

**CITY OF KARRATHA**  
**ANNUAL BUDGET**  
**FOR THE YEAR ENDED 30 JUNE 2023**

*Local Government Act 1995*

**TABLE OF CONTENTS**

|   |   |
|---|---|
| Statement of Comprehensive Income by Nature or Type | 2 |
| Statement of Cash Flows                             | 3 |
| Rate Setting Statement                              | 4 |
| Index of Notes to the Budget                        | 5 |

**CITY'S VISION**

To be Australia's most liveable regional city.

**CITY OF KARRATHA**  
**STATEMENT OF COMPREHENSIVE INCOME BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30 JUNE 2023**

|   | NOTE  | 2022/23<br>Budget | 2021/22<br>Actual | 2021/22<br>Budget |
|---|-------|-------------------|-------------------|-------------------|
|   |       | \$                | \$                | \$                |
| <b>Revenue</b>  |       |                   |                   |                   |
| Rates   | 2(a)  | 48,462,680        | 45,633,967        | 45,352,357        |
| Operating grants, subsidies and contributions                             | 11    | 17,340,943        | 14,138,890        | 16,013,802        |
| Fees and charges  | 17    | 49,589,580        | 46,389,233        | 42,765,274        |
| Interest earnings   | 12(a) | 2,499,083         | 1,079,019         | 1,062,404         |
| Other revenue   | 12(b) | 855,117           | 2,254,671         | 1,093,251         |
|   |       | 118,747,403       | 109,495,780       | 106,287,088       |
| <b>Expenses</b>   |       |                   |                   |                   |
| Employee costs  |       | (39,809,913)      | (36,969,881)      | (37,265,326)      |
| Materials and contracts   |       | (32,356,754)      | (31,157,273)      | (34,029,855)      |
| Utility charges   |       | (6,141,090)       | (6,560,911)       | (6,596,858)       |
| Depreciation on non-current assets  | 6     | (21,597,922)      | (21,520,249)      | (18,924,084)      |
| Interest expenses   | 12(d) | (130,735)         | (130,724)         | (40,357)          |
| Insurance expenses  |       | (2,741,850)       | (2,554,296)       | (2,089,521)       |
| Other expenditure   |       | (11,964,323)      | (3,599,476)       | (3,242,016)       |
|   |       | (114,742,587)     | (102,492,810)     | (102,188,017)     |
|   |       | 4,004,816         | 7,002,970         | 4,099,071         |
| Non-operating grants, subsidies and contributions                         | 11    | 5,903,824         | 3,209,652         | 8,700,142         |
| Profit on asset disposals   | 5(b)  | 864,000           | 985,033           | 2,043,048         |
| Loss on asset disposals   | 5(b)  | (56,000)          | (243,333)         | (201,800)         |
|   |       | 6,711,824         | 3,951,352         | 10,541,390        |
| <b>Net result for the period</b>  |       | <b>10,716,640</b> | <b>10,954,322</b> | <b>14,640,461</b> |
| <b>Other comprehensive income</b>   |       |                   |                   |                   |
| <i>Items that will not be reclassified subsequently to profit or loss</i> |       |                   |                   |                   |
| Changes in asset revaluation surplus                                      |       | 0                 | (6,901)           | 0                 |
| <b>Total other comprehensive income for the period</b>                    |       | <b>0</b>          | <b>(6,901)</b>    | <b>0</b>          |
| <b>Total comprehensive income for the period</b>                          |       | <b>10,716,640</b> | <b>10,947,421</b> | <b>14,640,461</b> |

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

**CITY OF KARRATHA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

|  | NOTE | 2022/23<br>Budget | 2021/22<br>Actual | 2021/22<br>Budget |
|--|------|-------------------|-------------------|-------------------|
|  |      | \$                | \$                | \$                |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                    |      |                   |                   |                   |
| <b>Receipts</b>  |      |                   |                   |                   |
| Rates  |      | 49,640,264        | 45,977,988        | 46,824,592        |
| Operating grants, subsidies and contributions                                  |      | 17,340,943        | 13,173,575        | 18,063,802        |
| Fees and charges   |      | 49,589,580        | 46,389,233        | 42,765,274        |
| Interest received  |      | 2,499,083         | 1,079,019         | 1,062,404         |
| Goods and services tax received  |      | 0                 | 550,248           | 0                 |
| Other revenue  |      | 855,117           | 2,254,671         | 1,093,251         |
|  |      | 119,924,987       | 109,424,734       | 109,809,323       |
| <b>Payments</b>  |      |                   |                   |                   |
| Employee costs   |      | (39,809,913)      | (36,969,881)      | (37,265,326)      |
| Materials and contracts  |      | (31,931,829)      | (40,467,547)      | (32,529,855)      |
| Utility charges  |      | (6,141,090)       | (6,560,911)       | (6,596,858)       |
| Interest expenses  |      | (130,735)         | (601,144)         | (40,357)          |
| Insurance paid   |      | (2,741,850)       | (2,554,296)       | (2,089,521)       |
| Other expenditure  |      | (11,964,323)      | (3,599,476)       | (3,242,016)       |
|  |      | (92,719,740)      | (90,753,255)      | (81,763,933)      |
| <b>Net cash provided by (used in) operating activities</b>                     | 4    | 27,205,247        | 18,671,479        | 28,045,390        |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                                    |      |                   |                   |                   |
| Payments for development of land held for resale                               | 5(a) | (11,673)          | (2,047,203)       | (1,950,996)       |
| Payments for purchase of investment property                                   | 5(a) | 0                 | (541,178)         | (255,000)         |
| Payments for purchase of property, plant & equipment                           | 5(a) | (34,530,497)      | (13,188,880)      | (13,424,181)      |
| Payments for construction of infrastructure                                    | 5(a) | (25,635,831)      | (8,745,083)       | (24,653,118)      |
| Non-operating grants, subsidies and contributions                              |      | 5,903,824         | 3,209,652         | 8,700,142         |
| Proceeds from sale of land held for resale                                     | 5(b) | 998,550           | 1,737,084         | 2,800,000         |
| Proceeds from sale of property, plant and equipment                            | 5(b) | 1,952,500         | 1,027,141         | 1,989,000         |
| Proceeds on financial assets at amortised cost - self supporting loans         |      | 15,402            | 13,681            | 87,654            |
| Proceeds on disposal of financial assets at fair value through profit and loss |      | 0                 | (129,162)         | 0                 |
| Proceeds on loans receivable - clubs/institutions                              |      | (1,700,000)       | (1,162,141)       | (3,450,000)       |
| <b>Net cash provided by (used in) investing activities</b>                     |      | (53,007,725)      | (19,826,089)      | (30,156,499)      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>                                    |      |                   |                   |                   |
| Repayment of borrowings  | 7(a) | (16,854)          | (16,415)          | (85,947)          |
| Principal elements of lease payments   | 8    | (152,829)         | (145,406)         | (132,763)         |
| Proceeds on disposal of financial assets at amortised cost - term deposits     |      | 63,758,468        | (47,208,416)      | 0                 |
| Payments from new borrowings   | 7(a) | 16,000,000        | 0                 | 0                 |
| <b>Net cash provided by (used in) financing activities</b>                     |      | 79,588,785        | (47,370,237)      | (218,710)         |
| <b>Net increase (decrease) in cash held</b>                                    |      | 53,786,307        | (48,524,847)      | (2,329,819)       |
| Cash at beginning of year  |      | 12,346,981        | 60,871,828        | 68,148,286        |
| <b>Cash and cash equivalents at the end of the year</b>                        | 4    | <b>66,133,288</b> | <b>12,346,981</b> | <b>65,818,467</b> |

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

**CITY OF KARRATHA**  
**RATE SETTING STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

|  | NOTE     | 2022/23<br>Budget | 2021/22<br>Actual  | 2021/22<br>Budget |
|--|----------|-------------------|--------------------|-------------------|
|  |          | \$                | \$                 | \$                |
| <b>OPERATING ACTIVITIES</b>  |          |                   |                    |                   |
| <b>Net current assets at start of financial year - surplus/(deficit)</b>       | 3        | 1,466,676         | 452,221            | 3,952,135         |
|  |          | 1,466,676         | 452,221            | 3,952,135         |
| <b>Revenue from operating activities (excluding rates)</b>                     |          |                   |                    |                   |
| Specified area and ex gratia rates   | 2(a)(ii) | 54,922            | 53,800             | 52,400            |
| Operating grants, subsidies and contributions                                  | 11       | 17,340,943        | 14,138,890         | 16,013,802        |
| Fees and charges   | 17       | 49,589,580        | 46,389,233         | 42,765,274        |
| Interest earnings  | 12(a)    | 2,499,083         | 1,079,019          | 1,062,404         |
| Other revenue  | 12(b)    | 855,117           | 2,254,671          | 1,093,251         |
| Profit on asset disposals  | 5(b)     | 864,000           | 985,033            | 2,043,048         |
|  |          | 71,203,645        | 64,900,646         | 63,030,179        |
| <b>Expenditure from operating activities</b>                                   |          |                   |                    |                   |
| Employee costs   |          | (39,809,913)      | (36,969,881)       | (37,265,326)      |
| Materials and contracts  |          | (32,356,754)      | (31,157,273)       | (34,029,855)      |
| Utility charges  |          | (6,141,090)       | (6,560,911)        | (6,596,858)       |
| Depreciation on non-current assets   | 6        | (21,597,922)      | (21,520,249)       | (18,924,084)      |
| Interest expenses  | 12(d)    | (130,735)         | (130,724)          | (40,357)          |
| Insurance expenses   |          | (2,741,850)       | (2,554,296)        | (2,089,521)       |
| Other expenditure  |          | (11,964,323)      | (3,599,476)        | (3,242,016)       |
| Loss on asset disposals  | 5(b)     | (56,000)          | (243,333)          | (201,800)         |
|  |          | (114,798,587)     | (102,736,143)      | (102,389,817)     |
| Non-cash amounts excluded from operating activities                            | 3(b)     | 20,789,922        | 20,774,164         | 17,203,662        |
| <b>Amount attributable to operating activities</b>                             |          | (21,338,344)      | (16,609,112)       | (18,203,841)      |
| <b>INVESTING ACTIVITIES</b>  |          |                   |                    |                   |
| Non-operating grants, subsidies and contributions                              | 11       | 5,903,824         | 3,209,652          | 8,700,142         |
| Payments for land held for resale  | 5(a)     | (11,673)          | (2,047,203)        | (1,950,996)       |
| Payments for investment property   | 5(a)     | 0                 | (541,178)          | (255,000)         |
| Payments for property, plant and equipment                                     | 5(a)     | (34,530,497)      | (13,188,880)       | (13,424,181)      |
| Payments for construction of infrastructure                                    | 5(a)     | (25,635,831)      | (8,745,083)        | (24,653,118)      |
| Payments for loans receivable - clubs/institutions                             |          | (1,700,000)       | (1,162,141)        | (3,450,000)       |
| Proceeds from disposal of assets   | 5(b)     | 2,951,050         | 2,764,225          | 4,789,000         |
| Proceeds from financial assets at amortised cost - self supporting loans       |          | 15,402            | 13,681             | 87,654            |
| Proceeds on disposal of financial assets at fair value through profit and loss |          | 0                 | (129,162)          | 0                 |
| <b>Amount attributable to investing activities</b>                             |          | (53,007,725)      | (19,826,089)       | (30,156,499)      |
| <b>FINANCING ACTIVITIES</b>  |          |                   |                    |                   |
| Repayment of borrowings  | 7(a)     | (16,854)          | (16,415)           | (85,947)          |
| Principal elements of finance lease payments                                   | 8        | (152,829)         | (145,406)          | (132,763)         |
| Proceeds from new borrowings   | 7(b)     | 16,000,000        | 0                  | 0                 |
| Transfers to cash backed reserves (restricted assets)                          | 9(a)     | (32,725,087)      | (27,734,244)       | (28,211,568)      |
| Transfers from cash backed reserves (restricted assets)                        | 9(a)     | 42,879,829        | 20,217,776         | 31,645,182        |
| <b>Amount attributable to financing activities</b>                             |          | <b>25,985,059</b> | <b>(7,678,289)</b> | <b>3,214,904</b>  |
| <b>Budgeted deficiency before general rates</b>                                |          | (48,361,010)      | (44,113,490)       | (45,145,436)      |
| <b>Estimated amount to be raised from general rates</b>                        | 2(a)     | 48,407,758        | 45,580,167         | 45,299,957        |
| <b>Net current assets at end of financial year - surplus/(deficit)</b>         | 3        | <b>46,746</b>     | <b>1,466,676</b>   | <b>154,521</b>    |

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

## INDEX OF NOTES TO THE BUDGET

|         |   |    |
|---------|---|----|
| Note 1  | Basis of Preparation                                | 6  |
| Note 2  | Rates   | 9  |
| Note 3  | Net Current Assets                                  | 18 |
| Note 4  | Reconciliation of cash                              | 21 |
| Note 5  | Fixed Assets  | 22 |
| Note 6  | Asset Depreciation                                  | 24 |
| Note 7  | Borrowings  | 25 |
| Note 8  | Leases  | 27 |
| Note 9  | Reserves  | 28 |
| Note 10 | Revenue Recognition                                 | 29 |
| Note 11 | Program Information                                 | 30 |
| Note 12 | Other Information                                   | 31 |
| Note 13 | Elected Members Remuneration                        | 32 |
| Note 14 | Major Land Transactions                             | 33 |
| Note 15 | Trading Undertakings and Major Trading Undertakings | 34 |
| Note 16 | Trust   | 36 |
| Note 17 | Fees and Charges                                    | 37 |

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

**1 (a) BASIS OF PREPARATION**

The annual budget has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

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

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

Accounting policies which have been adopted in the preparation of this annual budget have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the budget 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.

Financial reporting disclosures in relation to assets and liabilities required by the Australian Accounting Standards have not been made unless considered important for the understanding of the budget or required by legislation.

**The local government reporting entity**

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

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 16 to the annual budget.

**2021/22 actual balances**

Balances shown in this budget as 2021/22 Actual are estimates as forecast at the time of preparation of the annual budget and are subject to final adjustments.

**Budget comparative figures**

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

**Comparative figures**

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

**Initial application of accounting standards**

During the budget year, the below revised Australian Accounting Standards and Interpretations are expected to be compiled, become mandatory and be applicable to its operations.

- *AASB 2020-3 Amendments to Australian Accounting Standards* - Annual Improvements 2018-2020 and Other Amendments
- *AASB 2020-6 Amendments to Australian Accounting Standards* - Classification of Liabilities as Current or Non-current - Deferral of Effective Date

It is not expected these standards will have an impact on the annual budget.

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

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

- *AASB 2021-2 Amendments to Australian Accounting Standards* - Disclosure of Accounting Policies or Definition of Accounting Estimates
- *AASB 2021-6 Amendments to Australian Accounting Standards* - Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

It is not expected these standards will have an impact on the annual budget.

**Judgements, estimates and assumptions**

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

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

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

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

**Rounding off figures**

All figures shown in this statement are rounded to the nearest dollar.

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

**1 (b) KEY TERMS AND DEFINITIONS - NATURE OR TYPE**

**REVENUES**

**RATES**

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Exclude administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

**SERVICE CHARGES**

Service charges imposed under Division 6 of Part 6 of the *Local Government Act 1995*. Regulation 54 of the *Local Government (Financial Management) Regulations 1996* identifies these as television and radio broadcasting, underground electricity and neighbourhood surveillance services.

Excludes rubbish removal charges. Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**PROFIT ON ASSET DISPOSAL**

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

**OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

**NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS**

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

**FEES AND CHARGES**

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees. Local governments may wish to disclose more detail such as rubbish collection fees, rental of property, fines and penalties, other fees and charges.

**INTEREST EARNINGS**

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

**OTHER REVENUE / INCOME**

Other revenue, which can not be classified under the above headings, includes dividends, discounts, and rebates. Reimbursements and recoveries should be separated by note to ensure the correct calculation of ratios.

**EXPENSES**

**EMPLOYEE COSTS**

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences safety expenses, medical examinations, fringe benefit tax, etc.

**MATERIALS AND CONTRACTS**

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc. Local governments may wish to disclose more detail such as contract services, consultancy, information technology, rental or lease expenditures.

**UTILITIES (GAS, ELECTRICITY, WATER, ETC.)**

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

**INSURANCE**

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

**LOSS ON ASSET DISPOSAL**

Loss on the disposal of fixed assets includes loss on disposal of long term investments.

**DEPRECIATION ON NON-CURRENT ASSETS**

Depreciation and amortisation expense raised on all classes of assets.

**INTEREST EXPENSES**

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and refinancing expenses.

**OTHER EXPENDITURE**

Statutory fees, taxes, provision for bad debts, member's fees or State taxes. Donations and subsidies made to community groups.

**1 (c) KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS**

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the City's Community Vision, and for each of its broad activities/programs.

**OBJECTIVE**

**ACTIVITIES**

**Governance**

To provide a decision making process for the efficient allocation of scarce resources.

Functions relating to Councillors and the oversight of legislative compliance. Expenditure includes election costs as well as fees and allowances paid to elected members and other costs associated with members of Council. Governance also includes other tasks such as the City's internal audit function, Freedom of Information requests, Public Interest Disclosures and procurement policy development and oversight.

**General purpose funding**

To collect revenue to allow for the provision of services.

Rating (including ex-gratia contributions), interest revenues, investment property revenues and general purpose Government grant functions. Includes the Financial Assistance Grant received from the Local Government Grants Commission and all other rate income.

**Law, order, public safety**

To provide services to help ensure a safer and environmentally conscious community.

Supervision of various by-laws, fire and emergency services and animal control. Includes expenditure for Ranger Services, State Emergency Service and disaster preparation and recovery expenses.

**Health**

To provide an operational framework for environmental and community health.

Food control, immunisation services, mosquito control and maintenance of child health centres. Expenditure includes the maintenance of the child health clinic buildings, various health promotions and pest control expenses primarily relating to mosquito control.

**Education and welfare**

To provide services to disadvantaged persons, the elderly, children and youth.

Maintain preschool facilities and day care centres. This includes expenditure in maintaining the day care centre buildings and also donations to schools for awards etc.

**Housing**

To provide and maintain staff housing.

Maintenance and operational expenses associated with the provision of staff housing.

**Community amenities**

To provide services required by the community.

Rubbish collection services, operation of waste facility, administration of town planning schemes and operation of cemeteries. Also included are the costs associated with the maintaining and cleaning of public toilets.

**Recreation and culture**

To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Maintenance and operation of halls, recreation and aquatic centres, various reserves and libraries. Expenditure includes the cost of the Karratha Leisureplex, Red Earth Arts Precinct, community hubs and other pavilions, ovals and parks maintenance, coastal rehabilitation, and four libraries. Expenses relating radio re-broadcasting are also included in this function.

**Transport**

To provide safe, effective and efficient transport services to the community.

Construction and maintenance of roads, drainage, footpaths, parking facilities and traffic signs. It also includes expenditure relating to parking control and the operation of the Karratha & Roebourne Airport.

**Economic services**

To help promote the local government and its economic wellbeing.

Includes expenditure associated with operation of visitor services and camping grounds, in addition to the administration of building controls.

**Other property and services**

To monitor and control operating accounts.

Includes private works on property and services not under the care, control and management of the City. It also includes expenditure relating to plant operations, technical services, town planning schemes and other unclassified works.



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

**2. RATES AND SERVICE CHARGES**

**(a) Rating Information**

| Rate Description                                       | Basis of valuation | Rate in   | Number of properties | Rateable value     | 2022/23 Budgeted rate revenue | 2022/23 Budgeted interim rates | 2022/23 Budgeted back rates | 2022/23 Budgeted total revenue | 2021/22 Actual total revenue | 2021/22 Budget total revenue |
|--|--------------------|-----------|----------------------|--------------------|-------------------------------|--------------------------------|-----------------------------|--------------------------------|------------------------------|------------------------------|
|  |                    | \$        |                      | \$                 | \$                            | \$                             | \$                          | \$                             | \$                           | \$                           |
| <b>(i) Differential general rates or general rates</b> |                    |           |                      |                    |                               |                                |                             |                                |                              |                              |
| <b>Gross Rental Valuations</b>                         |                    |           |                      |                    |                               |                                |                             |                                |                              |                              |
| Residential  |                    | 0.071058  | 7,070                | 249,076,310        | 17,729,380                    | 50,000                         | 2,000                       | 17,781,380                     | 19,659,115                   | 17,130,551                   |
| Commercial / Industrial                                |                    | 0.097252  | 775                  | 81,532,965         | 8,180,869                     | 50,000                         | 2,000                       | 8,232,869                      | 8,108,797                    | 7,532,278                    |
| Airport / Strategic Industry                           |                    | 0.142115  | 29                   | 12,869,100         | 1,828,892                     | 30,000                         | 2,000                       | 1,860,892                      | 2,148,813                    | 2,122,459                    |
| Transient Workforce Accomodation / Workforce           |                    | 0.281389  | 25                   | 25,568,280         | 7,194,633                     | 1,100,000                      | 2,000                       | 8,296,633                      | 6,590,742                    | 6,263,936                    |
| <b>Unimproved Valuation</b>                            |                    |           |                      |                    |                               |                                |                             |                                |                              |                              |
| Pastoral   |                    | 0.107708  | 10                   | 1,997,400          | 215,136                       | 10,000                         | 1,000                       | 226,136                        | 182,989                      | 165,299                      |
| Mining / Other   |                    | 0.138119  | 231                  | 7,011,119          | 1,092,814                     | 10,000                         | 1,000                       | 1,103,814                      | 1,053,218                    | 1,082,067                    |
| Strategic Industry                                     |                    | 0.192140  | 30                   | 42,149,932         | 8,102,744                     | 0                              | 1,000                       | 8,103,744                      | 7,866,753                    | 7,928,976                    |
| <b>Sub-Total</b>                                       |                    |           | <b>8,170</b>         | <b>420,205,106</b> | <b>44,344,468</b>             | <b>1,250,000</b>               | <b>11,000</b>               | <b>45,605,468</b>              | <b>45,610,427</b>            | <b>42,225,566</b>            |
| <b>Minimum payment</b>                                 |                    | <b>\$</b> |                      |                    |                               |                                |                             |                                |                              |                              |
| <b>Gross Rental Valuations</b>                         |                    |           |                      |                    |                               |                                |                             |                                |                              |                              |
| Residential  |                    | 1,610     | 1,488                | 21,763,963         | 2,395,680                     | 0                              | 0                           | 2,395,680                      |                              | 2,407,020                    |
| Commercial / Industrial                                |                    | 1,610     | 355                  | 2,763,721          | 571,550                       | 0                              | 0                           | 571,550                        |                              | 628,326                      |
| Airport / Strategic Industry                           |                    | 1,610     | 3                    | 9,700              | 4,830                         | 0                              | 0                           | 4,830                          |                              | 4,689                        |
| <b>Unimproved Valuation</b>                            |                    |           |                      |                    |                               |                                |                             |                                |                              |                              |
| Mining / Other   |                    | 338       | 186                  | 204,075            | 62,868                        | 0                              | 0                           | 62,868                         |                              | 60,680                       |
| Strategic Industry                                     |                    | 338       | 12                   | 8                  | 4,056                         | 0                              | 0                           | 4,056                          |                              | 3,936                        |
| <b>Sub-Total</b>                                       |                    |           | <b>2,044</b>         | <b>24,741,467</b>  | <b>3,038,984</b>              | <b>0</b>                       | <b>0</b>                    | <b>3,038,984</b>               | <b>0</b>                     | <b>3,104,651</b>             |
|  |                    |           | <b>10,214</b>        | <b>444,946,573</b> | <b>47,383,452</b>             | <b>1,250,000</b>               | <b>11,000</b>               | <b>48,644,452</b>              | <b>45,610,427</b>            | <b>45,330,217</b>            |
| Concessions on general rates (Refer note 2(f))         |                    |           |                      |                    |                               |                                |                             | (236,694)                      | (30,260)                     | (30,260)                     |
| <b>Total amount raised from general rates</b>          |                    |           |                      |                    |                               |                                |                             | <b>48,407,758</b>              | <b>45,580,167</b>            | <b>45,299,957</b>            |
| <b>(ii) Specified area and ex gratia rates</b>         |                    |           |                      |                    |                               |                                |                             |                                |                              |                              |
| <b>Ex-gratia rates</b>                                 |                    |           |                      |                    |                               |                                |                             |                                |                              |                              |
| Karratha Solar Power                                   |                    |           |                      |                    | 1,400                         |                                |                             | 1,400                          | 1,400                        | 1,400                        |
| DBNGP  |                    |           |                      |                    | 53,522                        |                                |                             | 53,522                         | 52,400                       | 51,000                       |
| <b>Total ex-gratia rates</b>                           |                    |           |                      | <b>0</b>           | <b>54,922</b>                 | <b>0</b>                       | <b>0</b>                    | <b>54,922</b>                  | <b>53,800</b>                | <b>52,400</b>                |
| <b>Total specified area and ex gratia rates</b>        |                    |           |                      |                    |                               |                                |                             | <b>54,922</b>                  | <b>53,800</b>                | <b>52,400</b>                |
| <b>Total rates</b>                                     |                    |           |                      |                    |                               |                                |                             | <b>48,462,680</b>              | <b>45,633,967</b>            | <b>45,352,357</b>            |

All land (other than exempt land) in the City of Karratha is rated according to its Gross Rental Value (GRV) in townsites or Unimproved Value (UV) in the remainder of the City of Karratha.

The general rates detailed for the 2022/23 financial year have been determined by Council on the basis of raising the revenue required to meet the deficiency between the total estimated expenditure proposed in the budget and the estimated revenue to be received from all sources other than rates and also considering the extent of any increase in rating over the level adopted in the previous year.

The minimum rates have been determined by Council on the basis that all ratepayers must make a reasonable contribution to the cost of local government services/facilities.

**2. RATES AND SERVICE CHARGES (CONTINUED)**

**(b) Interest Charges and Instalments - Rates and Service Charges**

The following instalment options are available to ratepayers for the payment of rates and service charges.

| <b>Instalment options</b> | <b>Date due</b> | <b>Instalment<br/>plan admin<br/>charge</b> | <b>Instalment<br/>plan<br/>interest<br/>rate</b> | <b>Unpaid<br/>rates<br/>interest<br/>rates</b> |
|---------------------------|-----------------|---|--|--|
|                           |                 | \$  | %  | %  |
| <b>Option one</b>         |                 |   |  |  |
| Single full payment       | 6/09/2022       | 0   | 0.0%   | 7.0%   |
| <b>Option two</b>         |                 |   |  |  |
| First instalment          | 6/09/2022       | 0   | 4.5%   | 7.0%   |
| Second instalment         | 24/01/2023      | 10  | 4.5%   | 7.0%   |
| <b>Option three</b>       |                 |   |  |  |
| First instalment          | 6/09/2022       | 10  | 4.5%   | 7.0%   |
| Second instalment         | 15/11/2022      | 10  | 4.5%   | 7.0%   |
| Third instalment          | 24/01/2023      | 10  | 4.5%   | 7.0%   |
| Fourth instalment         | 4/04/2023       | 10  | 4.5%   | 7.0%   |

|   | <b>2022/23<br/>Budget<br/>revenue</b> | <b>2021/22<br/>Actual<br/>revenue</b> | <b>2021/22<br/>Budget<br/>revenue</b> |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
|   | \$                                    | \$                                    | \$                                    |
| Instalment plan admin charge revenue                | 60,000                                | 59,030                                | 70,000                                |
| Instalment plan interest earned                     | 100,000                               | 93,860                                | 88,000                                |
| Unpaid rates and service charge interest earned     | 154,000                               | 184,318                               | 240,000                               |
| Service Charge Instalment Plan Admin Charge Revenue | 3,680                                 | 3,980                                 | 4,450                                 |
| Service Charge Instalment Plan Interest Earned      | 40,800                                | 42,978                                | 40,000                                |
| Unpaid Service Charges Interest Earned              | 5,400                                 | 2,126                                 | 12,000                                |
| Deferred Pensioner Interest                         | 850                                   | 837                                   | 1,000                                 |
|   | <b>364,730</b>                        | <b>387,129</b>                        | <b>455,450</b>                        |



## **OBJECTS AND REASONS FOR PROPOSED DIFFERENTIAL RATES FOR THE YEAR ENDING 30 JUNE 2023**

In accordance with Section 6.36 of the *Local Government Act 1995*, the City of Karratha is required to publish its Objects and Reasons for implementing Differential Rates.

### **OVERALL OBJECTIVE**

The purpose of the levying of rates is to meet Council's budget requirements in each financial year in order to deliver services and community infrastructure.

Property valuations provided by the Valuer General are used as the basis for the calculation of rates each year. Section 6.33 of the *Local Government Act 1995* provides the ability to differentially rate properties based on zoning and/or land use as determined by the City of Karratha. The application of differential rating maintains equity in the rating of properties across the City.

Council has considered the Key Values contained within the Rating Policy Differential Rates (s.6.33) March 2016 released by the Department of Local Government and Communities, being:

- Objectivity
- Fairness and Equity
- Consistency
- Transparency and administrative efficiency

*A copy of the policy can be obtained from [Rating Policy: Differential Rates \(dlgsc.wa.gov.au\)](http://dlgsc.wa.gov.au)*

Council has determined its required rates yield after reviewing all revenue sources, expenditure and efficiency measures as part of its budget deliberations.

The Rate in the Dollar applied to all rating categories reflects a 3.0% increase to facilitate Council's objective of raising a total of \$48.4 million in rates (excluding ex gratia rates). This will ensure an equitable distribution of the required rates yield from one year to the next consistent with Council's approach in previous years.

The rate yield of \$48.4 million is below the revenue requirements of Council's Long Term Financial Plan (LTFP) of \$50.5 million for the 2022/23 financial year, and provides for Capital Works and Programs.

Council has reviewed its expenditure and considered efficiency measures as part of its budget deliberations. In particular, the following actions have been undertaken:

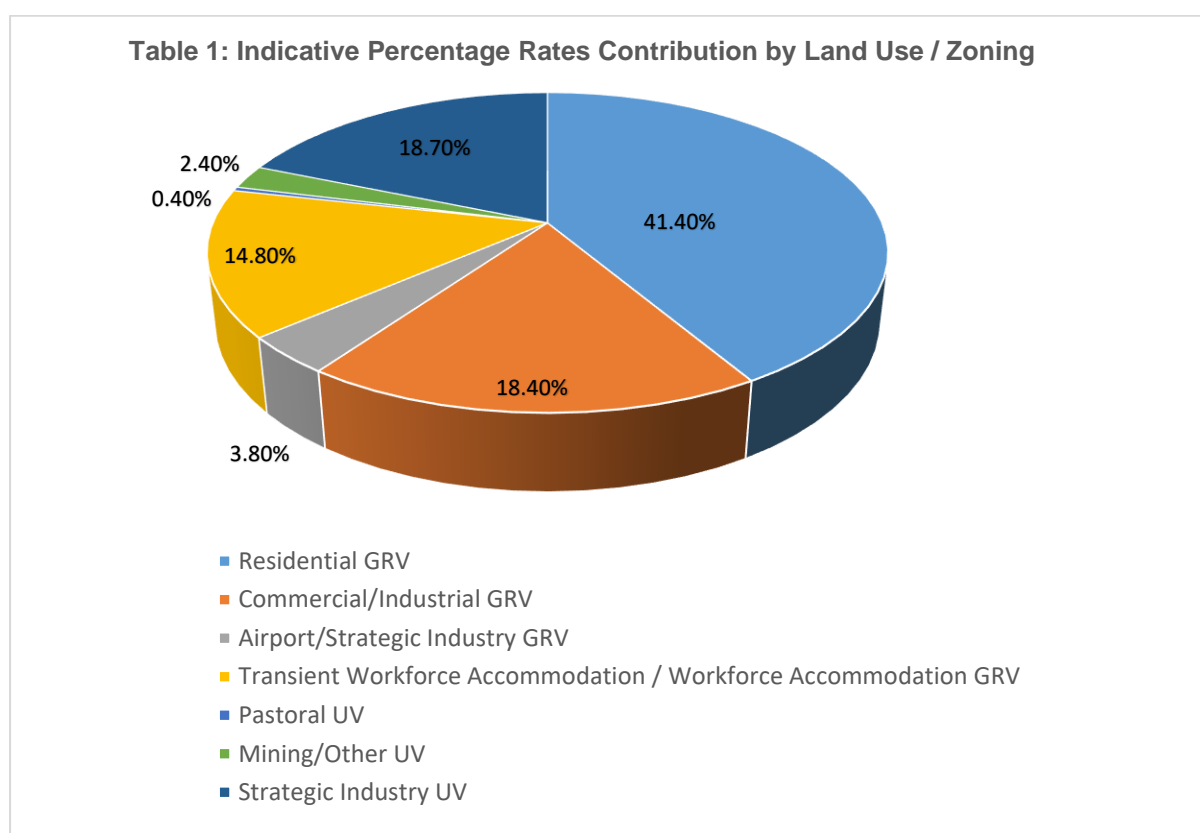
#### Efficiency Measures:

- continued review of the need for and remuneration of each vacant position;
- disposal of under-utilised light fleet and plant;
- continued use of local suppliers whenever possible and appropriate;
- upgrade of solar PV array at Karratha Leisureplex;
- implementation of GRV rating for capital improvements under the State's Rating Policy – Valuation of Land – Mining;
- conduct of two full budget reviews each financial year;
- implementation of new Enterprise Resource Planning system; and
- ongoing investment in property to generate alternative revenue streams and reduce reliance on rates.

### Service Improvements:

- reconstruction of Coolawanyah Road stage 3;
- expansion of local road and footpath network and associated infrastructure;
- Kevin Richards Memorial Oval upgrades;
- Walgu Development;
- Housing and land initiatives including provision of Service Worker accommodation
- conduct of annual community survey to inform services and priorities;
- completion of golf course redevelopment
- Dampier land transfers from Rio Tinto
- Implementation of Designated Area Migration Agreement (DAMA)
- Support for More than Mining campaign; and
- increase in indigenous engagement.

Graph 1 represents the total 2022/23 rates to be levied by land use / zoning.



### **GROSS RENTAL VALUE PROPERTIES (GRV)**

The *Local Government Act 1995* determines that properties of a non-rural purpose be rated using the Gross Rental Valuation (GRV) as the basis for the calculation of annual rates.

The Valuer General supplies and updates the GRV for all properties within the City of Karratha every three years but the current valuation will be on a four year cycle due to Covid-19 delaying last year's visit from Landgate to do the 2021 revaluation. GRV properties were revalued in 2017 and were effective from 1 July 2018. Landgate conducted a full valuation in late 2021 so the next full revaluation of GRV properties is scheduled to apply from 1 July 2022.

Interim valuations are provided monthly to the City of Karratha by the Valuer General for properties where changes have occurred (i.e. subdivisions or strata title of property, amalgamations, building constructions, demolition, additions and/or property rezoning). In such instances Council recalculates the rates for the affected properties and issues interim rates notices.

Table 1 below summarises the proposed 2022/23 minimum payments and rates in the dollar for GRV:

**Table 1: Proposed differential rates for 2022/23 financial year (GRV)  
Including average rate per assessment**

| Differential Rates 2022/23                                  |                          |                             |                                    |                        |
|---|--------------------------|-----------------------------|------------------------------------|------------------------|
| Category  | Proposed Minimum Payment | Proposed Rate in the Dollar | Proposed Average Rate per Property | Change in Average Rate |
| <b>Gross Rental Value</b>                                   | <b>\$</b>                | <b>\$</b>                   | <b>\$</b>                          | <b>%</b>               |
| Residential   | 1,610                    | 0.071058                    | 2,351                              | 2.97                   |
| Commercial / Industrial                                     | 1,610                    | 0.097252                    | 7,910                              | 10.13                  |
| Airport / Strategic Industry (GRV)                          | 1,610                    | 0.142115                    | 57,304                             | -12.56                 |
| Transient Workforce Accommodation / Workforce Accommodation | 1,610                    | 0.281389                    | 288,353                            | 15.08                  |

**Residential** – means any land:

- that is predominantly used for residential purposes;
- or**
- which is vacant of any construction and is zoned as residential under the City’s Planning Scheme.

This differential rate is applicable to properties that have a predominant land use of residential or used by organisations involved in activities for community benefit including Arts and Craft facilities, Youth Centres, Day Care Centres, Sporting Grounds/Clubs (that do not run a commercial business/kitchen) and health & emergency service facilities.

The reason for the rate in the dollar for this category is to reflect the level of rating required to raise the necessary revenue to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for developed residential and urban areas. Also to further the Shire’s strategic goals to encourage and support residential development in the town sites and organisations that contribute toward a safe, healthy, cohesive and vibrant community.

Council is focussed on sustainably managing its community and infrastructure assets through the funding of renewal and replacement asset programs. These programs include but are not limited to investment in the resealing of roads, replacement and development of footpath networks, refurbishing of public ablutions and other building maintenance programs.

The rate for this category maintains an increase to the average rate for residential properties of 2.97% with decrease in the rate-in-the-dollar of -40.05% for the 2022/23 financial year. The minimum rate of \$1,610 is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

**Commercial / Industrial** – means any land:

- that is predominately used for either:
  - commercial purposes;
  - tourism purposes;
  - industrial purposes;
  - a combination of industrial, commercial and tourism purposes;
- or**
- which is vacant of any construction, and is zoned as Commercial, Tourism, Town Centre, Industrial or Mixed Business under the City’s Planning Scheme.
- or**
- that does not have the characteristics of any other GRV differential rate category.

The reason for the rate in the dollar for this category is to recognise a greater share of costs associated with economic development, tourism and marketing, parking, LIA infrastructure, environmental health and regulatory services, and CBD infrastructure and amenity. The objective is to raise revenue to contribute toward associated costs, but not limited to, rubbish collection in relevant areas, town planning control costs, health inspections and administration costs, complexity in building control, traffic volumes and vehicle mass due to commercial and industrial activity, parking facilities, traffic management, pedestrian access, commercial and industrial signage, visitor servicing and street furniture.

Council is focussed on sustainably managing its community and infrastructure assets through the funding of renewal and replacement asset programs. These programs include but are not limited to investment in the resealing of roads (including reconstruction of major distributor roads within the LIA such as Mooligunn Road) and replacement and development of footpaths.

This category is an amalgamation of the previous Commercial and Industrial differential rating categories. The rate for this category maintains an increase to the average rate for properties of 10.13% with a decrease in the rate-in-the-dollar of 4.35% for the 2022/23 financial year. The minimum rate of \$1,610 is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

**Airport / Strategic Industry – means any land:**

- which is located within Karratha Airport (Reserve #30948);  
**or**
- that is predominately used for the purpose of resource processing.

The reasons for the category are to recognise a greater share of costs associated with economic development, tourism and marketing, parking, and transport infrastructure associated with heavy plant and equipment.

In order to ensure that Council can maintain and sustain these infrastructure assets and services, a higher differential rate is proposed to be struck.

Strategic Industry – properties with a land use of Strategic Industry have State or Regional significance which utilise a proportionately high level of infrastructure assets due to heavy haulage vehicle movements. In addition, they also impact on the provision of environmental and strategic planning services as well as access to all other services and facilities provided by Council.

Airport - properties located in the Karratha Airport Precinct (second busiest airport in Western Australia) receive direct benefit from significant Airport Infrastructure and services more so than any other ratepayer. In addition, these properties have access to all other services and facilities provided by Council.

Karratha Airport is a strategic asset of Council and the services afforded to Airport properties are of significant benefit. Operating costs of circa \$9.5 million (excludes recoverable costs) are forecast for 2021/22 with similar operating costs (plus associated CPI and Utility increases) anticipated for 2022/23.

Council's significant terminal (2015) and forecourt, carpark (2017) and Bayly Avenue (2021) redevelopment projects provide a higher amenity and service to airport properties.

The rate for this category results in a decrease to the average rate for properties of 12.56% with a decrease in the rate-in-the-dollar of 9.98% for the 2022/23 financial year. The minimum rate of \$1,610 is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

**Transient Workforce Accommodation / Workforce Accommodation – means any land:**

- that is predominately used for the purpose of workforce accommodation;  
**or**
- that is predominately used for the purpose of transient workforce accommodation;  
**or**
- that has been zoned as Transient Workforce.

The rate in the dollar for the Transient Workforce Accommodation / Workforce Accommodation (TWA) category is proposed to be three point nine six times (x3.96) the Residential rate category which equates to three point nine six times (x3.96) the lowest GRV rate in the dollar being Residential.

This differential rate maintains a proportional share of rating required to raise the necessary revenue to operate efficiently and provide the diverse range of services and programs and associated infrastructure/facilities required for developed residential and urban areas. These services, programs and facilities are available to FIFO workers in the same manner as they are available to all other residents of the City and the contribution from this category has been set at a level that reflects this fact.

Council is focussed on sustainably managing its community and infrastructure assets through the funding of renewal and replacement asset programs. These programs include but are not limited to investment in the resealing of roads, replacement, and development of footpath networks, refurbishing of public ablutions and other building maintenance programs. In addition, these properties have access to all other services and facilities provided by Council.

The rates per TWA accommodation unit are less than the equivalent rate per residential accommodation unit and are significantly less than the minimum rate of \$1,610 for a single bedroom residence. Despite the lower rate per accommodation unit, TWA properties have the potential to have a greater impact on Council services/assets than other properties due to their number of occupants in a relatively small land parcel (i.e. concentrated coach/vehicle movements on local roads). In order to appropriately maintain and manage Council's asset and infrastructure in the longer term, a higher differential rate is proposed for this category to reflect the greater potential and actual intensity of use of Council assets and infrastructure.

The rate for this category supports Council's preferred option that the operational workforce associated with resource interests be housed in normal residential properties within the town boundaries.

The rate for this category maintains results in an increase to the average rate for TWA's of 15.08% with a decrease in the rate-in-the-dollar of 27.95% for the 2022/23 financial year. The increase per assessment average is due to one large new camp becoming operational and rateable this year. The minimum rate of \$1,610 is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

### UNIMPROVED VALUE PROPERTIES (UV)

Properties that are predominantly of a rural purpose are assigned an Unimproved Value that is supplied and updated by the Valuer General on an annual basis.

Table 2 below summarises the proposed 2022/23 minimum payments and rates in the dollar for Unimproved Values:

**Table 2: Proposed differential rates for 2022/23 financial year (UV)  
Including average rate per assessment**

| Differential Rates 2022/23 |                          |                             |                                    |                        |
|----------------------------|--------------------------|-----------------------------|------------------------------------|------------------------|
| Category                   | Proposed Minimum Payment | Proposed Rate in the Dollar | Proposed Average Rate per Property | Change in Average Rate |
| <b>Unimproved Value</b>    | <b>\$</b>                | <b>\$</b>                   | <b>\$</b>                          | <b>%</b>               |
| Pastoral                   | 338                      | 0.107708                    | 21,514                             | -0.36                  |
| Mining/Other               | 338                      | 0.138119                    | 2,771                              | 11.16                  |
| Strategic Industry (UV)    | 338                      | 0.192140                    | 216,777                            | 15.74                  |

**Pastoral** – means any land:

- that currently has a pastoral lease granted;
- and**
- that is used predominantly for the purpose of grazing (including agistment), dairying, pig-farming, poultry farming, fish farming, tree farming, bee-keeping, viticulture, horticulture, fruit growing or the growing of crops of any kind or for any combination of these activities.

This rating category reflects the level of rating required to raise the necessary revenue to operate efficiently and provide for rural infrastructure and services in addition to the urban services, programs and infrastructure which are available to be accessed by the properties in this category.

The land is predominately used for providing a tourism service, including Caravan Parks and Holiday Accommodation. The reason for a lower rate applied to the UV Tourism category, as compared to UV Mining/Industrial, is to reflect the lower level of impact these activities have on general infrastructure and facilities including road infrastructure, recreation facilities and the permanent nature of the business activity relevant to mining and related industry

The rate for this category maintains a decrease to the average rate for Pastoral Stations of 0.36% with an increase in the rate-in-the-dollar of 3.0% for the 2022/23 financial year. The UV minimum rate of \$338 is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

**Mining / Other** – means any land:

- that a mining, exploration, prospecting or retention lease and/or license has been granted;
- or**
- that does not have the characteristics of any other UV differential rate category.

The reason for this category is to reflect the impact on utilisation of rural infrastructure (comparative to Pastoral) by heavy transport and associated higher traffic volumes. In addition, these properties have access to all other services and facilities provided by Council.

The rate for this category maintains an increase to the average rate for Mining/Other properties of 11.16% with an increase in the rate-in-the-dollar of 3.0% for the 2022/22 financial year. The UV minimum rate of \$338 is to ensure that all ratepayers make a reasonable contribution for basic services and infrastructure.

**Strategic Industry** – means any land:

- that is predominately used for industrial purposes;
- or**
- that is predominately used for the purpose of resource processing;
- or**
- that is predominately used for the purpose of supporting a transient workforce.

The reasons for this category are to reflect the impact on utilisation of urban and rural infrastructure (comparative to Pastoral) by heavy transport and associated higher traffic volumes by operations associated with State Agreements and/or significant resource sector operations. In addition, these properties have access to all other services and facilities provided by Council.

Properties with a land use of Strategic Industry have State or Regional significance, many of which are subject to legacy State Agreement Acts that limit the method of valuation to UV with restrictive formulae for the calculation of the valuation. The higher differential rate for this category is proposed in order to levy a somewhat commensurate rate comparative with their impact on the local community (i.e. heavy haulage vehicle movements, environmental health, strategic planning).

The rate for this category maintains an increase to the average rate for UV Strategic Industry properties of 15.74% with an increase in the rate-in-the-dollar of 3.0% for the 2022/23 financial year. The UV minimum rate of \$338 is to ensure that all ratepayers make a minimum contribution for basic services and infrastructure.



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

**2. RATES AND SERVICE CHARGES (CONTINUED)**

**(d) Specified Area Rate**

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

**(e) Service Charges**

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

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

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

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

**(f) Waivers or Concessions**

| <b>Rate, fee or charge to which the waiver or concession is granted</b> | <b>Note</b> | <b>Type</b> | <b>Discount %</b> | <b>Discount (\$)</b> | <b>2022/23 Budget</b> | <b>2021/22 Actual</b> | <b>2021/22 Budget</b> | <b>Circumstances in which the waiver or concession is granted</b> | <b>Objects and reasons of the waiver or concession</b> |
|---|-------------|-------------|-------------------|----------------------|-----------------------|-----------------------|-----------------------|---|--|
| Cossack Concessions   |             | Concession  |                   |                      | \$ 31,200             | \$ 30,260             | \$ 30,260             |   |  |
| Community Waivers   |             | Concession  |                   |                      | 205,494               |                       |                       |   |  |
|   |             |             |                   |                      | 236,694               | 30,260                | 30,260                |   |  |

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

**3. NET CURRENT ASSETS**

**(a) Composition of estimated net current assets**

**Current assets**

|  |   |            |            |            |
|--|---|------------|------------|------------|
| Cash and cash equivalents - unrestricted | 4 | 5,433,150  | 5,250,569  | 1,134,098  |
| Cash and cash equivalents - restricted   | 4 | 60,700,138 | 7,096,412  | 64,684,369 |
| Financial assets - unrestricted          |   | 2,841      | 15,402     | 89,840     |
| Financial assets - restricted            | 4 | 0          | 63,758,468 | 0          |
| Receivables                              |   | 5,073,911  | 9,167,694  | 5,501,616  |
| Contract assets                          |   | 0          | 0          | 150,000    |
| Inventories                              |   | 3,523,336  | 4,440,213  | 1,880,955  |

**Less: current liabilities**

|                                 |   |             |             |             |
|---------------------------------|---|-------------|-------------|-------------|
| Trade and other payables        |   | (5,923,421) | (5,498,496) | (5,898,644) |
| Contract liabilities            |   |             | 0           | (2,500,518) |
| Lease liabilities               | 8 | (134,325)   | (152,829)   | (132,763)   |
| Long term borrowings            | 7 | (1,300,234) | (16,854)    | (91,547)    |
| Employee provisions             |   | (4,820,037) | (4,820,037) | (4,618,608) |
| Provision for remediation costs |   | (5,181,050) | (8,109,808) | 0           |

**Net current assets**

**Less: Total adjustments to net current assets**

|  |       |              |              |              |
|--|-------|--------------|--------------|--------------|
|  | 3.(d) | (57,327,563) | (69,664,058) | (60,044,277) |
|--|-------|--------------|--------------|--------------|

|  |  |               |                  |                |
|--|--|---------------|------------------|----------------|
| <b>Net current assets used in the Rate Setting Statement</b> |  | <b>46,746</b> | <b>1,466,676</b> | <b>154,521</b> |
|--|--|---------------|------------------|----------------|



**3 (e) NET CURRENT ASSETS (CONTINUED)**

**SIGNIFICANT ACCOUNTING POLICIES**

**CURRENT AND NON-CURRENT CLASSIFICATION**

An 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.

**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 of Karratha becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**PREPAID RATES**

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

**INVENTORIES**

**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.

**Superannuation**

The City of Karratha contributes to a number of superannuation funds on behalf of employees.

All funds to which the City of Karratha contributes are defined contribution plans.

**LAND HELD FOR RESALE**

Land held for development and sale 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. 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.

**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.

**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.

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.

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

**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.

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

**CONTRACT LIABILITIES**

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer. Grants to acquire or construct recognisable non-financial assets to be controlled by the City are recognised as a liability until such time as the City satisfies its obligations under the agreement.

**CONTRACT ASSETS**

A contract asset is the right to consideration in exchange for goods or services the entity has transferred to a customer when that right is conditioned on something other than the passage of time.

#### 4. RECONCILIATION OF CASH

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, net of outstanding bank overdrafts. Estimated cash at the end of the reporting period is as follows:

| Note   | 2022/23<br>Budget | 2021/22<br>Actual | 2021/22<br>Budget |
|--|-------------------|-------------------|-------------------|
|  | \$                | \$                | \$                |
| Cash at bank and on hand   | 66,133,288        | 7,344,212         | 49,418,467        |
| Term deposits  | 0                 | 5,002,769         | 16,400,000        |
| <b>Total cash and cash equivalents</b>   | <b>66,133,288</b> | <b>12,346,981</b> | <b>65,818,467</b> |
| Held as  |                   |                   |                   |
| - Unrestricted cash and cash equivalents   | 3(a) 5,433,150    | 5,250,569         | 1,134,098         |
| - Restricted cash and cash equivalents   | 3(a) 60,700,138   | 7,096,412         | 64,684,369        |
|  | <b>66,133,288</b> | <b>12,346,981</b> | <b>65,818,467</b> |
| <b>Restrictions</b>  |                   |                   |                   |
| The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used: |                   |                   |                   |
| - Cash and cash equivalents  | 60,700,138        | 7,096,412         | 64,684,369        |
| - Restricted financial assets at amortised cost - term deposits  | 3(a) 0            | 63,758,468        | 0                 |
|  | <b>60,700,138</b> | <b>70,854,880</b> | <b>64,684,369</b> |
| The restricted assets are a result of the following specific purposes to which the assets may be used:   |                   |                   |                   |
| Financially backed reserves  | 9 60,640,138      | 70,794,880        | 62,183,851        |
| Contract liabilities   | 0                 | 0                 | 2,500,518         |
| Other provisions   | 60,000            | 60,000            | 0                 |
|  | <b>60,700,138</b> | <b>70,854,880</b> | <b>64,684,369</b> |
| <b>Reconciliation of net cash provided by operating activities to net result</b>   |                   |                   |                   |
| <b>Net result</b>  | <b>10,716,640</b> | <b>10,954,322</b> | <b>14,640,461</b> |
| Depreciation   | 6 21,597,922      | 21,520,249        | 18,924,084        |
| (Profit)/loss on sale of asset   | 5(b) (808,000)    | (741,700)         | (1,841,248)       |
| Share of profit or (loss) of associates accounted for using the equity method  | 0                 | 0                 | 0                 |
| (Increase)/decrease in receivables   | 1,177,584         | (315,916)         | 2,972,235         |
| (Increase)/decrease in contract assets   | 0                 | 691,479           | 0                 |
| (Increase)/decrease in inventories   | 0                 | (4,155,590)       | 0                 |
| Increase/(decrease) in payables  | 424,925           | (5,625,104)       | 1,500,000         |
| Increase/(decrease) in contract liabilities  | 0                 | (446,609)         | 550,000           |
| Non-operating grants, subsidies and contributions  | (5,903,824)       | (3,209,652)       | (8,700,142)       |
| <b>Net cash from operating activities</b>  | <b>27,205,247</b> | <b>18,671,479</b> | <b>28,045,390</b> |

#### SIGNIFICANT ACCOUNTING POLICES

##### CASH AND CASH EQUIVALENTS

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

Bank overdrafts are shown as short term borrowings in current liabilities in Note 3 - Net Current Assets.

##### FINANCIAL ASSETS AT AMORTISED COST

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

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

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

**5. FIXED ASSETS**

**(a) Acquisition of Assets**

The following assets are budgeted to be acquired during the year.

| Asset class                                 | Reporting program |                         |                           |               |                       |                |                     |                        |                   |                   |                             | 2022/23<br>Budget total | 2021/22<br>Actual total | 2021/22<br>Budget total |
|---|-------------------|-------------------------|---------------------------|---------------|-----------------------|----------------|---------------------|------------------------|-------------------|-------------------|-----------------------------|-------------------------|-------------------------|-------------------------|
|   | Governance        | General purpose funding | Law, order, public safety | Health        | Education and welfare | Housing        | Community amenities | Recreation and culture | Transport         | Economic services | Other property and services |                         |                         |                         |
|   | \$                | \$                      | \$                        | \$            | \$                    | \$             | \$                  | \$                     | \$                | \$                | \$                          | \$                      | \$                      | \$                      |
| <b><u>Property, Plant and Equipment</u></b> |                   |                         |                           |               |                       |                |                     |                        |                   |                   |                             |                         |                         |                         |
| Land - freehold land                        | 500,000           | 0                       | 0                         | 0             | 0                     | 0              | 0                   | 0                      | 0                 | 0                 | 0                           | 500,000                 | 2,605,182               | 2,605,000               |
| Buildings - non-specialised                 | 28,269,250        | 0                       | 0                         | 0             | 175,000               | 409,853        | 48,000              | 267,505                | 822,549           | 0                 | 0                           | 29,992,157              | 6,231,314               | 6,780,164               |
| Furniture and equipment                     | 864,100           | 0                       | 0                         | 0             | 0                     | 0              | 0                   | 128,000                | 15,000            | 0                 | 0                           | 1,007,100               | 1,216,305               | 780,317                 |
| Plant                                       | 0                 | 0                       | 48,000                    | 15,000        | 0                     | 0              | 610,000             | 849,000                | 601,000           | 0                 | 63,000                      | 2,186,000               | 1,845,592               | 1,927,460               |
| Equipment                                   | 0                 | 0                       | 0                         | 0             | 0                     | 0              | 0                   | 227,043                | 536,361           | 0                 | 0                           | 763,404                 | 1,167,323               | 1,122,907               |
| Artworks & Sculptures                       | 0                 | 0                       | 0                         | 0             | 0                     | 0              | 0                   | 81,836                 | 0                 | 0                 | 0                           | 81,836                  | 123,164                 | 208,333                 |
|   | 29,633,350        | 0                       | 48,000                    | 15,000        | 175,000               | 409,853        | 658,000             | 1,553,384              | 1,974,910         | 0                 | 63,000                      | 34,530,497              | 13,188,880              | 13,424,181              |
| <b><u>Infrastructure</u></b>                |                   |                         |                           |               |                       |                |                     |                        |                   |                   |                             |                         |                         |                         |
| Infrastructure - roads                      | 0                 | 0                       | 0                         | 0             | 0                     | 0              | 0                   | 0                      | 8,360,126         | 13,000            | 0                           | 8,373,126               | 1,724,462               | 6,865,062               |
| Infrastructure - footpaths                  | 0                 | 0                       | 0                         | 0             | 0                     | 0              | 0                   | 0                      | 1,371,643         | 0                 | 0                           | 1,371,643               | 976,353                 | 1,107,162               |
| Infrastructure - drainage                   | 0                 | 0                       | 0                         | 0             | 0                     | 0              | 0                   | 0                      | 380,000           | 0                 | 0                           | 380,000                 | 371,143                 | 254,604                 |
| Infrastructure - parks, recreation an       | 0                 | 0                       | 0                         | 0             | 0                     | 0              | 0                   | 2,967,204              | 0                 | 0                 | 0                           | 2,967,204               | 1,329,350               | 2,194,195               |
| Infrastructure - aerodomes                  | 0                 | 0                       | 0                         | 0             | 0                     | 0              | 0                   | 0                      | 480,782           | 0                 | 0                           | 480,782                 | 838,650                 | 0                       |
| Infrastructure - miscellaneous struc        | 0                 | 0                       | 0                         | 0             | 0                     | 0              | 112,000             | 11,781,076             | 170,000           | 0                 | 0                           | 12,063,076              | 3,505,125               | 14,232,095              |
|   | 0                 | 0                       | 0                         | 0             | 0                     | 0              | 112,000             | 14,748,280             | 10,762,551        | 13,000            | 0                           | 25,635,831              | 8,745,083               | 24,653,118              |
| <b><u>Right of use assets</u></b>           |                   |                         |                           |               |                       |                |                     |                        |                   |                   |                             |                         |                         |                         |
| Right of use - buildings                    |                   |                         |                           |               |                       |                |                     |                        |                   |                   |                             | 0                       | 1,538,492               | 0                       |
|   | 0                 | 0                       | 0                         | 0             | 0                     | 0              | 0                   | 0                      | 0                 | 0                 | 0                           | 0                       | 1,538,492               | 0                       |
| <b><u>Land Held for Resale</u></b>          |                   |                         |                           |               |                       |                |                     |                        |                   |                   |                             |                         |                         |                         |
| Land held for resale                        | 0                 | 11,673                  | 0                         | 0             | 0                     | 0              | 0                   | 0                      | 0                 | 0                 | 0                           | 11,673                  | 2,047,203               | 1,950,996               |
| <b><u>Investment Property</u></b>           |                   |                         |                           |               |                       |                |                     |                        |                   |                   |                             |                         |                         |                         |
| Buildings                                   | 0                 | 0                       | 0                         | 0             | 0                     | 0              | 0                   | 0                      | 0                 | 0                 | 0                           | 0                       | 541,178                 | 255,000                 |
|   | 0                 | 0                       | 0                         | 0             | 0                     | 0              | 0                   | 0                      | 0                 | 0                 | 0                           | 0                       | 541,178                 | 255,000                 |
| <b>Total acquisitions</b>                   | <b>29,633,350</b> | <b>11,673</b>           | <b>48,000</b>             | <b>15,000</b> | <b>175,000</b>        | <b>409,853</b> | <b>770,000</b>      | <b>16,301,664</b>      | <b>12,737,461</b> | <b>13,000</b>     | <b>63,000</b>               | <b>60,178,001</b>       | <b>26,060,837</b>       | <b>40,283,295</b>       |

**SIGNIFICANT ACCOUNTING POLICIES**

**RECOGNITION OF ASSETS**

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

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised. In the case of infrastructure assets, assets are recognised individually to support asset maintenance programming and associated reporting.

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

**5. FIXED ASSETS (CONTINUED)**

**(b) Disposals of Assets**

The following assets are budgeted to be disposed of during the year.

|                                      | <b>2022/23<br/>Budget<br/>Net Book<br/>Value</b> | <b>2022/23<br/>Budget<br/>Sale<br/>Proceeds</b> | <b>2022/23<br/>Budget<br/>Profit</b> | <b>2022/23<br/>Budget<br/>Loss</b> | <b>2021/22<br/>Actual<br/>Net Book<br/>Value</b> | <b>2021/22<br/>Actual<br/>Sale<br/>Proceeds</b> | <b>2021/22<br/>Actual<br/>Profit</b> | <b>2021/22<br/>Actual<br/>Loss</b> | <b>2021/22<br/>Budget<br/>Net Book<br/>Value</b> | <b>2021/22<br/>Budget<br/>Sale<br/>Proceeds</b> | <b>2021/22<br/>Budget<br/>Profit</b> | <b>2021/22<br/>Budget<br/>Loss</b> |
|--------------------------------------|--|---|--------------------------------------|------------------------------------|--|---|--------------------------------------|------------------------------------|--|---|--------------------------------------|------------------------------------|
|                                      | \$   | \$  | \$                                   | \$                                 | \$   | \$  | \$                                   | \$                                 | \$   | \$  | \$                                   | \$                                 |
| <b>By Program</b>                    |  |   |                                      |                                    |  |   |                                      |                                    |  |   |                                      |                                    |
| Governance                           | 968,550  | 1,058,550                                       | 90,000                               | 0                                  | 1,068,520  | 1,772,084                                       | 703,564                              | 0                                  | 1,537,952  | 2,830,000                                       | 1,292,048                            | 0                                  |
| Law, order, public safety            | 30,000   | 30,000  | 0                                    | 0                                  | 45,178   | 47,360  | 5,000                                | (2,818)                            | 50,500   | 29,000  | 0                                    | (21,500)                           |
| Health                               | 2,000  | 2,000   | 0                                    | 0                                  | 0  | 0   | 0                                    | 0                                  | 0  | 0   | 0                                    | 0                                  |
| Housing                              | 615,000  | 1,365,000                                       | 750,000                              | 0                                  | 182,192  | 415,000   | 250,000                              | (17,192)                           | 750,000  | 1,500,000                                       | 750,000                              | 0                                  |
| Community amenities                  | 269,500  | 229,500   | 0                                    | (40,000)                           | 272,626  | 124,000   | 4,635                                | (153,261)                          | 177,500  | 94,500  | 0                                    | (83,000)                           |
| Recreation and culture               | 120,000  | 123,000   | 19,000                               | (16,000)                           | 126,034  | 131,536   | 17,077                               | (11,575)                           | 88,000   | 72,000  | 1,000                                | (17,000)                           |
| Transport                            | 61,500   | 61,500  | 0                                    | 0                                  | 283,320  | 239,495   | 4,000                                | (47,825)                           | 304,300  | 227,500   | 0                                    | (76,800)                           |
| Economic services                    | 42,000   | 47,000  | 5,000                                | 0                                  | 16,011   | 9,000   | 0                                    | (7,011)                            | 23,500   | 23,000  | 0                                    | (500)                              |
| Other property and services          | 34,500   | 34,500  | 0                                    | 0                                  | 28,644   | 25,750  | 757                                  | (3,651)                            | 16,000   | 13,000  | 0                                    | (3,000)                            |
|                                      | <b>2,143,050</b>                                 | <b>2,951,050</b>                                | <b>864,000</b>                       | <b>(56,000)</b>                    | <b>2,022,525</b>                                 | <b>2,764,225</b>                                | <b>985,033</b>                       | <b>(243,333)</b>                   | <b>2,947,752</b>                                 | <b>4,789,000</b>                                | <b>2,043,048</b>                     | <b>(201,800)</b>                   |
| <b>By Class</b>                      |  |   |                                      |                                    |  |   |                                      |                                    |  |   |                                      |                                    |
| <u>Property, Plant and Equipment</u> |  |   |                                      |                                    |  |   |                                      |                                    |  |   |                                      |                                    |
| Buildings - non-specialised          | 615,000  | 1,365,000                                       | 750,000                              | 0                                  | 189,203  | 415,000   | 250,000                              | (24,203)                           | 750,000  | 1,500,000                                       | 750,000                              | 0                                  |
| Plant                                | 599,500  | 587,500   | 44,000                               | (56,000)                           | 769,505  | 587,680   | 33,505                               | (215,330)                          | 686,800  | 489,000   | 4,000                                | (201,800)                          |
| Equipment                            | 0  | 0   | 0                                    | 0                                  | 25,297   | 24,461  | 2,964                                | (3,800)                            | 0  | 0   | 0                                    | 0                                  |
| <u>Land Held for Resale</u>          |  |   |                                      |                                    |  |   |                                      |                                    |  |   |                                      |                                    |
| Land held for resale                 | 928,550  | 998,550   | 70,000                               | 0                                  | 1,038,520  | 1,737,084                                       | 698,564                              | 0                                  | 1,510,952  | 2,800,000                                       | 1,289,048                            | 0                                  |
|                                      | <b>2,143,050</b>                                 | <b>2,951,050</b>                                | <b>864,000</b>                       | <b>(56,000)</b>                    | <b>2,022,525</b>                                 | <b>2,764,225</b>                                | <b>985,033</b>                       | <b>(243,333)</b>                   | <b>2,947,752</b>                                 | <b>4,789,000</b>                                | <b>2,043,048</b>                     | <b>(201,800)</b>                   |

**SIGNIFICANT ACCOUNTING POLICIES**

**GAINS AND LOSSES ON DISPOSAL**

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

**6. ASSET DEPRECIATION**

**By Program**

|                             |
|-----------------------------|
| Governance                  |
| Law, order, public safety   |
| Health                      |
| Education and welfare       |
| Housing                     |
| Community amenities         |
| Recreation and culture      |
| Transport                   |
| Economic services           |
| Other property and services |

**By Class**

|   |
|---|
| Buildings - non-specialised                       |
| Furniture and equipment                           |
| Plant   |
| Equipment   |
| Artworks & Sculptures                             |
| Infrastructure - roads                            |
| Infrastructure - footpaths                        |
| Infrastructure - parks, recreation and open space |
| Infrastructure - aerodomes                        |
| Infrastructure - miscellaneous structures         |
| Infrastructure - landfill post closure asset      |
| Right of use - buildings                          |

| <b>2022/23</b>    | <b>2021/22</b>    | <b>2021/22</b>    |
|-------------------|-------------------|-------------------|
| <b>Budget</b>     | <b>Actual</b>     | <b>Budget</b>     |
| \$                | \$                | \$                |
| 522,392           | 528,160           | 410,556           |
| 149,936           | 141,802           | 90,744            |
| 31,797            | 31,621            | 44,124            |
| 100,774           | 100,224           | 99,060            |
| 289,838           | 291,626           | 283,248           |
| 2,456,718         | 2,439,833         | 947,520           |
| 6,834,674         | 6,847,376         | 6,394,392         |
| 9,827,887         | 9,784,012         | 9,450,372         |
| 53,828            | 53,327            | 52,032            |
| 1,330,078         | 1,302,268         | 1,152,036         |
| <b>21,597,922</b> | <b>21,520,249</b> | <b>18,924,084</b> |
| 5,315,596         | 5,300,572         | 5,262,264         |
| 829,000           | 796,044           | 530,916           |
| 1,366,582         | 1,360,004         | 1,170,384         |
| 238,337           | 249,361           | 90,096            |
| 47,374            | 47,694            | 0                 |
| 5,126,467         | 5,115,484         | 5,060,820         |
| 902,256           | 898,750           | 762,636           |
| 2,125,373         | 2,142,821         | 1,933,608         |
| 2,073,985         | 2,053,760         | 2,046,588         |
| 1,975,016         | 1,968,484         | 1,917,600         |
| 1,443,634         | 1,435,768         | 0                 |
| 154,302           | 151,507           | 149,172           |
| <b>21,597,922</b> | <b>21,520,249</b> | <b>18,924,084</b> |

**SIGNIFICANT ACCOUNTING POLICIES**

**DEPRECIATION**

The depreciable amount of all fixed assets including buildings but excluding freehold 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.

Major depreciation periods used for each class of depreciable asset are:

|  |  |
|--|--|
| Buildings - non-specialised                  | 10 to 100 years                                  |
| Furniture and equipment                      | 3 to 10 years                                    |
| Plant  | 5 to 15 years                                    |
| Equipment                                    |  |
| Artworks & Sculptures                        |  |
| Infrastructure - roads                       | 12 to 80 years                                   |
| Infrastructure - footpaths                   | 10 to 80 years                                   |
| Infrastructure - parks, recreation and open  | 15 to 30 years                                   |
| Infrastructure - aerodomes                   | 10 to 80 years                                   |
| Infrastructure - miscellaneous structures    | 15 to 100 years                                  |
| Infrastructure - landfill post closure asset | Based on open landfill cells (currently 8 years) |
| Right of use - buildings                     | Based on the remaining lease                     |

**AMORTISATION**

The depreciable amount of all intangible assets with a finite useful life, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

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

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income.



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

**7. INFORMATION ON BORROWINGS**

**(a) Borrowing repayments**

Movement in borrowings and interest between the beginning and the end of the current financial year.

| Purpose                        | Loan Number | Institution | Interest Rate | Budget      | 2022/23       | 2022/23    | Budget                   | 2022/23    | Actual      | 2021/22   | 2021/22    | Actual                   | 2021/22    | Budget      | 2021/22   | 2021/22    | Budget                   | 2021/22    |           |
|--------------------------------|-------------|-------------|---------------|-------------|---------------|------------|--------------------------|------------|-------------|-----------|------------|--------------------------|------------|-------------|-----------|------------|--------------------------|------------|-----------|
|                                |             |             |               | Principal   | Budget        | Budget     | Principal                | Principal  |             | Actual    | Actual     | Actual                   | Budget     |             | Budget    | Budget     | Principal                | Principal  | Principal |
|                                |             |             |               | 1 July 2022 | New Loans     | Repayments | outstanding 30 June 2023 | Repayments | 1 July 2021 | New Loans | Repayments | outstanding 30 June 2022 | Repayments | 1 July 2021 | New Loans | Repayments | outstanding 30 June 2022 | Repayments |           |
| Walgu Development              | TBC         | TBC         | 4.48%         | \$ 0        | \$ 16,000,000 | \$ 0       | \$ 16,000,000            | \$ 0       | \$ 0        | \$ 0      | \$ 0       | \$ 0                     | \$ 0       | \$ 0        | \$ 0      | \$ 0       | \$ 0                     | \$ 0       | \$ 0      |
| <b>Self Supporting Loans</b>   |             |             |               |             |               |            |                          |            |             |           |            |                          |            |             |           |            |                          |            |           |
| <b>General purpose funding</b> |             |             |               |             |               |            |                          |            |             |           |            |                          |            |             |           |            |                          |            |           |
| Karratha Country Club          | 1           | WATC        | 0.00%         | 0           | 0             | 0          | 0                        | 0          | 0           | 0         | 0          | 0                        | 0          | 144,225     | 0         | (69,531)   | 74,694                   | (3,087)    |           |
| Karratha RSL                   | 100         | WATC        | 2.65%         | 16,854      | 0             | (16,854)   | 0                        | (336)      | 33,269      | 0         | (16,415)   | 16,854                   | (774)      | 33,269      | 0         | (16,415)   | 16,854                   | (774)      |           |
|                                |             |             |               | 16,854      | 0             | (16,854)   | 0                        | (336)      | 33,269      | 0         | (16,415)   | 16,854                   | (774)      | 177,494     | 0         | (85,946)   | 91,548                   | (3,861)    |           |
|                                |             |             |               | 16,854      | 16,000,000    | (16,854)   | 16,000,000               | (336)      | 33,269      | 0         | (16,415)   | 16,854                   | (774)      | 177,494     | 0         | (85,946)   | 91,548                   | (3,861)    |           |

Self supporting loans are financed by payments from third parties.  
 All other loan repayments were financed by general purpose revenue.

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

**7. INFORMATION ON BORROWINGS (CONTINUED)**

**(b) New borrowings - 2022/23**

| Particulars/Purpose | Institution | Loan type | Term (years) | Interest rate | Amount borrowed budget | Total interest & charges | Amount used budget | Balance unspent |
|---------------------|-------------|-----------|--------------|---------------|------------------------|--------------------------|--------------------|-----------------|
| Walgu Development   | TBC         | Debenture | 10           | 4.48%         | \$ 16,000,000          | \$ 0                     | \$ 0               | \$ 16,000,000   |
|                     |             |           |              |               | 16,000,000             | 0                        | 0                  | 16,000,000      |

Borrowing intended to be drawn down in June 2023.

**(c) Unspent borrowings**

| Loan Details | Purpose of the loan | Year loan taken | Amount b/fwd. | Amount used 2022/23 Budget | New loans unspent at 30 June 2023 | Amount as at 30 June 2023 |
|--------------|---------------------|-----------------|---------------|----------------------------|-----------------------------------|---------------------------|
| TBC          | Walgu Development   | 2022            | \$ 0          | \$ 0                       | \$ 16,000,000                     | \$ 0                      |
|              |                     |                 | 0             | 0                          | 16,000,000                        | 0                         |

**(d) Credit Facilities**

|   | 2022/23 Budget   | 2021/22 Actual   | 2021/22 Budget   |
|---|------------------|------------------|------------------|
| <b>Undrawn borrowing facilities credit standby arrangements</b> | \$               | \$               | \$               |
| Bank overdraft limit  | 1,000,000        | 1,000,000        | 1,000,000        |
| Bank overdraft at balance date                                  | 0                | 0                | 0                |
| Credit card limit   | 111,000          | 111,000          | 111,000          |
| Credit card balance at balance date                             | 0                | 0                | (1,020)          |
| <b>Total amount of credit unused</b>                            | <b>1,111,000</b> | <b>1,111,000</b> | <b>1,109,980</b> |
| <b>Loan facilities</b>  |                  |                  |                  |
| Loan facilities in use at balance date                          | 16,000,000       | 16,854           | 91,548           |

**SIGNIFICANT ACCOUNTING POLICIES**

**BORROWING COSTS**

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

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

**8. LEASE LIABILITIES**

| Purpose                       | Lease Number | Institution                  | Lease Interest Rate | Lease Term | Budget Lease          | 2022/23 Budget            | Budget Lease                             | 2022/23 Budget            | Actual Principal | 2021/22 Actual        | Actual Lease              | 2021/22 Actual                    | Budget Principal | 2021/22 Budget            | Budget Lease          | Budget Lease              | 2021/22 Budget   | Budget Lease                       |
|-------------------------------|--------------|------------------------------|---------------------|------------|-----------------------|---------------------------|--|---------------------------|------------------|-----------------------|---------------------------|-----------------------------------|------------------|---------------------------|-----------------------|---------------------------|------------------|------------------------------------|
|                               |              |                              |                     |            | Principal 1 July 2022 | 2022/23 Budget New Leases | Lease Principal outstanding 30 June 2023 | Lease Interest Repayments |                  | Principal 1 July 2021 | 2021/22 Actual New Leases | Principal repayments 30 June 2022 |                  | Lease Interest repayments | Principal 1 July 2021 | 2021/22 Budget New Leases | Lease repayments | Principal outstanding 30 June 2022 |
| <b>Governance</b>             |              |                              |                     |            | \$                    | \$                        | \$                                       | \$                        | \$               | \$                    | \$                        | \$                                | \$               | \$                        | \$                    | \$                        | \$               | \$                                 |
| ERP Project Office            |              | Glensal Pty Ltd              | 1.2%                | 3 years    | 34,740                |                           | (29,747)                                 | 4,992                     | (252)            | 63,135                | (28,396)                  | 34,740                            | (604)            |                           |                       |                           |                  | 0                                  |
| <b>Recreation and culture</b> |              |                              |                     |            |                       |                           |  |                           |                  |                       |                           |                                   |                  |                           |                       |                           |                  |                                    |
| Roebourne Library             |              | Wawardu Ltd                  | 2.9%                | 3 years    | 42,763                |                           | (14,780)                                 | 27,983                    | (820)            | 57,210                | (14,447)                  | 42,763                            | (1,152)          | 12,830                    |                       |                           | (12,830)         | 0                                  |
| Tambrey Indoor Play Centre    |              | Tambrey Developments Pty Ltd | 3.0%                | 10 years   | 1,149,979             |                           | (108,303)                                | 1,041,676                 | (20,742)         | 1,252,542             | (102,563)                 | 1,149,979                         | (22,723)         | 1,281,801                 |                       |                           | (119,933)        | 1,161,868                          |
|                               |              |                              |                     |            | 1,227,481             | 0                         | (152,829)                                | 1,074,652                 | (21,814)         | 1,372,887             | 0                         | (145,406)                         | 1,227,481        | (24,479)                  | 1,294,631             | 0                         | (132,763)        | 1,161,868                          |

**SIGNIFICANT ACCOUNTING POLICIES**

**LEASES**

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

At the commencement date, a right-of-use asset is recognised at cost and a lease liability, at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate. All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease. Leases for right-of-use assets are secured over the asset being leased.

**RIGHT-OF-USE ASSETS - VALUATION**

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

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

**RIGHT-OF-USE ASSETS - DEPRECIATION**

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

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

**9. FINANCIALLY BACKED RESERVES**

**(a) Financially Backed Reserves - Movement**

|   | 2022/23<br>Budget<br>Opening<br>Balance | 2022/23<br>Budget<br>Transfer to | 2022/23<br>Budget<br>Transfer<br>(from) | 2022/23<br>Budget<br>Closing<br>Balance | 2021/22<br>Actual<br>Opening<br>Balance | 2021/22<br>Actual<br>Transfer to | 2021/22<br>Actual<br>Transfer<br>(from) | 2021/22<br>Actual<br>Closing<br>Balance | 2021/22<br>Budget<br>Opening<br>Balance | 2021/22<br>Budget<br>Transfer to | 2021/22<br>Budget<br>Transfer<br>(from) | 2021/22<br>Budget<br>Closing<br>Balance |
|---|---|----------------------------------|---|---|---|----------------------------------|---|---|---|----------------------------------|---|---|
|   | \$                                      | \$                               | \$                                      | \$                                      | \$                                      | \$                               | \$                                      | \$                                      | \$                                      | \$                               | \$                                      | \$                                      |
| <b>Restricted by legislation</b>                |   |                                  |   |   |   |                                  |   |   |   |                                  |   |   |
| (a) Employee Entitlement Reserve                | 5,336,266                               | 148,627                          | 0                                       | 5,484,893                               | 5,293,881                               | 42,385                           | 0                                       | 5,336,266                               | 4,990,956                               | 46,219                           | 0                                       | 5,037,175                               |
| (b) Public Open Space Reserve - Hancock Way     | 130,608                                 | 3,637                            | 0                                       | 134,245                                 | 130,000                                 | 608                              | 0                                       | 130,608                                 | 0                                       | 131,013                          | 0                                       | 131,013                                 |
|   | 5,466,874                               | 152,264                          | 0                                       | 5,619,138                               | 5,423,881                               | 42,993                           | 0                                       | 5,466,874                               | 4,990,956                               | 177,232                          | 0                                       | 5,168,188                               |
| <b>Restricted by council</b>                    |   |                                  |   |   |   |                                  |   |   |   |                                  |   |   |
| (c) Aerodrome Reserve                           | 4,356,520                               | 4,510,820                        | 0                                       | 8,867,340                               | 4,053,944                               | 302,576                          | 0                                       | 4,356,520                               | 3,525,063                               | 32,640                           | 0                                       | 3,557,703                               |
| (d) Carry Forward Budget Reserve                | 2,440,822                               | 1,946,879                        | (1,946,879)                             | 2,440,822                               | 2,440,822                               | 0                                | 0                                       | 2,440,822                               | 490,043                                 | 0                                | 0                                       | 490,043                                 |
| (e) Community Development Reserve               | 428,282                                 | 12,625                           | 0                                       | 440,907                                 | 468,943                                 | 5,015                            | (45,676)                                | 428,282                                 | 582,828                                 | 5,398                            | (46,966)                                | 541,260                                 |
| (f) Dampier Drainage Reserve                    | 11,179                                  | 10,311                           | 0                                       | 21,490                                  | 11,090                                  | 89                               | 0                                       | 11,179                                  | 11,090                                  | 0                                | 0                                       | 11,090                                  |
| (g) Economic Development Reserve                | 1,347,492                               | 37,531                           | 0                                       | 1,385,023                               | 1,336,789                               | 10,703                           | 0                                       | 1,347,492                               | 1,174,546                               | 10,878                           | 0                                       | 1,185,424                               |
| (h) Infrastructure Reserve                      | 31,277,287                              | 15,718,862                       | (37,440,666)                            | 9,555,483                               | 26,783,066                              | 17,788,258                       | (13,294,037)                            | 31,277,287                              | 29,953,464                              | 18,334,572                       | (24,449,023)                            | 23,839,013                              |
| (i) Medical Services Assistance Package Reserve | 296,363                                 | 6,716                            | (169,780)                               | 133,299                                 | 418,476                                 | 3,031                            | (125,144)                               | 296,363                                 | 351,113                                 | 3,250                            | (159,200)                               | 195,163                                 |
| (j) Mosquito Control Reserve                    | 10,179                                  | 282                              | 0                                       | 10,461                                  | 10,098                                  | 81                               | 0                                       | 10,179                                  | 10,100                                  | 93                               | 0                                       | 10,193                                  |
| (k) Partnership Reserve                         | 7,253,969                               | 9,626,201                        | (3,322,504)                             | 13,557,666                              | 819,201                                 | 9,432,165                        | (2,997,397)                             | 7,253,969                               | 6,226,468                               | 9,457,655                        | (3,548,111)                             | 12,136,012                              |
| (l) Restricted Funds Reserve                    | 393,835                                 | 0                                | 0                                       | 393,835                                 | 393,835                                 | 0                                | 0                                       | 393,835                                 | 393,835                                 | 0                                | 0                                       | 393,835                                 |
| (m) Waste Management Reserve                    | 17,112,357                              | 691,463                          | 0                                       | 17,803,820                              | 20,721,722                              | 146,157                          | (3,755,522)                             | 17,112,357                              | 17,511,379                              | 186,177                          | (3,441,882)                             | 14,255,674                              |
| (n) Workers Compensation Reserve                | 399,721                                 | 11,133                           | 0                                       | 410,854                                 | 396,545                                 | 3,176                            | 0                                       | 399,721                                 | 396,580                                 | 3,673                            | 0                                       | 400,253                                 |
|   | 65,328,006                              | 32,572,823                       | (42,879,829)                            | 55,021,000                              | 57,854,531                              | 27,691,251                       | (20,217,776)                            | 65,328,006                              | 60,626,509                              | 28,034,336                       | (31,645,182)                            | 57,015,663                              |
|   | 70,794,880                              | 32,725,087                       | (42,879,829)                            | 60,640,138                              | 63,278,412                              | 27,734,244                       | (20,217,776)                            | 70,794,880                              | 65,617,465                              | 28,211,568                       | (31,645,182)                            | 62,183,851                              |

**(b) Financially Backed Reserves - Purposes**

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

| Reserve name                                    | Anticipated date of use | Purpose of the reserve   |
|---|-------------------------|--|
| (a) Employee Entitlement Reserve                | Ongoing                 | To fund employee leave entitlements when on extended leave, including long service leave as well as periods of Annual Leave for periods greater than 4 weeks duration, thereby retaining salary and wages budgets for the funding of replacement staffing during extended periods of leave.  |
| (b) Public Open Space Reserve - Hancock Way     | Ongoing                 | The purpose of this reserve is to fund future developments of public open space funded by contributions received in line with the Planning and Development Act 2005 relating to the Hancock Way subdivision.   |
| (c) Aerodrome Reserve                           | Ongoing                 | The purpose of this reserve is to fund the development, operation and maintenance of the Karratha Airport, inclusive of any repayments of borrowings and the funding of employee entitlements.   |
| (d) Carry Forward Budget Reserve                | Ongoing                 | This reserve is for the purpose of preserving projects funds carried over.   |
| (e) Community Development Reserve               | Ongoing                 | The purpose of this reserve is to hold Annual Community Association Grant Scheme unspent payments each year and to fund future projects initiated by Community Associations from time to time via the Annual Community Association Grant Scheme.   |
| (f) Dampier Drainage Reserve                    | Ongoing                 | This reserve is maintained as part of an agreement between the City and Hamersley Iron. The purpose of the reserve is to ensure funds are available for the maintenance of drainage in Dampier. Hamersley Iron pay to the City each year a \$10,000 contribution towards this maintenance with any additional works required being drawn from this reserve and similarly, any funds remaining unspent being transferred to this reserve. |
| (g) Economic Development Reserve                | Ongoing                 | To fund economic development activities within the City, including Destination Marketing, Business Attraction, Property Development and Tourism.   |
| (h) Infrastructure Reserve                      | Ongoing                 | The purpose of this reserve is to allow for the use of these reserve funds for the enhancement, replacement, refurbishment and purchase of infrastructure assets or project works of the City inclusive of the associated repayment of borrowings on infrastructure. Project works funded from this reserve may not necessarily belong to the City but must be carried out for the benefit of the City.                                  |
| (i) Medical Services Assistance Package Reserve | Ongoing                 | The purpose of this reserve is to fund future assistance to Medical Services in accordance with the City's participation in the Medical Services Incentive Scheme. This is inclusive of retention payments to General Practitioner's in accordance with the Medical Services Incentive Scheme.   |
| (j) Mosquito Control Reserve                    | Ongoing                 | The purpose of this reserve is to fund mosquito control programmes inclusive of the purchase of replacement equipment as required.   |
| (k) Partnership Reserve                         | Ongoing                 | This reserve is maintained as part of the Community Infrastructure and Services Partnership (the Partnership) and the related funding agreements between the City and Rio Tinto Iron Ore. The purpose of the reserve is to preserve funds received under each funding agreement under the Partnership and restrict the funds for the purpose of each funding agreements.   |
| (l) Restricted Funds Reserve                    | Ongoing                 | This reserve is for the purpose of holding Unexpended or Prepaid Grants (other than Royalties for Regions) and Capital Contributions provided for specific purposes.   |
| (m) Waste Management Reserve                    | Ongoing                 | The purpose of this reserve is to fund development, operation and maintenance of the City's Waste Management facilities inclusive of repayments of borrowings and the funding of employee entitlements.  |
| (n) Workers Compensation Reserve                | Ongoing                 | The purpose of this reserve is to provide City with sufficient funds to cover its potential liability in regard to the performance based workers compensation scheme of Local Government Insurance Services of which the City of Karratha is a member. Funds within the reserve that become surplus to requirements will be transferred to the City's Employee Entitlements Reserve via way of the City's Annual Budget.                 |

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

**10. REVENUE RECOGNITION**

**SIGNIFICANT ACCOUNTING POLICIES**

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

| Revenue Category  | Nature of goods and services   | When obligations typically satisfied | Payment terms  | Returns/Refunds/Warranties                  | Determination of transaction price  | Allocating transaction price                                    | Measuring obligations for returns                                   | Revenue recognition  |
|---|--|--------------------------------------|--|---|---|---|---|--|
| Rates   | General Rates  | Over time                            | Payment dates adopted by Council during the year                         | None  | Adopted by council annually   | When taxable event occurs                                       | Not applicable  | When rates notice is issued  |
| Service charges   | Charge for specific service  | Over time                            | Payment dates adopted by Council during the year                         | Refund in event monies are unspent          | Adopted by council annually   | When taxable event occurs                                       | Not applicable  | When rates notice is issued  |
| Grant contracts with customers  | Community events, minor facilities, research, design, planning evaluation and services                           | Over time                            | Fixed terms transfer of funds based on agreed milestones and reporting   | Contract obligation if project not complete | Set by mutual agreement with the customer                                   | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms breached | Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared |
| Grants, subsidies or contributions for the construction of non-financial assets | Construction or acquisition of recognisable non-financial assets to be controlled by the local government        | Over time                            | Fixed terms transfer of funds based on agreed milestones and reporting   | Contract obligation if project not complete | Set by mutual agreement with the customer                                   | Based on the progress of works to match performance obligations | Returns limited to repayment of transaction price of terms breached | Output method based on project milestones and/or completion date matched to performance obligations                      |
| Grants with no contractual commitments  | General appropriations and contributions with no specific contractual commitments                                | No obligations                       | Not applicable   | Not applicable                              | Cash received   | On receipt of funds   | Not applicable  | When assets are controlled   |
| Licences/ Registrations/ Approvals  | Building, planning, development and animal management, having the same nature as a licence regardless of naming. | Single point in time                 | Full payment prior to issue  | None  | Set by State legislation or limited by legislation to the cost of provision | Based on timing of issue of the associated rights               | No refunds  | On payment and issue of the licence, registration or approval  |
| Waste management collections  | Kerbside collection service  | Over time                            | Payment on an annual basis in advance                                    | None  | Adopted by council annually   | Apportioned equally across the collection period                | Not applicable  | Output method based on provision of service  |
| Waste management entry fees   | Waste treatment, recycling and disposal service at disposal sites  | Single point in time                 | Payment in advance at gate or on normal trading terms if credit provided | None  | Adopted by council annually   | Based on timing of entry to facility                            | Not applicable  | On entry to facility   |
| Airport landing charges   | Permission to use facilities and runway  | Single point in time                 | Monthly in arrears   | None  | Adopted by council annually   | Applied fully on timing of landing/take-off                     | Not applicable  | On landing/departure event   |
| Fees and charges for other goods and services                                   | Cemetery services, library fees, reinstatements and private works  | Single point in time                 | Payment in full in advance   | None  | Adopted by council annually   | Applied fully based on timing of provision                      | Not applicable  | Output method based on provision of service or completion of works   |
| Sale of stock   | Kiosk and visitor centre stock   | Single point in time                 | In full in advance, on 40 day credit                                     | Refund for faulty goods                     | Adopted by council annually, set by mutual agreement                        | Applied fully based on timing of provision                      | Returns limited to repayment of transaction price                   | Output method based on provision of goods  |
| Pool inspections  | Compliance safety check  | Single point in time                 | Equal proportion based on an equal annually fee                          | None  | Set by state legislation  | Apportioned equally across the inspection cycle                 | No refunds  | Output method based on provision of service  |
| Other inspections   | Regulatory Food, Health and Safety   | Single point in time                 | Full payment prior to inspection   | None  | Set by state legislation or limited by legislation to the cost of provision | Applied fully on timing of inspection                           | Not applicable  | Revenue recognised after inspection event occurs   |
| Property hire and entry   | Use of halls and facilities  | Single point in time                 | In full in advance   | Refund if event cancelled within 7 days     | Adopted by Council annually   | Based on timing of entry to facility                            | Returns limited to repayment of transaction price                   | On entry or at conclusion of hire  |
| Memberships   | Gym and pool membership  | Over time                            | Payment in full in advance   | Refund for unused portion on application    | Adopted by council annually   | Apportioned equally across the access period                    | Returns limited to repayment of transaction price                   | Output method over 12 months matched to access right   |
| Commissions   | Commissions on ticket sales/artwork  | Over time                            | Payment in full on sale  | None  | Set by mutual agreement with the customer                                   | On receipt of funds   | Not applicable  | When assets are controlled   |
| Reimbursements  | Insurance claims   | Single point in time                 | Payment in arrears for claimable event                                   | None  | Set by mutual agreement with the customer                                   | When claim is agreed  | Not applicable  | When claim is agreed   |

## 11. PROGRAM INFORMATION

| Income and expenses   | 2022/23<br>Budget | 2021/22<br>Actual | 2021/22<br>Budget |
|---|-------------------|-------------------|-------------------|
| <b>Income excluding grants, subsidies and contributions</b> | \$                | \$                | \$                |
| Governance  | 139,120           | 776,135           | 1,370,695         |
| General purpose funding                                     | 54,478,716        | 49,862,439        | 49,403,627        |
| Law, order, public safety                                   | 241,445           | 188,517           | 258,194           |
| Health  | 166,300           | 167,696           | 153,850           |
| Education and welfare                                       | 68,000            | 73,612            | 72,000            |
| Housing   | 1,398,182         | 876,778           | 1,571,690         |
| Community amenities   | 13,093,722        | 14,261,220        | 11,557,591        |
| Recreation and culture                                      | 5,577,232         | 5,472,762         | 4,664,599         |
| Transport   | 25,815,595        | 23,324,184        | 21,896,402        |
| Economic services   | 885,600           | 800,941           | 681,976           |
| Other property and services                                 | 406,549           | 537,638           | 685,710           |
|   | 102,270,461       | 96,341,922        | 92,316,334        |
| <b>Operating grants, subsidies and contributions</b>        |                   |                   |                   |
| Governance  | 4,590             | 144,700           | 4,500             |
| General purpose funding                                     | 3,145,269         | 2,912,064         | 2,827,042         |
| Law, order, public safety                                   | 359,000           | 533,069           | 410,000           |
| Health  | 13,066            | 14,066            | 12,557            |
| Community amenities   | 732,500           | 164,183           | 40,000            |
| Recreation and culture                                      | 11,326,993        | 6,632,121         | 11,159,148        |
| Transport   | 1,718,525         | 3,565,187         | 1,526,555         |
| Economic services   | 41,000            | 173,500           | 34,000            |
|   | 17,340,943        | 14,138,890        | 16,013,802        |
| <b>Non-operating grants, subsidies and contributions</b>    |                   |                   |                   |
| Law, order, public safety                                   | 0                 | 0                 | 20,000            |
| Community amenities   | 0                 | 338,303           | 0                 |
| Recreation and culture                                      | 1,385,388         | 1,743,958         | 3,163,428         |
| Transport   | 4,518,436         | 1,127,391         | 5,516,714         |
|   | 5,903,824         | 3,209,652         | 8,700,142         |
| <b>Total Income</b>   | 125,515,227       | 113,690,465       | 117,030,278       |
| <b>Expenses</b>   |                   |                   |                   |
| Governance  | (3,901,224)       | (2,825,854)       | (4,613,589)       |
| General purpose funding                                     | (12,180,068)      | (1,998,406)       | (2,899,873)       |
| Law, order, public safety                                   | (1,604,377)       | (1,807,297)       | (1,728,644)       |
| Health  | (1,238,202)       | (1,201,668)       | (1,171,584)       |
| Education and welfare                                       | (162,436)         | (155,772)         | (163,917)         |
| Housing   | (1,150,700)       | (1,030,616)       | (764,129)         |
| Community amenities   | (18,521,679)      | (19,491,319)      | (19,685,710)      |
| Recreation and culture                                      | (44,919,551)      | (41,431,918)      | (40,804,315)      |
| Transport   | (28,166,253)      | (26,902,962)      | (26,785,435)      |
| Economic services   | (2,776,380)       | (2,509,595)       | (2,802,940)       |
| Other property and services                                 | (177,718)         | (3,380,735)       | (969,681)         |
| <b>Total expenses</b>                                       | (114,798,587)     | (102,736,143)     | (102,389,817)     |
| <b>Net result for the period</b>                            | 10,716,640        | 10,954,322        | 14,640,461        |

## 12. OTHER INFORMATION

|  | 2022/23<br>Budget | 2021/22<br>Actual | 2021/22<br>Budget |
|--|-------------------|-------------------|-------------------|
|  | \$                | \$                | \$                |
| <b>The net result includes as revenues</b>   |                   |                   |                   |
| <b>(a) Interest earnings</b>   |                   |                   |                   |
| Investments  |                   |                   |                   |
| - Reserve funds  | 1,897,899         | 664,155           | 572,862           |
| - Other funds  | 264,134           | 54,745            | 48,542            |
| Late payment of fees and charges *   | 83,050            | 81,941            | 113,000           |
| Other interest revenue (refer note 1b)   | 254,000           | 278,178           | 328,000           |
|  | 2,499,083         | 1,079,019         | 1,062,404         |
| * The City has resolved to charge interest under section 6.13 for the late payment of any amount of money at 7%. |                   |                   |                   |
| <b>(b) Other revenue</b>   |                   |                   |                   |
| Reimbursements and recoveries  | 855,117           | 2,254,671         | 1,093,251         |
|  | 855,117           | 2,254,671         | 1,093,251         |
| <b>The net result includes as expenses</b>   |                   |                   |                   |
| <b>(c) Auditors remuneration</b>   |                   |                   |                   |
| Audit services   | 80,000            | 80,000            | 60,000            |
|  | 80,000            | 80,000            | 60,000            |
| <b>(d) Interest expenses (finance costs)</b>   |                   |                   |                   |
| Borrowings (refer Note 7(a))   | 336               | 774               | 3,861             |
| Interest expense on lease liabilities  | 21,814            | 24,479            | 36,496            |
| Waste Provision - Cell 0   | 108,585           | 105,471           |                   |
|  | 130,735           | 130,724           | 40,357            |
| <b>(e) Write offs</b>  |                   |                   |                   |
| General rate   | 0                 | 59,163            | 74,000            |
| Fees and charges   | 0                 | 492,669           | 50,000            |
|  | 0                 | 551,832           | 124,000           |

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

**13. ELECTED MEMBERS REMUNERATION**

|  | 2022/23<br>Budget | 2021/22<br>Actual | 2021/22<br>Budget |
|--|-------------------|-------------------|-------------------|
|  | \$                | \$                | \$                |
| <b>Mayor - Cr Peter Long</b>                           |                   |                   |                   |
| Mayor's allowance                                      | 89,753            | 89,753            | 89,753            |
| Meeting attendance fees                                | 47,516            | 47,516            | 47,516            |
| Other expenses   | 7,000             | 3,454             | 2,500             |
| Annual allowance for ICT expenses                      | 3,500             | 3,500             | 3,500             |
| Annual allowance for travel and accommodation expenses | 3,745             | 16,345            | 2,800             |
|  | <u>151,514</u>    | <u>160,567</u>    | <u>146,069</u>    |
| <b>Deputy Mayor - Cr Kelly Nunn</b>                    |                   |                   |                   |
| Deputy Mayor's allowance                               | 22,438            | 22,438            | 22,438            |
| Meeting attendance fees                                | 31,678            | 31,678            | 31,678            |
| Other expenses   | 5,000             | 1,003             | 2,500             |
| Annual allowance for ICT expenses                      | 3,500             | 3,500             | 3,500             |
| Annual allowance for travel and accommodation expenses | 3,745             | 7,629             | 2,800             |
|  | <u>66,361</u>     | <u>66,247</u>     | <u>62,916</u>     |
| <b>Cr Margaret Bertling</b>                            |                   |                   |                   |
| Meeting attendance fees                                | 31,678            | 31,678            | 31,678            |
| Other expenses   | 5,000             | 1,003             | 2,500             |
| Annual allowance for ICT expenses                      | 3,500             | 3,500             | 3,500             |
| Annual allowance for travel and accommodation expenses | 3,745             | 757               | 2,800             |
|  | <u>43,923</u>     | <u>36,937</u>     | <u>40,478</u>     |
| <b>Cr Geoff Harris</b>                                 |                   |                   |                   |
| Meeting attendance fees                                | 31,678            | 31,678            | 31,678            |
| Other expenses   | 5,000             | 2,727             | 2,500             |
| Annual allowance for ICT expenses                      | 3,500             | 3,500             | 3,500             |
| Annual allowance for travel and accommodation expenses | 3,745             | 771               | 2,800             |
|  | <u>43,923</u>     | <u>38,675</u>     | <u>40,478</u>     |
| <b>Cr Pablo Miller</b>                                 |                   |                   |                   |
| Meeting attendance fees                                | 31,678            | 31,678            | 31,678            |
| Other expenses   | 5,000             | 1,414             | 2,500             |
| Annual allowance for ICT expenses                      | 3,500             | 3,500             | 3,500             |
| Annual allowance for travel and accommodation expenses | 3,745             | 689               | 2,800             |
|  | <u>43,923</u>     | <u>37,281</u>     | <u>40,478</u>     |
| <b>Cr Daniel Scott</b>                                 |                   |                   |                   |
| Meeting attendance fees                                | 31,678            | 31,678            | 31,678            |
| Other expenses   | 5,000             | 4,891             | 2,500             |
| Annual allowance for ICT expenses                      | 3,500             | 3,500             | 3,500             |
| Annual allowance for travel and accommodation expenses | 3,745             | 839               | 2,800             |
|  | <u>43,923</u>     | <u>40,908</u>     | <u>40,478</u>     |
| <b>Cr Joanne Waterstrom Muller</b>                     |                   |                   |                   |
| Meeting attendance fees                                | 31,678            | 31,678            | 31,678            |
| Other expenses   | 5,000             | 4,910             | 2,500             |
| Annual allowance for ICT expenses                      | 3,500             | 3,500             | 3,500             |
| Annual allowance for travel and accommodation expenses | 3,745             | 606               | 2,800             |
|  | <u>43,923</u>     | <u>40,694</u>     | <u>40,478</u>     |
| <b>Cr Garry Bailey</b>                                 |                   |                   |                   |
| Meeting attendance fees                                | 31,678            | 31,678            | 31,678            |
| Other expenses   | 5,000             | 1,003             | 2,500             |
| Annual allowance for ICT expenses                      | 3,500             | 3,500             | 3,500             |
| Annual allowance for travel and accommodation expenses | 3,745             | 3,061             | 2,800             |
|  | <u>43,923</u>     | <u>39,242</u>     | <u>40,478</u>     |
| <b>Cr Gillian Furlong (sworn in 18 October 2021)</b>   |                   |                   |                   |
| Meeting attendance fees                                | 31,678            | 22,334            | 22,310            |
| Other expenses   | 5,000             | 1,924             | 1,762             |
| Annual allowance for ICT expenses                      | 3,500             | 2,468             | 2,461             |
| Annual allowance for travel and accommodation expenses | 3,745             | 0                 | 2,000             |
|  | <u>43,923</u>     | <u>26,726</u>     | <u>28,533</u>     |
| <b>Cr Daiva Gillam (sworn in 18 October 2021)</b>      |                   |                   |                   |
| Meeting attendance fees                                | 31,678            | 22,334            | 0                 |
| Other expenses   | 5,000             | 1,924             | 0                 |
| Annual allowance for ICT expenses                      | 3,500             | 2,468             | 0                 |
| Annual allowance for travel and accommodation expenses | 3,745             | 646               | 0                 |
|  | <u>43,923</u>     | <u>27,372</u>     | <u>0</u>          |
| <b>Cr Travis McNaught (sworn in 18 October 2021)</b>   |                   |                   |                   |
| Meeting attendance fees                                | 31,678            | 22,334            | 0                 |
| Other expenses   | 5,000             | 1,924             | 0                 |
| Annual allowance for ICT expenses                      | 3,500             | 2,468             | 0                 |
| Annual allowance for travel and accommodation expenses | 3,745             | 0                 | 0                 |
|  | <u>43,923</u>     | <u>26,726</u>     | <u>0</u>          |
| <b>Cr Jamie Armstrong (resigned October 2021)</b>      |                   |                   |                   |
| Meeting attendance fees                                | 0                 | 9,373             | 31,678            |
| Other expenses   | 0                 | 0                 | 2,500             |
| Annual allowance for ICT expenses                      | 0                 | 1,036             | 3,500             |
| Annual allowance for travel and accommodation expenses | 0                 | 0                 | 2,800             |
|  | <u>0</u>          | <u>10,409</u>     | <u>40,478</u>     |
| <b>Cr Evette Smeathers (resigned October 2021)</b>     |                   |                   |                   |
| Meeting attendance fees                                | 0                 | 9,373             | 31,678            |
| Other expenses   | 0                 | 2,586             | 2,500             |
| Annual allowance for ICT expenses                      | 0                 | 1,036             | 3,500             |
| Annual allowance for travel and accommodation expenses | 0                 | 0                 | 2,800             |
|  | <u>0</u>          | <u>12,995</u>     | <u>40,478</u>     |
| <b>Total Elected Member Remuneration</b>               | <b>613,182</b>    | <b>564,779</b>    | <b>561,342</b>    |
| Mayor's allowance                                      | 89,753            | 89,753            | 89,753            |
| Deputy Mayor's allowance                               | 22,438            | 22,438            | 22,438            |
| Meeting attendance fees                                | 364,296           | 355,009           | 354,928           |
| Other expenses   | 57,000            | 28,762            | 26,762            |
| Annual allowance for ICT expenses                      | 38,500            | 37,474            | 37,461            |
| Annual allowance for travel and accommodation expenses | 41,195            | 31,343            | 30,000            |
|  | <u>613,182</u>    | <u>564,779</u>    | <u>561,342</u>    |



## 14. MAJOR LAND TRANSACTIONS

### Walgu Development

#### (a) Details

The City is proposing to enter into a Major Land Transaction involving acquisition from the West Australian Land Authority (DevelopmentWA) of Freehold Lot 7020 on Deposited Plan 401051 and Part Lot 7018 on Deposited Plan 405188.

The City is proposing to: construct approximately 82 apartments, plus commercial and civic space on the land; and lease of the residential and commercial tenancies.

#### (b) Current year transactions

| Note                                | 2022/23<br>Budget | 2021/22<br>Actual | 2021/22<br>Budget |
|-------------------------------------|-------------------|-------------------|-------------------|
|                                     | \$                | \$                | \$                |
| <b>Capital revenue</b>              |                   |                   |                   |
| Loan - Lot 7020 (Walgu Development) | 16,000,000        |                   |                   |
| Reserve funds - Infrastructure      | 4,000,000         |                   |                   |
| <b>Capital expenditure</b>          |                   |                   |                   |
| Purchase of land and devevelopment  | (21,242,400)      | (587,951)         | (1,250,000)       |
|                                     | (1,242,400)       | (587,951)         | (1,250,000)       |

#### (c) Expected future cash flows

|                                | 2022/23      | 2023/24      | 2024/25   | 2025/26   | 2026/27   | Total        |
|--------------------------------|--------------|--------------|-----------|-----------|-----------|--------------|
|                                | \$           | \$           | \$        | \$        | \$        | \$           |
| <b>Cash outflows</b>           |              |              |           |           |           |              |
| Payments for land development  | (21,242,400) | (55,000,000) |           |           |           | (76,242,400) |
|                                | (21,242,400) | (55,000,000) | 0         | 0         | 0         | (76,242,400) |
| <b>Cash Inflows</b>            |              |              |           |           |           |              |
| Proceeds from new borrowings   | 16,000,000   | 44,000,000   |           |           |           | 60,000,000   |
| Reserve funds - Infrastructure | 5,242,400    | 11,000,000   |           |           |           | 16,242,400   |
| Lease income                   |              |              | 4,940,200 | 5,039,004 | 5,139,784 | 15,118,988   |
|                                | 21,242,400   | 55,000,000   | 4,940,200 | 5,039,004 | 5,139,784 | 75,118,988   |
| <b>Net cash flows</b>          | 0            | 0            | 4,940,200 | 5,039,004 | 5,139,784 | (1,123,412)  |

## 15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

### Airport Operations

#### (a) Details

The City operates the Karratha Airport and operates the aerodrome with the purpose of producing a return on infrastructure. Forecasts are reviewed annually as part of Council's Long Term Financial Plan. These assumptions underpin future forecasts for airport operations.

#### (b) Statement of Comprehensive Income

|                                   | 2021/22      | 2022/23      | 2023/24      | 2024/25      | 2025/26      | 2026/27      | 2027/28      |
|-----------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
|                                   | Actual       | Budget       | Forecast     | Forecast     | Forecast     | Forecast     | Forecast     |
|                                   | \$           | \$           | \$           | \$           | \$           | \$           | \$           |
| <b>Revenue</b>                    |              |              |              |              |              |              |              |
| - Fees & charges                  | 21,865,074   | 25,698,569   | 26,983,497   | 28,872,342   | 31,182,129   | 33,053,057   | 34,375,180   |
| - Other revenue                   | 1,601,616    | 407,880      | 419,096      | 428,526      | 437,097      | 445,839      | 454,755      |
|                                   | 23,466,690   | 26,106,449   | 27,402,594   | 29,300,868   | 31,619,226   | 33,498,896   | 34,829,935   |
| <b>Expenditure</b>                |              |              |              |              |              |              |              |
| - Employee costs                  | (2,490,303)  | (2,465,492)  | (2,533,293)  | (2,590,292)  | (2,642,098)  | (2,694,940)  | (2,748,839)  |
| - Materials and contracts         | (4,858,069)  | (4,975,304)  | (5,112,125)  | (5,227,147)  | (5,331,690)  | (5,438,324)  | (5,547,091)  |
| - Utilities                       | (1,667,909)  | (1,682,985)  | (1,729,267)  | (1,768,175)  | (1,803,539)  | (1,839,610)  | (1,876,402)  |
| - Insurance                       | (586,265)    | (674,206)    | (692,747)    | (708,333)    | (722,500)    | (736,950)    | (751,689)    |
| - Depreciation                    | (3,453,539)  | (3,379,646)  | (3,472,586)  | (3,550,719)  | (3,621,734)  | (3,694,169)  | (3,768,052)  |
| - Other expenditure               | (40,240)     | (43,665)     | (44,866)     | (45,875)     | (46,793)     | (47,729)     | (48,683)     |
|                                   | (13,096,324) | (13,221,298) | (13,584,883) | (13,890,543) | (14,168,354) | (14,451,721) | (14,740,755) |
| <b>NET RESULT</b>                 | 10,370,366   | 12,885,151   | 13,817,710   | 15,410,325   | 17,450,872   | 19,047,175   | 20,089,179   |
| <b>TOTAL COMPREHENSIVE INCOME</b> | 10,370,366   | 12,885,151   | 13,817,710   | 15,410,325   | 17,450,872   | 19,047,175   | 20,089,179   |

## 15. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS (CONTINUED)

### The Quarter HQ

#### (a) Details

A Business Plan for The Quarter HQ was prepared and advertised for public submissions. Submissions regarding the proposed purchase were considered by Council on 29 May 2017. The City purchased The Quarter HQ on 21 June 2017, this note has been prepared based on forecasts which are reviewed annually as part of Council's Long Term Financial Plan.

#### (b) Statement of Comprehensive Income

|                                   | 2021/22<br>Actual | 2022/23<br>Budget | 2023/24<br>Forecast | 2024/25<br>Forecast | 2025/26<br>Forecast | 2026/27<br>Forecast | 2027/28<br>Forecast |
|-----------------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                   | \$                | \$                | \$                  | \$                  | \$                  | \$                  | \$                  |
| <b>Revenue</b>                    |                   |                   |                     |                     |                     |                     |                     |
| - Fees & charges                  | 2,579,339         | 2,796,000         | 2,872,890           | 2,937,530           | 2,996,281           | 3,056,206           | 3,117,330           |
| - Other revenue                   | 890,691           | 936,000           | 961,740             | 983,379             | 1,003,047           | 1,023,108           | 1,043,570           |
|                                   | 3,470,030         | 3,732,000         | 3,834,630           | 3,920,909           | 3,999,327           | 4,079,314           | 4,160,900           |
| <b>Expenditure</b>                |                   |                   |                     |                     |                     |                     |                     |
| - Employee costs                  | 0                 | 0                 | 0                   | 0                   | 0                   | 0                   | 0                   |
| - Materials and contracts         | (835,277)         | (939,536)         | (965,373)           | (987,094)           | (1,006,836)         | (1,026,973)         | (1,047,512)         |
| - Utilities                       | (292,180)         | (297,922)         | (306,115)           | (313,002)           | (319,262)           | (325,648)           | (332,161)           |
| - Insurance                       | (87,434)          | (100,550)         | (103,315)           | (105,640)           | (107,753)           | (109,908)           | (112,106)           |
| - Depreciation                    | 0                 | 0                 | 0                   | 0                   | 0                   | 0                   | 0                   |
| - Other expenditure               | (925,354)         | (156,045)         | (160,336)           | (163,944)           | (167,223)           | (170,567)           | (173,978)           |
|                                   | (2,140,245)       | (1,494,053)       | (1,535,139)         | (1,569,680)         | (1,601,074)         | (1,633,095)         | (1,665,757)         |
| <b>NET RESULT</b>                 | 1,329,785         | 2,237,947         | 2,299,491           | 2,351,229           | 2,398,254           | 2,446,219           | 2,495,143           |
| <b>TOTAL COMPREHENSIVE INCOME</b> | 1,329,785         | 2,237,947         | 2,299,491           | 2,351,229           | 2,398,254           | 2,446,219           | 2,495,143           |

## 16. TRUST FUNDS

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

| Detail                      | Balance<br>30 June 2022 | Estimated<br>amounts<br>received | Estimated<br>amounts<br>paid | Estimated<br>balance<br>30 June 2023 |
|-----------------------------|-------------------------|----------------------------------|------------------------------|--------------------------------------|
|                             | \$                      | \$                               | \$                           | \$                                   |
| Other Bonds & Guarantees    | 840,896                 | 0                                | 0                            | 840,896                              |
| Treasury - Unclaimed Monies | 2,983                   | 0                                | 0                            | 2,983                                |
| North West Defence Alliance | 3,738                   | 0                                | 0                            | 3,738                                |
| VAST Trust                  | 0                       | 0                                | 0                            | 0                                    |
|                             | 847,616                 | 0                                | 0                            | 847,616                              |

## 17. FEES AND CHARGES

|                             | 2022/23<br>Budget | 2021/22<br>Actual | 2021/22<br>Budget |
|-----------------------------|-------------------|-------------------|-------------------|
|                             | \$                | \$                | \$                |
| <b>By Program:</b>          |                   |                   |                   |
| Governance                  | 12,660            | 11,828            | 11,367            |
| General purpose funding     | 3,418,353         | 3,123,930         | 2,927,526         |
| Law, order, public safety   | 96,305            | 100,048           | 112,070           |
| Health                      | 166,300           | 167,696           | 153,850           |
| Education and welfare       | 68,000            | 73,612            | 72,000            |
| Housing                     | 648,182           | 626,778           | 821,690           |
| Community amenities         | 12,785,031        | 13,942,503        | 11,350,056        |
| Recreation and culture      | 5,552,092         | 5,447,830         | 4,697,999         |
| Transport                   | 25,699,257        | 21,865,762        | 21,462,030        |
| Economic services           | 873,400           | 800,941           | 641,976           |
| Other property and services | 270,000           | 228,305           | 514,710           |
|                             | 49,589,580        | 46,389,233        | 42,765,274        |

The subsequent pages detail the fees and charges proposed to be imposed by the local government.