsbury Park Sea Container Program	0	0	0	0	4,606	0	4,606
Community amenities							
St Barbara's Square Toilet	70,000	185	(70,185)	0	0	0	0
Recreation and culture							
DSR Silversports	4,949	28	0	4,977	22	(4,998)	0
Kidsport	6,890	31	0	6,921	30	(6,951)	0
Book Week	3,541	16	0	3,557	15	(3,572)	0
Raise the Roof	0	158,808	0	158,808	460	(83,792)	75,476
Transport							
Roads to Recovery Intermodal Hub	3,918,862	88,133	(3,938,561)	68,434	27,119	(95,553)	0
Roadwise	8,483	113	(2,486)	6,110	27	(6,137)	(0)
Roads to Recovery - Roads	188,928	642,241	0	831,169	2,685	(833,854)	(0)
Regional Road Projects	34,420	491	0	34,911	124,288	0	159,199
Blackspot (State)	29,783	52,045	0	81,828	281	(62,885)	19,223
State Road Project	120,000	1,483	(121,483)	0	0	0	0
Bike Plan Footpaths	0	30,668	0	30,668	114	0	30,782
Economic services							
Goldfields Esp Regional Energy Project	567,704	2,951	(570,655)	0	0	0	0
Safer Street Program	129,600	1,726	(56,512)	74,814	328	(75,142)	0
Total	5,187,499	979,396	(4,809,882)	1,357,013	233,797	(1,203,643)	387,167

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

CITY OF KALGOORLIE-BOULDER
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

23. RATING INFORMATION

(a) Rates

RATE TYPE	Differential general rate / general rate	Rate in \$	Number of Properties	2018/19 Actual		2018/19 Actual Interim		2018/19 Actual Rates		2018/19 Budget		2018/19 Budget Back		2018/19 Budget Interim		2018/19 Budget Rates		2017/18 Actual	
				Value \$	Rate \$	Rate \$	Rate \$	Revenue \$	Revenue \$	Rate \$	Rate \$	Revenue \$	Revenue \$	Rate \$	Rate \$	Revenue \$	Revenue \$	Revenue \$	Revenue \$
Gross rental valuations																			
01	GRV Residential	0.06486	6,480	128,640,965	8,343,653	(34,159)	(1,747)	8,307,747	8,343,653	(125,000)	3,000	8,221,653	7,925,894						
02	GRV Central Business	0.068098	240	24,063,218	1,638,657	5,134	208	1,643,999	1,638,657	10,000	0	1,648,657	1,626,802						
03	GRV General Industry	0.073531	326	23,493,166	1,727,476	13,066	2,054	1,742,596	1,727,476	9,000	0	1,736,476	1,688,685						
04	GRV Mining	0.046758	7	5,874,995	274,703	0	0	274,703	274,703	0	0	274,703	269,845						
08	GRV Other Properties	0.072631	544	34,916,399	2,536,013	1,737	0	2,537,750	2,536,013	19,000	0	2,555,013	2,589,795						
Unimproved valuations																			
05	UV Pastoral	0.07702	45	2,206,479	169,943	4,336	0	174,279	169,943	0	0	169,943	166,938						
09/11	UV Mining Operations	0.183672	511	17,714,899	3,253,731	60,215	2,888	3,316,834	3,253,731	20,000	(3,000)	3,270,731	3,122,539						
10	UV Exploration / Prospecting	0.183647	1,073	4,650,144	853,986	58,536	3,945	916,467	853,985	127,000	5,000	985,985	879,961						
	Sub-Total		9,226	241,560,265	18,798,162	108,865	7,348	18,914,375	18,798,161	60,000	5,000	18,863,161	18,270,459						
Minimum payment																			
Gross rental valuations																			
01	GRV Residential	907	5,557	60,307,089	5,040,199	0	0	5,040,199	5,040,199	0	0	5,040,199	4,961,979						
02	GRV Central Business	907	72	560,327	65,304	0	0	65,304	65,304	0	0	65,304	65,043						
03	GRV General Industry	907	12	90,693	10,884	0	0	10,884	10,884	0	0	10,884	9,801						
04	GRV Mining	907	6	5,025	5,442	0	0	5,442	5,442	0	0	5,442	5,346						
08	GRV Other Properties	907	121	697,180	109,747	0	0	109,747	109,747	0	0	109,747	127,413						
Unimproved valuations																			
05	UV Pastoral	282	20	4,503	5,640	0	0	5,640	5,640	0	0	5,640	5,540						
09/11	UV Mining Operations	393	354	269,396	139,122	0	0	139,122	139,122	0	0	139,122	133,556						
10	UV Exploration / Prospecting	282	408	374,115	115,056	0	0	115,056	115,056	0	0	115,056	133,237						
	Sub-Total		6,550	62,308,328	5,491,394	0	0	5,491,394	5,491,394	0	0	5,491,394	5,441,915						
Discounts/concessions (refer Note 23(c))																			
			15,776	303,868,593	24,289,556	108,865	7,348	24,405,769	24,289,555	60,000	5,000	24,354,555	23,712,374						
	Total amount raised from general rate							(2,838)				(11,000)	(58)						
	Specified Area Rate (refer Note 23(b))							24,402,931				24,343,555	23,712,316						
	Totals							7,479,467				7,460,710	7,327,744						
								31,882,398				31,804,265	31,040,060						

SIGNIFICANT ACCOUNTING POLICIES

Rates
 Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

CITY OF KALGOORLIE-BOULDER
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

23. RATING INFORMATION (Continued)

(b) Specified Area Rate

Specified Area Rate	Basis of Valuation	Rate in \$	2018/19 Rateable Value	2018/19 Rate Revenue	2018/19 Interim Rate Revenue	2018/19 Back Rate Revenue	2018/19 Total Specified Area Rate Revenue	2018/19 Budget		2017/18 Total	
								Rate	Revenue	Interim Rate	Revenue
Sewerage Rates	Sewerage Rates in accordance with s41 of the Health (Miscellaneous Provisions) Act 1911	0.028	190,428,566	5,629,871	0	0	5,629,871	5,413,313	0	5,413,313	5,301,967
Sewerage Rates Minimum		388.000	56,824,775	1,849,596	0	0	1,849,596	2,047,397	0	2,047,397	2,025,777

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

Rates Discounts

Rate or Fee Discount Granted	Discount %	Discount \$	2019 Actual	2019 Budget	2018 Actual	2018 Budget	Circumstances in which Discount is Granted
Rates written off	0.00%	0	2,838	11,000	2,838	11,000	58 The City does not offer discounts on Rates
							58

Waivers or Concessions

Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Discount %	Discount \$	2019 Actual	2019 Budget	2018 Actual	2018 Budget	Reasons for the Waiver or Concession
General Land Rates	Concession	100%	0	32,235	43,573	19,132	19,132	To recognise the value and importance of the services and contributions that the not for profit recreation, sporting and community groups provide to the community.
General Land Rates	Concession	50%	0	3,032	11,427	5,018	24,150	
				35,268	55,000	24,150	24,150	

Rate or Fee and Charge to which the Waiver or Concession is Granted and to whom it was available

General Land Rates s6.47 of the Local Government Act 1995

Purpose is to provide rating relief to not for profit recreation, sporting and community groups within the City of Kalgoorlie-Boulder.

23. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single Payment	14 Sep 2018	0.00	5%	10%
Option Two				
First Instalment	14 Sep 2018	7.50	5%	10%
Second Instalment	16 Nov 2018	7.50	5%	10%
Option Three				
First Instalment	14 Sep 2018	7.50	5%	10%
Second Instalment	16 Nov 2018	7.50	5%	10%
Third Instalment	18 Jan 2019	7.50	5%	10%
Fourth Instalment	22 Mar 2019	7.50	5%	10%

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Interest on unpaid rates	332,208	380,000	407,157
Interest on instalment plan	143,309	120,000	121,802
Charges on instalment plan	103,088	99,000	97,484
	578,605	599,000	626,443

24. RATE SETTING STATEMENT INFORMATION

Note	2018/19	2018/19	2018/19
	(30 June 2019 Carried Forward)	Budget (30 June 2019 Carried Forward)	(1 July 2018 Brought Forward)
	\$	\$	\$

(a) Non-cash amounts excluded from operating activities

The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with *Financial Management Regulation 32*.

Adjustments to operating activities

Less: Profit on asset disposals	9(a)	(68,779)	(416,926)	(464,840)
Less: Reversal of prior year loss on revaluation of fixed assets		2,841	0	(551,844)
Movement in pensioner deferred rates (non-current)		23,992	0	15,633
Movement in employee benefit provisions (non-current)		(49,922)	(24,999)	(242,608)
Add: Loss on disposal of assets	9(a)	105,841	240,342	276,062
Add: Depreciation on assets	9(c)	10,643,078	9,790,313	9,477,935
Non cash amounts excluded from operating activities		10,657,051	9,588,730	8,510,338

(b) Surplus/(deficit) after imposition of general rates

The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

Less: Reserves - restricted cash	3	(37,783,602)	(27,448,391)	(26,177,208)
Less: Land held for resale - cost		(668,789)	(263,000)	(726,341)
Less: Loans receivable - clubs/institutions		(116,545)	(23,209)	(21,957)
Less: Provision for annual leave		1,636,365	1,787,298	1,716,111
Less: Provision for long service leave		705,080	802,439	1,109,937
Add: Borrowings	12(a)	1,174,306	1,222,897	1,228,278
Total adjustments to net current assets		(35,053,185)	(23,921,966)	(22,871,180)

Net current assets used in the Rate Setting Statement

Total current assets		60,856,655	38,714,647	40,934,512
Less: Total current liabilities		(19,050,658)	(10,724,218)	(9,385,220)
Less: Total adjustments to net current assets		(35,053,185)	(23,921,966)	(22,871,180)
Net current assets used in the Rate Setting Statement		6,752,812	4,068,463	8,678,112

CITY OF KALGOORLIE-BOULDER
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

25. FINANCIAL RISK MANAGEMENT

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

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

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

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	2.69%	50,438,978	0	50,438,978	0
Financial assets at amortised cost	0.00%	10,972,392	0	0	10,972,392
Investment in AMCA	0.00%	7,345	0	0	7,345
2018					
Cash and cash equivalents	2.49%	31,423,592	0	31,423,592	0
Financial assets at amortised cost	0.00%	9,341,862	0	0	9,341,862
Investment in AMCA	0.00%	10,186	0	0	10,186

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	504,390	314,236

* 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 12(b).

CITY OF KALGOORLIE-BOULDER
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25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0	0	0	12%	
Gross carrying amount	0	0	0	3,283,028	3,283,028
Loss allowance	0	0	0	(557,169)	(557,169)
Rates receivable at 30 June 2019					2,725,859

01 July 2018

Rates receivable					
Expected credit loss	0	0	0	13%	
Gross carrying amount	0	0	0	2,959,644	2,959,644
Loss allowance	0	0	0	(557,169)	(557,169)
Rates receivable at 1 July 2018					2,402,475

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables					
Expected credit loss	1%	1%	1%	16%	
Gross carrying amount	2,387,608	680,837	13,296	2,159,240	5,240,981
Loss allowance	(2,399)	(1,365)	(27)	(28,096)	(31,887)
Sundry Receivables at 30 June 2019					5,209,095

01 July 2018

Sundry Receivables					
Expected credit loss	1%	1%	1%	1%	
Gross carrying amount	1,402,707	500,226	468,593	1,363,642	3,735,168
Loss allowance	(12,272)	(5,973)	(6,594)	(7,048)	(31,887)
Sundry Receivables at 1 July 2018					3,703,281

25. 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 12(d).

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<u>2019</u>					
Payables	15,534,908	0	0	15,534,908	15,534,908
Borrowings	1,475,790	4,937,274	4,930,377	11,343,441	9,846,975
	<u>17,010,698</u>	<u>4,937,274</u>	<u>4,930,377</u>	<u>26,878,349</u>	<u>25,381,883</u>
<u>2018</u>					
Payables	5,330,894	0	0	5,330,894	5,330,894
Borrowings	1,545,307	4,793,476	5,589,392	11,928,175	10,232,647
	<u>6,876,201</u>	<u>4,793,476</u>	<u>5,589,392</u>	<u>17,259,069</u>	<u>15,563,541</u>

26. 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 2018	Amounts Received	Amounts Paid	Transfer to Muni	30 June 2019
	\$	\$	\$	\$	\$
Public Open Space Contributions	721,834	0	0	0	721,834
Bonds	194,471	541,686	(470,928)	(265,229)	0
Unclaimed monies	215,234	756	(139)	0	215,851
Miscellaneous	8,294,362	1,187,586	(1,178,945)	(8,303,003)	0
	9,425,901	1,730,028	(1,650,012)	(8,568,232)	937,685

34. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is *AASB 9 Financial Instruments*.

AASB 9 Financial instruments

AASB 9 Financial Instruments replaces *AASB 139 Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The City applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the City has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

The effect of adopting AASB 9 as at 1 July 2018 was immaterial, as such no adjustment was made to the financial statements.

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the City's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the City's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

34. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The classification and measurement requirements of AASB 9 did not have a significant impact on the City. The following are the changes in the classification of the City's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.
- The City did not designate any financial assets as at fair value through profit and loss.

In summary, upon the adoption of AASB 9, the City had the following required (or elected) reclassifications as at 1 July 2018:

AASB 139 category	AASB 139 value \$	AASB 9 category amortised cost \$	Fair value through OCI \$	Fair value through P/L \$
Loans and receivables				
Trade receivables*	9,123,349	9,123,349	0	0
Loans and advances	218,513	218,513	0	0
	9,341,862	9,341,862	0	0

* The change in carrying amount is a result of additional impairment allowance. See the discussion on impairment below.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the City's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the City to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the City recognised an immaterial impairment. As such, no adjustment was made to the financial statements at 1 July 2018 or 30 June 2019

35. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the City.

This note explains management's assessment of the new and amended pronouncements that are relevant to the City, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

The City will adopt AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the City will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments are expected to be made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

	AASB 118 carrying amount		AASB 15 carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Contract liabilities - current			
Unspent grants, contributions and reimbursements	0	387,167	387,167
Adjustment to retained surplus from adoption of AASB 15	0	(387,167)	0

(b) Leases

The City adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes in accounting policies. In accordance with the transition provisions of AASB 16, the City has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying the AASB 16 under the specific transition provisions chosen, the City will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the City will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 is 3.50%.

	Note	2019
		\$
Operating lease commitments disclosed as at 30 June 2019		442,524
Lease liability recognised as at 1 July 2019		418,151
Discounted using the City's incremental borrowing rate of 3.50%	35(d)	404,010
Low-value leases recognised on a straight-line basis as an expense		19,499

On adoption of AASB 16, the City will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019. Property, plant and equipment increases by \$481,829 on 1 July 2019 and the net impact on retained earnings on 1 July 2019 will be \$481,829

On adoption of AASB 16 Leases (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the City is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

In applying AASB 16 for the first time, the City will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

35. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)

(c) Income For Not-For-Profit Entities

The City will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the City will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes will occur to the following financial statement line items by application of AASB 1058 as compared to AASB 1004 Contributions before the change:

	AASB 1004 carrying amount		AASB 1058 carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Trade and other payables	5,330,894	0	5,330,894

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates will be recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the City. When the taxable event occurs the financial liability will be extinguished and the City will recognise income for the prepaid rates that have not been refunded.

(d) Impact of changes to Retained Surplus

The impact on the City of the changes as at 1 July 2019 is as follows:

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			254,407,306
Adjustment to retained surplus from adoption of AASB 15	35(a)	(387,167)	
Adjustment to retained surplus from adoption of AASB 16	35(b)	404,010	
Adjustment to retained surplus from adoption of AASB 1058	35(c)	0	
Net movement in Retained surplus			16,843
Retained surplus - 01 July 2019			254,424,149

36. CHANGE IN ACCOUNTING POLICY

On the 26 June 2018 Paragraph 17A (5) was inserted into Local Government (Financial Management) Regulations 1996. The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5 000.

The City did not comply with this regulation at the 30 June 2018 and included assets with a fair value of under \$5,000 at the time of acquisition within the assets of the City.

The City has reviewed the assets with a fair value of less than \$5,000 and deemed them to immaterial. As such, this error has not been corrected in the financial statements.

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37. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

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

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

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

38. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES GOVERNANCE

Ensure the City maintains strong civic leadership

Engaging with new residents to the City

ACTIVITIES

The City actively participates on the District Leadership Group. Meeting to ensure: - Macro issues facing Kalgoorlie-Boulder are addressed by Local, State and Federal Government agencies - Increased collaboration amongst government agencies. The City regularly advocates for important matters including anti social behaviours, community, safety and economic activity.

Hold Citizenship Ceremonies for residents of Kalgoorlie-Boulder.

Improve connections with, and the inclusion of, all new arrivals including migrant and those from culturally and linguistically diverse (CALD) backgrounds. Key initiatives include: - Development of "welcome packs" for new arrivals in multiple languages - Implement buddy programs that promote coordinated volunteer, mentoring and support networks for people in need - Develop a cultural diversity action plan in conjunction with community leaders and organisations, to raise awareness about diverse cultures with distinct needs and considerations - Consider the appointment of a dedicated multicultural officer to coordinate relevant activities. The City's event calendar including the Multicultural Festival is aimed at integrating all new residents into the City.

GENERAL PURPOSE FUNDING

Ensure a financially stable local government

Develop a long term financial plan to guide the future. Develop strong parameters to financial discipline, work to ensure strong benchmarks including the governments Financial Health Index. Commitment to the development of people and systems that all work to create efficiencies in meeting the highest standard of financial management. Maximise external grant opportunities to help fund priority projects identified in the Strategic Community Plan, the Corporate Business Plan, or other Informing Strategies.

Maintain the financial delegations register to ensure that stringent financial controls are in place.

LAW, ORDER, PUBLIC SAFETY

Collaborating with law enforcement authorities and other agencies to prevent crime and make Kalgoorlie-Boulder a safe place to live

In partnership with other agencies and on its own, the City undertakes initiatives to ensure safer streets, including police operations, City ranger programs, environmental design and lighting.

HEALTH

Continuing to provide public and environmental health services to make Kalgoorlie-Boulder a better place to live.

Provide Environmental Health support for the City and the surrounding Aboriginal communities. Support the recruitment of specialists. Actively promote the cashless debit card program to reduce alcoholism and street living.

Facilitate and chair the Local and District Emergency Management Committee meetings. This better prepares the local and regional community for emergency situations

Operate Animal Management services to ensure animal and community welfare

Develop the Public Health Plan as required by the Public Health Act. This will involve the review of the City's Local Laws that relate to public health issues and the recommendation of control plans

Develop a local policy on restricting smoking in public spaces and implement no smoking zones in the CBD and other public open spaces

EDUCATION AND WELFARE

Invest in the children and youth of the Community

Continue to provide strong support for sport and recreation, arts and culture and specific indigenous programs for youth.

Continue a strong community events program. Kalgoorlie-Boulder Youth Council, Police and Community Youth Centres (PCYC), and the Western Australia Police (WAPOL) Youth Crime Intervention Officers for the delivery of youth services including development.

Partner with Headspace Youth Advisory Committee to help young people to be resilient, safe and healthy.

Undertake a review of leadership opportunities associated with the Youth Council.

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Engaging with families and youth through family orientated events

Develop precincts/areas catered towards the interests of youth including the redeveloped Lord Forrest Olympic Pool precinct, The Spot and Kingsbury Park.
 Continue a strong community events program.
 Develop childcare initiatives to assist working families.
 Engage with families through activities held over the school holidays held at the library and the town halls.
 Home and Community Care (HACC) services are provided to eligible clients to assist them to live independently in their own homes with the community, preventing premature admission to residential care. This includes the meals on wheels service.
 Promote intergenerational activities across the City including regular activities at: - Men's Shed - Community Centre - Library.
 Provide Health and Community Care (HACC) services for our senior citizens and those with a disability and review current agreements and introduction of the National Disability Insurance Scheme (NDIS).

Ensure equitable community services for all residents

HOUSING

To help ensure adequate housing

Provision and maintenance of temporary staff housing.
 Work with government on these issues.

COMMUNITY AMENITIES

Ensure a sustainable asset and infrastructure base

Complete a total Asset Management Plan for all city Infrastructure.
 Create a Wastewater System Asset Management Plan incorporating the Wastewater Network, Treatment Plant and recycled water network, operations and maintenance, renewals and new infrastructure, Whole of Life costing.
 Complete the Wastewater Treatment Plant (WTP) Strategic Review, including detailed assessment of all treatment elements for capacity, treatment quality and infrastructure redundancy needs.

Adopt environmental best practice that is sustainable

Ensure all planning policies reflect the principle of environmental best practice.
 Continue to work with Kalgoorlie-Boulder Urban Landcare Group to ensure the existing regeneration zones are maintained and additional areas of native vegetation are restored.
 Environmental assessment, rehabilitation and management of previously contaminated sites.
 Increase the community education program to residents on correct recycling habits and highlight the importance of recycling.
 Development of (city/sub regional) waste strategy - including kerbside refuse and recycling collection, increasing recycling participation and future development of landfill facility, rehabilitation of landfill, user pays vs public good pricing mechanisms.
 Development of (city/sub regional) waste strategy - including kerbside refuse and recycling collection, increasing recycling participation and future development of landfill facility, rehabilitation of landfill, user pays vs public good pricing mechanisms.
 Adopt recycling methodology at City events to reinforce the message of recycling.
 Develop a Landfill Management Plan including optimising current landfill life, new cell developments and staging, compaction and daily cover, waste acceptance criteria, landfill class, rehabilitation, progressive reinstatement, aftercare planning, and asset management.
 Participate in initiatives that promote responsible waste management and recycling such as the Garage Sale Trail.

Plan for regulated sustainable land use and development

Through the Local Planning Strategy, facilitate large scale sustainable developments.
 Research and develop the preparation of a sustainable development policy.
 Participate in the Cities Power Partnership.
 Educate the community on the benefits of achieving a 4-6 star energy efficiency rating for new residential development including initiatives such as: - Roof Colours - Solar Design.
 Review the organisations utilisations of natural resources (energy and water) and implement systems to reduce our environmental footprint.
 Review the organisations utilisations of natural resources (energy and water) and implement systems to reduce our environmental footprint.

Manage the City's carbon footprint

Develop a comprehensive Sustainability Strategy for the city of Kalgoorlie-Boulder, incorporating areas of CO2 emissions, water efficiency, waste management, procurement, energy efficiency, community education and land management.

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RECREATION AND CULTURE

Foster our culturally diverse community

Ensure information on all City events is easily accessible on the website, Customer Service Centre, the Administration building and on social media platforms.

Support the Community Garden and partner with Kalgoorlie-Boulder Urban Landcare Group. Finalise and commence implementation of the City's Reconciliation Action Plan (RAP). Undertake an audit of the City's annual events calendar to ensure events promote multiculturalism.

Provide financial support to not for profit groups and organisations via the City's Annual Grants and Community Assistance Scheme for infrastructure and non-employment purposes. Provide services to the community and community groups through the C.Y. O'Connor Mens Shed to promote community health and educational programs. Provide venues for cultural groups and agencies to meet and implement programs to assist new migrants in the City.

Actively support sustainability activities such as Earth Hour to increase the awareness of energy sustainability principles.

Collaborate with local Agencies and Community Groups to deliver beneficial programs for our residents such as 'Pledge to Parkrun' and 'Watch around the water'.

Promote the arts and culture sector by integrating public arts into the City's centres.

Showcase the extensive art collection belonging to the City of Kalgoorlie-Boulder.

Host book launches for visiting and local authors and artists at the William Grundt Memorial Library.

Review the Goldfields Arts Centre Business Plan to ensure it: - Develops and implements a programme of visual and performing arts which inspires the community and delivers a sustainable increase in audience participation and engagement - Shapes the Goldfields Arts Centre into a place that embraces and respects diverse cultures, connects with the community and applauds local talent, thereby creating an arts and cultural hub that the community is able to identify with and wants to be a part of.

Deliver inclusive and accessible sport and recreation

Encourage health and wellbeing for all of our residents by providing quality parks, with some featuring free outdoor gym equipment.

Collaborate with State Government agencies, and community sports clubs, to promote sport, recreation and leisure programs within the City.

Assess the need to extend the bicycle and walking track network around the City of Kalgoorlie-Boulder to encourage citizens to engage in healthy lifestyles.

Design and build the Kalgoorlie Golf Clubhouse to fulfil our obligations with the WA State Government while also adding to the list of tourism attractions at the City of Kalgoorlie-Boulder. Provide opportunities for sporting clubs and Not-for-profit organisations to apply for Community Assistance Grants for infrastructure and non-employment purposes.

Continue to provide and maintain high quality sporting facilities in Kalgoorlie-Boulder.

Value our strong social fabric including local culture and heritage

Develop, manage and preserve significant collections of the Goldfields, and optimise the City Archives.

Provide public tours of the Boulder Town Hall and Kalgoorlie Town Hall to share our history and the spectacular buildings.

Redevelop the Goldfields War Museum and collect, document and store cultural objects pertinent to the Goldfields War Museum and the City Archives.

Goldfields War Museum Vehicle Conservation Plan.

Present events that promote insight and storytelling about the Goldfields history and heritage.

Promoting and preserving heritage sites and buildings

Enhance the community life and vitality of the City by maintaining our heritage buildings within the City's asset portfolio.

Complete the CBD Economic Transformation Project in respect of heritage buildings and facades.

Provide financial assistance through the Local Heritage Fund to assist local organisations to preserve iconic heritage buildings within the City of Kalgoorlie-Boulder.

Ensure the heritage values are maintained throughout the City's places of significance.

Exploring new opportunities to promote Aboriginal Culture

Support the on-going initiative to increase aboriginal employment and aboriginal enterprise. Prioritise activities, events and funding opportunities that promote Aboriginal culture, contribute to an improved understanding of local Aboriginal history, and which promote reconciliation between Aboriginal and non-Aboriginal people.

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Establish a strong local Aboriginal identity and physical cultural presence in Kalgoorlie-Boulder through: - Promotion of Aboriginal art, culture and language as part of future city revitalisation and marketing - The development of an Aboriginal cultural interpretive centre as a cultural and community hub, referral centre and community resources.
Consider the establishment of an Aboriginal business professionals network to provide increased peer support, mentoring and leadership.
Incorporate Welcome to Country and Aboriginal elements into City organised events wherever possible.
Source Aboriginal literature where available and suitable to this area to provide resources for literacy and learning.

Provide functional and appealing parks, gardens and streetscapes

Design and replace the existing public toilets at St Barbara's Square in line with the CBD Economic Transformation project.
Work closely with property developers as to whether additional public open space requirements are met and current open space facilities are maintained.
Ensure our parks, playing fields, gardens, streetscape gardens and landscaped roundabouts are maintained in line with the asset management plan.
Implement the Playground Renewal Program.
Assess, develop and promote our walk/cycle tracks to encourage participation in low impact sporting activity in a safe controlled environment.

TRANSPORT

Deliver a safe and integrated transport network

Continued maintenance of the City's road network (including the gravel rural road network), roundabouts and other road safety infrastructure in accordance with the Asset Management Plan.
Develop the Bike Plan to encourage active transport throughout the City.
Continued maintenance of the footpath infrastructure via the Footpath Construction and Replacement Program.
Ensure that our network of footpaths and cycle paths are well maintained and safe for the whole community.
Implement the projects under the State Roadworks Project - Improvements for regionally significant roads partly funded by the State Government.
Implement the Roads 2 Recovery program.
Investigate methods to increase the availability of accessibility carparks across the City.

Develop a pipeline of priority transport projects to enhance freight movement and exports, improve servicing or dispersed settlements and to promote tourism access. Priority projects to be determined based on current economic drivers and relative benefit cost analysis.
Undertake a holistic "transpriority" review of local transport modes in the city to improve transport efficiencies, safety and to explore smart transport opportunities.
Continue to collaborate with the Department of Transport to realign the existing rail and road corridors.
Continue to advocate with State agencies on quality and appropriateness of the Transport network.

ECONOMIC SERVICES

Be a City that is a dynamic, ' diverse, and attractive pla

Pursue the initiatives outlined in the "Future of Tourism and Tourism Governance" paper. Association and the KBCCI to enhance informal local tourism industry networking opportunities in order to facilitate collaboration and coordination between industry stakeholders and to optimise opportunities to access broader state, national and international markets.

Establish a consistent and marketable brand and marketing strategy for Kalgoorlie-Boulder. This should: - Build on the proposed marketing initiative developed in the Strategic Tourism Plan - Identify with regional tourism branding opportunities and promote co-branding and consistency through entry statements and merchandise - Include initiatives to enhance the digital presence of Kalgoorlie-Boulder and the region to expand its reach to international markets.
Collaborate with National, State and regional Stakeholders to establish an integrated state-wide strategy to increase visitation by international tourists to Kalgoorlie-Boulder.
Provide information to visitors at the CBD Centre on City owned tourism sites such as the Goldfields War Museum, the Town Halls, Goldfields Arts Centre, Golf Course and other relevant sites.
Showcase Kalgoorlie-Boulder gold mining heritage with improved visibility and promotion through initiatives.

CITY OF KALGOORLIE-BOULDER
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FOR THE YEAR ENDED 30TH JUNE 2019

Foster a growing population

Improve tourism related infrastructure to address current unmet needs including signage and welcome points; multi-lingual interpretation; and attracting private sector investment to develop and manage a resort-style accommodation facility.

Take advantage of Kalgoorlie-Boulder's broader tourism potential by supporting the development of quality Aboriginal and cultural tourism, nature based tourism, sporting tourism, astro-tourism, geo-tourism and adventure tourism products as outlined in the Strategic Tourism Plan. This may also include promoting regional tourism trails such as the: Goldfields-Esperance Arts and Culture trail Progressing "On the edge, off the edge" or "Coast to Desert" experiences to showcase the variety of regional assets.

Provide a diverse range of events at the City to highlight the benefits of living in Kalgoorlie-Boulder.

Actively promote our facilities and assets that residents and tourists can utilise and enjoy. Improve the perception of liveability and position Kalgoorlie-Boulder as a permanent work destination.

Support Goldfields Individual & Family Support Association Inc. (GIFSA) to acquire State land to construct independent living units for special needs people.

Build a business-friendly policy and regulatory environment.

Support emerging and expanding enterprises to access finance. Key Priorities include: Maintaining a central database of potential funding sources, grants, traditional and non-traditional financing options, as well as sources of government support and advice such as Austrade, and the Department of State Development Providing financial literacy support and assistance with business cases, financial applications and the development of rigorous benefit cost assessments Establish partnerships with investment brokers with specialist skills. Delivery of the Town Planning Scheme No. 2.

Create business and entrepreneurial processes to support Property Developers and Builders.

Support diverse and growing industries

Deliver the key initiatives of the Growing Kalgoorlie Plan.

Promote Innovative Business proposition including: Home businesses Shared use facilities Regionally based online enterprises.

Drive increased Aboriginal employment and business opportunities through the development of meaningful and ambitious Reconciliation Action Plan (RAP) targets and by strengthening local procurement and regulatory approval conditions relating to Aboriginal participation. Provide a consistent flow of information to local businesses and industry about the many programs, grants and incentives available at a state and national level, through opportunities such as the National Science and Innovation Agenda and the Industry Innovation and Competitiveness Agenda.

Cultivate a strong and vibrant local business environment

Establish a clear gateway and agreed protocols for dealing with potential proponents to ensure a consistent and welcoming message from members of the Growing Kalgoorlie-Boulder Partnership including the Kalgoorlie-Boulder Chamber of Commerce and the Goldfields-Esperance Development Commission.

Continue to develop an Intermodal Transport Terminal in Kalgoorlie.

Identify areas within the Local Planning Strategy to further develop heavy industry often required by the mining sector.

Create an investment prospectus to assist establishment and growth of new businesses in Kalgoorlie-Boulder.

Develop a "Kalgoorlie-Boulder Online Marketplace" to provide a platform to publish project supply opportunities and promote and facilitate communication between protect buyers and suppliers.

Incorporate innovative technology into the City's operations

Provide free Wi-Fi access in central Kalgoorlie and Boulder and consider the provision of additional public access points to facilitate internet access for disadvantaged families.

OTHER PROPERTY AND SERVICES

To continue to maintain and upgrade City Facilities.

39. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	1.47	1.68	1.60
Asset consumption ratio	0.97	0.74	0.96
Asset renewal funding ratio	1.15	1.20	1.18
Asset sustainability ratio	0.54	0.86	0.72
Debt service cover ratio	10.40	9.14	12.98
Operating surplus ratio	0.13	0.12	0.13
Own source revenue coverage ratio	1.05	1.03	1.20

The above ratios are calculated as follows:

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

33 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There have been no subsequent events requiring disclosure since the end of the Reporting Period.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the City of Kalgoorlie-Boulder

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the City of Kalgoorlie-Boulder which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the City of Kalgoorlie-Boulder:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

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

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the City's annual financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996, does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the City is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of an annual financial report that is free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit are to obtain reasonable assurance about whether the annual 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 annual financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the annual financial report, including the disclosures, and whether the annual financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

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

- (i) The following material matter indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law was identified during the course of my audit:
 - a. Bank reconciliations were not independently reviewed and approved in a timely manner.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The financial ratios for 2017 in Note 32 of the annual financial report were audited by another auditor when performing their audit of the City for the year ending 30 June 2017. The auditor expressed an unmodified opinion on the annual financial report for that year.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the City of Kalgoorlie-Boulder for the year ended 30 June 2019 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
19 December 2019