



**City of  
Kalgoorlie  
Boulder**

# **AGENDA**

**for the  
FINANCE AND AUDIT COMMITTEE MEETING  
commencing at 11:00AM  
on  
20 AUGUST, 2020**

**at the  
Councillors Conference Room**

17 August 2020



## **NOTICE OF MEETING**

A Finance and Audit Committee meeting of the City of Kalgoorlie-Boulder will be held in the **Councillors Conference Room** on **Thursday, 20 August 2020** commencing at **11:00am**.

Regards

A handwritten signature in black ink, appearing to read "John Walker".

**JOHN WALKER**  
Chief Executive Officer

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## Table of Contents

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Item	Subject	Page No
<b>1</b>	<b>DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS .....</b>	<b>2</b>
<b>2</b>	<b>RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED).....</b>	<b>2</b>
<b>3</b>	<b>PETITIONS/DEPUTATIONS/PRESENTATIONS .....</b>	<b>2</b>
3.1	PRESENTATION TO THE COMMITTEE ON PROMAPP - OSH .....	2
<b>4</b>	<b>DECLARATIONS OF MEMBERS' AND OFFICERS' INTEREST .....</b>	<b>2</b>
4.1	INTEREST AFFECTING IMPARTIALITY CITY OF KALGOORLIE–BOULDER CODE OF CONDUCT.....	2
4.2	FINANCIAL INTEREST LOCAL GOVERNMENT ACT SECTION 5.60A .....	2
4.3	PROXIMITY INTEREST LOCAL GOVERNMENT ACT SECTION 5.60B.....	2
<b>5</b>	<b>CONFIRMATION OF MINUTES .....</b>	<b>2</b>
<b>6</b>	<b>REPORTS OF OFFICERS .....</b>	<b>3</b>
6.1	<b>GENERAL MANAGER – INFRASTRUCTURE AND ENVIRONMENT.....</b>	<b>3</b>
6.1.1	WASTE MANAGEMENT SERVICE DELIVERY .....	3
6.2	<b>GENERAL MANAGER - FINANCE AND CORPORATE .....</b>	<b>6</b>
6.2.1	RISK MANAGEMENT .....	6
6.2.2	INVESTMENT POLICY REVIEW CORP-F-001 .....	11
6.2.3	POLICY REVIEW TENDER CRITERIA POLICY CORP-AP-004.....	13
6.2.4	SUNDRY DEBTORS POSITION AS AT 30TH JUNE 2020 .....	17
6.2.5	FRINGE BENEFIT TAX (FBT) REPORT 2020.....	22
6.2.6	UNAUDITED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2020 .....	25
6.2.7	AUDIT UPDATE.....	27
<b>7</b>	<b>CONFIDENTIAL ITEMS.....</b>	<b>28</b>
7.1.1	GOLF COURSE.....	28
<b>8</b>	<b>CLOSURE.....</b>	<b>28</b>

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**Finance and Audit Committee Members**

Independent Chairperson Allan Pental  
Mayor John Bowler  
Cr Laurie Ayres  
Cr Gary Brown  
Cr Glenn Wilson  
Cr Nardia Turner

- 1 **DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**
- 2 **RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)**

**IN ATTENDANCE:**

**MEMBERS OF STAFF:**

**APOLOGIES – ELECTED MEMBERS:**

**APOLOGIES – MEMBERS OF STAFF:**

**LEAVE OF ABSENCE:**

- 3 **PETITIONS/DEPUTATIONS/PRESENTATIONS**

- 3.1 **Presentation to the Committee on Promapp - OSH**

Michelle Barnfield, Depot Services Coordinator, will perform a Promapp demonstration to the Committee showing how the City utilises Promapp for risk management, focusing on OSH.

- 4 **DECLARATIONS OF MEMBERS' AND OFFICERS' INTEREST**

- 4.1 **INTEREST AFFECTING IMPARTIALITY CITY OF KALGOORLIE–BOULDER CODE OF CONDUCT**

- 4.2 **FINANCIAL INTEREST LOCAL GOVERNMENT ACT SECTION 5.60A**

- 4.3 **PROXIMITY INTEREST LOCAL GOVERNMENT ACT SECTION 5.60B**

- 5 **CONFIRMATION OF MINUTES**

[Minutes of Finance and Audit Committee Meeting held on 21 May 2020](#)

That the minutes of the **Finance and Audit Committee** meeting held on 21 May 2020 be confirmed as a true record of that meeting.

## 6 REPORTS OF OFFICERS

### 6.1 GENERAL MANAGER – INFRASTRUCTURE AND ENVIRONMENT

#### 6.1.1 WASTE MANAGEMENT SERVICE DELIVERY

<b>Responsible Officer:</b>	<b>Stuart Devenish General Manager Infrastructure and Environment</b>
<b>Author:</b>	<b>Dylan Martini Waste Management Team Leader</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>

#### VOTING REQUIREMENTS

Simple

#### OFFICER RECOMMENDATION

That the Committee recommend Council note:

1. The Office of Auditor General has completed the Local Government Waste Management – Service Delivery audit; and
2. A report will be presented to the Finance and Audit Committee following submission of the findings by the OAG to Parliament.

#### EXECUTIVE SUMMARY

In November 2019 the Office of Auditor General conducted an audit examining local government waste management - service delivery, and included the City of Kalgoorlie-Boulder as an auditee. The audit assessed the performance of local governments in line with the State's Waste Strategy. The content and recommendations of the audit are confidential until the summary findings are submitted to Parliament, following which a further report will be provided to the Committee.

#### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Guiding Themes:

- **SUSTAINABLE:** We are a green ecologically sustainable City for current and future generations.
- **EMPOWERED:** We ensure considered decision making based on collaborative, transparent and accountable leadership.

#### BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this report.

## REPORT

In late 2019 the Office of Auditor General (OAG) conducted an audit examining local government waste management - service delivery, and included the City of Kalgoorlie-Boulder (City) as an auditee among a number of other local government organisations. The audit focussed on local government waste management and progress towards achieving targets and objectives set in the first Western Australian Waste Strategy: Creating the Right Environment (Waste Strategy 2012) and subsequent Waste Avoidance and Resource Recovery Strategy 2030 (Waste Strategy 2030).

### Waste Strategy

The Waste Strategy 2030 provides the visionary framework for achieving a low-waste circular economy in Western Australia. The stated objectives of the Strategy are to:

- Avoid – Western Australians generate less waste
- Recover – Western Australians recover more value and resources from waste
- Protect – Western Australians protect the environment by managing waste responsibly.

The Strategy sets benchmark targets for waste generators to achieve in the areas of waste avoidance, waste recovery and littering. Kalgoorlie-Boulder is considered as a “major regional centre” and is set a target of 60% material recovery (or commonly known as waste diversion from landfill) for municipal solid waste (MSW) by 2030. The starting benchmark for 2020 was 50% diversion, which was the target set in the Waste Strategy 2012.

### City’s Performance

In 2019 the City achieved an average of 23% MSW diversion from landfill (prior to the Cleanaway fire incident), with a maximum 30% achieved in February 2019. While this is well below the State’s Strategy benchmark, it is a significant improvement on the 8% achieved in late 2016 which saw the City impose an internal target of 20%. The improvement in performance can partially be attributed to the City’s recycling bin tagging and social media campaigns. To achieve the Strategy target of 60% the City would need to implement a three bin system and divert organic waste from landfill.

### Waste Audit

Over several days the OAG examined the performance of the City’s waste services including the delivery of waste collection and disposal services, and its waste diversion performance. The auditors formed opinions of the performance of the City’s waste services which have informed the preparation of a summary of findings to Parliament. Prior to finalisation to the audit, the City was invited to and provided comment on the audit recommendations. It is expected that the summary findings will be submitted to Parliament shortly, with a report to be provided to the Committee following.

**STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

**COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.



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## 6.2 GENERAL MANAGER - FINANCE AND CORPORATE

### 6.2.1 RISK MANAGEMENT

<b>Responsible Officer:</b>	<b>David Trevaskis General Manager Finance and Corporate</b>
<b>Author:</b>	<b>Michelle Todd Manager Governance and Legal Services</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>

#### VOTING REQUIREMENTS

Simple

#### OFFICER RECOMMENDATION

**That the Committee recommend Council:**

- 1. Adopt the Risk Management Policy EXEC-CEO-014;**
- 2. Adopt the Risk Management Framework; and**
- 3. Consider this report and request the Committee undertake a full review of the Strategic Risk Register at the November 2020 Audit and Finance Committee meeting.**

#### EXECUTIVE SUMMARY

This report presents the City's Risk Management Policy and Risk Management Framework for adoption.

At its meeting on 24 February 2020, Council resolved to conduct a full review of the Strategic and Operational Risk Registers. Council requested a report be presented to the Finance and Audit Committee outlining the risks identified in the Strategic Community Plan, linking those to the Strategic Risk Register. This report also presents the information requested by Council to the Committee.

In order to guide the Committee's review of the Strategic Risk Register, it is recommended Council adopt the Risk Management Policy and Risk Management Framework.

Following the adoption of the Risk Management Framework and Risk Management Policy, it is recommended the Committee then conduct a review of the Strategic Risk Register, to be guided by the newly adopted Risk Management Framework.

The Committee is requested to consider the officer information and make the appropriate recommendation to Council.

#### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Guiding Themes:

- **EMPOWERED:** We ensure considered decision making based on

collaborative, transparent and accountable leadership.

- CAPABLE: We are continuing to undertake the appropriate risk management and assessment strategies.

## **BUDGET IMPLICATIONS**

There are no financial implications resulting from the recommendations of this report.

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## **REPORT**

The City's Risk Management Policy and Risk Management Framework have been developed in collaboration with the City's insurer, LGIS, and supports the objectives of our Strategic Community and Corporate Business Plans.

### **Risk Management Policy**

Risk Management Policy EXEC-CEO-014 has been developed to support the City's risk management processes. The policy has been developed in collaboration with LGIS and is consistent with the risk management policy guidelines from the Department of Local Government Risk Management Resources 2013.

The policy applies to Elected Members, employees and contractors and aims to support best practice to manage risks at the strategic, operational and project level. Risk Management is a shared responsibility across the organisation.

### **Risk Management Framework**

The framework sets out how the City assesses exposure to risk, as well as the administrative, human and financial resources required to manage risks while meeting objectives. The framework supports the City's Risk Management Policy and outlines in detail the roles and responsibilities associated with managing risks within the City.

The City utilised an informal framework previously. It is recommended the Committee endorse the Risk Management Framework to guide both staff and the Committee through the review process of the operational and strategic risk registers.

### **Strategic Risk Register Review**

The Committee has requested a report on the City's current Strategic Risk Register, and how it links to the City's Strategic Community Plan ("**SCP**") in order to support the Committee's review of the Strategic Risk Register.

It is recommended the Committee undertake a full review following the adoption of the Risk Management Framework and Policy to guide the review.

This report will address some key considerations for the Committee when the review is undertaken.

The City's SCP forms part of the Integrated Planning and Reporting Framework. The SCP focuses on 5 community aspirations:

- Community – enhance the quality of life and encourage city wide development opportunities
- Economy – boost opportunities for economic development and tourism
- Infrastructure – enhance the built environment and provide quality infrastructure
- Leadership – ensure the City maintains strong civic leadership
- Environment – protect and where possible enhance the natural environment.

Officers have conducted a review of the City's SCP and the links to the risk register.

The risks identified are as follows with a brief summary to guide the Committee on the links to the SCP:

1. Pandemic/Public Health Emergency
  - Can impact all City service delivery and revenue sources (links to all aspects of SCP).
2. Critical Infrastructure Failure
  - Sustainable Practice
  - Airport Masterplan
  - Deliver water and sewerage plans as agreed
3. Economic Development
  - Diversified Economy
4. Service Provision to the Community
  - Recreation Facilities
  - Kal City Centre Economic Transformation
5. Human Resources
  - Impacts across various SCP objectives
6. Loss of/Inability to Attract Key Staff
  - Impacts across various SCP objectives
7. Failure to Maintain Effective Communications
  - Community Engagement
  - Better connection to Indigenous people and their culture
8. Lack of Suitable Land Supply
  - Diversified Economy
  - Airport Masterplan

9. Failure to Update and Advance Technology
  - Connectivity
10. Boundary Change
  - Impacts across various SCP objectives
11. Insufficiently Maintained Records
  - Impacts across various SCP objectives
12. Unsustainable Financial Position
  - Impacts across various SCP objectives
13. Failure of Critical IT Infrastructure
  - Connectivity
14. Climate Change Impacts
  - Renewable Energy
  - Sustainable Practice

The review has focused on the “*Top 10 Key Areas of Priority to Deliver a Better Kalgoorlie-Boulder*” and the “*Aspirational Projects*” of the SCP and recommended updates have been made to the register as **attached**.

The August 2020 register includes updates to identify current controls for each risk. The Committee is requested to consider any future controls which may be implemented to further mitigate risk impact to the City.

### **Operational Risk Register**

Following the endorsement of the Risk Management Policy and Risk Management Framework, City employees will commence a full review of the Organisational Risk Register, guided by the City’s risk management processes. The Operational Risk Register will be presented to the Committee in November 2020.

### **Internal Audit Program**

As the Committee are aware, the appointment of the Paxon Group ended on 30 June 2020. Given the high frequency of Office of Auditor General audit’s the City has participated in, in conjunction with the City’s external audit obligations (conducted through the OAG by Grant Thornton), it is recommended the City do not appoint a supplier for internal audit services, instead engaging services on an ad-hoc basis as required, on recommendation from the Committee.

The Committee bases the internal audit assignments on the City’s Strategic Risk Register. The Committee may seek to review the internal audit assignments upon completion of the Strategic Risk Register review.

### **STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

### **POLICY IMPLICATIONS**


This will introduce the Risk Management Policy as presented herein.

### **COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

### **ATTACHMENTS**

EXEC-CEO-014 Risk Management Policy 

CKB Strategic Community Plan 2020-2030 

Strategic Risk Register August 2020 

Risk Management Framework 

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## 6.2.2 INVESTMENT POLICY REVIEW CORP-F-001

<b>Responsible Officer:</b>	<b>David Trevaskis</b> <b>General Manager Finance and Corporate</b>
<b>Author:</b>	<b>Xandra Curnock</b> <b>Financial Controller</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>

### VOTING REQUIREMENTS

Simple

### OFFICER RECOMMENDATION

**That the Committee recommend Council adopt the amended Investment Policy CORP-F-001.**

### EXECUTIVE SUMMARY

The Purpose of this report is to present the Committee with the current investment policy and to review given changes in economic climate.

### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Guiding Theme:

- **EMPOWERED:** We ensure considered decision making based on collaborative, transparent and accountable leadership.

### BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this report.

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## REPORT

A review of the City's Investment Policy CORP-F-001 has been completed, the purpose of which is to align with paragraph 1.9 of the policy where a review must occur at least every two years.

The current policy was reviewed and it was determined the following changes may be beneficial for the city:

- Direct investment maximum be increased from 50% to 75%. Some institutions offer higher rates, or are easier to bank with than others. Therefore being able to invest more funds with them would be beneficial to the City.
- The investment period until maturity be increased from <12 months to <24 months. There are missed opportunities where funds could be invested for a longer period at a higher rate due to this ruling.

A copy of the current policy is attached.

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### **STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

### **POLICY IMPLICATIONS**

The Policy document will be updated as recommended by the Committee and endorsed by Council.

### **COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

### **ATTACHMENTS**

Current Investment Policy 

Revised Investment Policy 

### 6.2.3 POLICY REVIEW TENDER CRITERIA POLICY CORP-AP-004

<b>Responsible Officer:</b>	<b>John Walker</b> <b>Chief Executive Officer</b>
<b>Author:</b>	<b>David Trevaskis</b> <b>General Manager Finance and Corporate</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>

#### VOTING REQUIREMENTS

Simple

#### OFFICER RECOMMENDATION

**That the Committee recommend Council adopt the amended Tender Criteria Policy CORP-AP-004.**

#### EXECUTIVE SUMMARY

On the 2 July the WA Government released the Western Australia Buy Local Policy 2020. The policy is an updated version of the Buy Local Policy 2002 and has been modified to maximise the participation of WA based businesses in supplying State agencies. A key goal of the policy is to realise as much State Government agency procurement in regional WA as possible. The Policy is not mandatory for local government authorities, though they are “encouraged” to adopt and apply the policy. The City is not able to adopt the policy in full as it does not align with restrictions enforced on local governments by the *Local Government Act 1995* (“**the Act**”) and other regulations, including the *Local Government (Functions and General) Regulations 1996* (“**the Regulations**”) which impose a maximum \$50,000 limit for Regional Price Preference.

To align the Tender Criteria Policy with the principles of the WA Buy Local Policy 2020, where it is permissible within current local government legislation, it is recommended Council endorse the proposed amendments.

#### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Guiding Themes:

- **EMPOWERED:** We ensure considered decision making based on collaborative, transparent and accountable leadership.
- **CAPABLE:** We will have the resources to contribute to our community and economy.

#### BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this report.



## REPORT

Three City policies provide guidance to officers for the procurement of goods, services and construction contracts. The Purchasing Policy CORP-AP-001 was reviewed in July 2020 and updated to reflect recent amendments to legislation including additional tender exemptions and increasing the tender threshold from \$150,000 to \$250,000. No further changes to the Purchasing Policy are recommended after the release of the WA Buy Local Policy.

The Regional Price Preference / Buy Local Policy CORP-AP-005 allows for a reduction to be applied to a prospective local businesses tender price, for evaluation purposes only. This enables local businesses to be assessed on terms that reflect *Value for Money* principles and the advantages of sourcing from businesses that demonstrate contribution to social and economic development in the region. Regional Price Preference can be applied both for a *Regional Supplier* who is based locally and for *Regional Content* where a supplier based outside the region commits to using local sub-contractors and local goods and services in their works. The price preference levels and application of regional price preferences for local business is set out specifically in the Part 4a of the Regulations and this is reflected in the current policy. Due to current legislation restrictions, no amendments are recommended for the Regional Price Preference Policy.

### **Tender Criteria Policy**

The WA Buy Local Policy stipulates the weighting of evaluation criteria in regional tenders should ensure that regional considerations are given a high priority. Evaluation criteria for regional tenders should be structured to recognise “demonstrated regional capacity” and “demonstrated regional experience”. Weighting these criterion is intended to provide a level playing field for capable regional businesses.

For a better understanding of what could be considered a reasonable weighting to apply, WALGA Procurement provided the following guidance to the City:

*“The criteria and their associated weightings can be chosen in accordance with their strategic or operational objectives, or in such a way that you are able to evaluate whether suppliers will be able to meet the requirements of the tender.*

*WALGA’s guidance on this is that a procurement activity with a significant opportunity to build economic development through local employment / material sourcing / contracting, a weighting of 20% can be assigned for related considerations in evaluation. Meanwhile, a procurement activity that has less opportunity for influence (such as office-based consulting services) may assign a lower (10%) weighting. Anything much lower than 10% probably doesn’t warrant including in the qualitative criteria as there is much less opportunity for it to influence the evaluation outcome. But ultimately, the City can determine what is most appropriate for your tender / environment.”*

The proposed policy amendments will increase the recommended tender criteria weightings for Demonstrated Regional Capacity and Experience. The amended policy will include the following revised wording/tables on page 2-3 ...

**Product Purchase**

This model applies to any goods or products purchased from suppliers.

<b>Product Purchase</b>			
<b>Ref</b>	<b>Criteria</b>	<b>Acceptable Range</b>	<b>Recommended Criteria</b>
A	Quality	20-30%	20% (was 20%)
B	Capacity to Deliver	10-30%	10% (was 20%)
C	Regional Capacity and Experience	10-20%	20% (was 5%)
D	Sustainability / Life Cycle	0-10%	0% (was 5%)
E	Price / Schedule of Rates	20-80%	50% (was 50%)
	<b>Total</b>		<b>100%</b>

**Service Provision**

This model applies to any services provided by suppliers whether it is to be consultancy work, service and repairs, provision of labour services, etc.

<b>Service Purchases</b>			
<b>Ref</b>	<b>Criteria</b>	<b>Acceptable Range</b>	<b>Recommended Criteria</b>
A	Relevant Experience	10-25%	15% (was 15%)
B	Capacity to Deliver	10-25%	10% (was 15%)
C	Regional Capacity and Experience	10-20%	10% (was 5%)
D	Methodology / Demonstrated Understanding	0-20%	10% (was 5%)
E	Key Personnel	20-30%	15% (was 20%)
F	Price / Schedule of Rates	20-80%	40% (was 40%)
	<b>Total</b>		<b>100%</b>

**Construction Projects**

This model applies to construction projects, particularly buildings and civil works.

<b>Construction Projects</b>			
<b>Ref</b>	<b>Criteria</b>	<b>Acceptable Range</b>	<b>Recommended Criteria</b>
A	Relevant Experience	20-30%	20% (was 20%)
B	Key Personnel	10-20%	10% (was 10%)
C	Regional Capacity and Experience	10-20%	20% (was 5%)
D	Tender Resources	0-10%	0% (was 5%)
E	Methodology / Demonstrated Understanding	10-20%	10% (was 10%)
F	Price	20-80%	40% (was 50%)
	<b>Total</b>		<b>100%</b>

Remove *Regional Supplier* as a Criteria item and replace with *Regional Capacity and Experience* using the following definition:

### **Regional Capacity and Experience**

Is the supplier a Local Business as defined in the Regional Price Preference Policy CORP-AP-006 or are they using local businesses as sub-contractors and provided an estimate of the value of the local content. How does the respondent plan to engage with local contractors or handover the methodology once the project is completed. Will partnerships with local contractors be formed for ongoing servicing, maintenance and training. Does the respondent have previous experience in the region and demonstrated knowledge of working with local contractors.

### **Definitions**

EGA – Executive group to be updated to include the CEO, GMFC, GMIE and GMCL.

## **STATUTORY IMPLICATIONS**

Regulation 14(a) of the *Local Government (Functions and General) Regulations 1996* indicates the need for the local government to determine the criteria to be applied to the tender for assessment purposes prior to the invitation being publicised.

## **POLICY IMPLICATIONS**

Tender Criteria Policy – Corp-AP-004 provides guidance to Responsible Officers in setting tender evaluation criteria prior to the inviting of tenders.

## **COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

## **ATTACHMENTS**

CORP-AP-004 Tender Criteria 

CORP-AP-004 Tender Criteria Amended

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#### 6.2.4 SUNDRY DEBTORS POSITION AS AT 30TH JUNE 2020

<b>Responsible Officer:</b>	<b>Xandra Curnock Financial Controller</b>
<b>Author:</b>	<b>Casey Radford Finance and Compliance Coordinator</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>

#### VOTING REQUIREMENTS

Simple

#### OFFICER RECOMMENDATION

**That the Committee recommend Council receive the Sundry Debtors update for the 2019/20 Financial year.**

#### EXECUTIVE SUMMARY

The purpose of this report is to update the Committee on the Sundry Debtors for the 2019/20 financial year and provide comparatives with the 2018/19 financial year.

#### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Guiding Theme:

- **CAPABLE:** We will have the resources to contribute to our community and economy.

#### BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this report.

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#### REPORT

This report is to update the committee as to the Sundry Debtors position as at 30 June 2020. The timely payment of debts to the City has been greatly affected by COVID 19 with the City's customers feeling the effects of the pandemic.

Overall as at 30 June 2020, the debt owed to the City was \$1.6 million less than the same time in 2019. This can be attributed to the reduction in services provided on credit to customers due to the suspension of some services provided by the City, including the temporary closure of City facilities such as the Goldfield Arts Centre, and a reduction of flights due to the pandemic.

## Comparisons of Debt (\$) by FY

	Actual 2019 (a)	Actual 2020 (b)	Variance \$ (b)-(a)	Variance % (b)-(a)/(a)
	\$	\$	\$	%
<b>Debt Aging</b>				
90+ Days	975,701	1,111,472	135,771	14%
60 Days	13,267	536,207	522,940	3942%
30 Days	652,010	154,603	(497,407)	(76%)
Current	2,419,847	640,554	(1,779,293)	(74%)
	<b>4,060,825</b>	<b>2,442,837</b>	<b>(1,617,988)</b>	

Much of this change can be attributed to four main debtors, namely Virgin Airlines, Qantas, Main Roads and the Goldfields Golf Club. By removing these debtors from the calculation, the position can be seen below.

## Comparisons of Debt (\$) by FY

(Virgin, Qantas, Main Roads &amp; GGC Removed)

	Actual 2019 (a)	Actual 2020 (b)	Variance \$ (b)-(a)	Variance % (b)-(a)/(a)
	\$	\$	\$	%
<b>Debt Aging</b>				
90+ Days	134,047	152,410	18,363	14%
60 Days	12,195	15,878	3,684	30%
30 Days	145,878	120,339	(25,538)	(18%)
Current	503,562	568,017	64,455	13%
	<b>795,681</b>	<b>856,645</b>	<b>60,964</b>	

In addition there is a significant change in the aging profile of sundry debt owed to the City as at 30 June 2020, compared with last year. As shown in the table below, debtors are taking significantly longer to pay their debt to the City.

## Changes in the Profile of Aged Debt

	Actual 2019 (a)	% Of Debt	Actual 2020 (a)	% Of Debt
	\$		\$	
<b>Debt Aging</b>				
90+ Days	975,701	24%	1,111,472	45%
60 Days	13,267	0%	536,207	22%
30 Days	652,010	16%	154,603	6%
Current	2,419,847	60%	640,554	26%
	<b>4,060,825</b>		<b>2,442,837</b>	

## Debtors Deep Dive

Virgin Australia went in to Administration in April 2020 due to Covid-19 and the effect on the travel industry. At this stage it is not known how much of the outstanding will be recovered. Virgin is still operational at this stage, with a reduced number of flights arriving and departing Kalgoorlie.

### Virgin

	Actual 2019	Actual 2020	Variance \$	Variance %
	(a)	(b)	(b)-(a)	(b)-(a)/(a)
	\$	\$	\$	%
<b>Debt Aging</b>				
90+ Days	47,660	490,558	442,897	929%
60 Days	1,073	507,334	506,261	47199%
30 Days	489,933	23,147	(466,786)	(95%)
Current	515,292	10,042	(505,250)	(98%)
	<b>1,053,958</b>	<b>1,031,081</b>	<b>(22,878)</b>	

Qantas is also operating on a reduced number of flights, and has suspended the payment of a small portion of its passenger fees. The City is in negotiations with Qantas regarding these outstanding amounts and at this stage expects to collect these debts.

### Qantas

	Actual 2019	Actual 2020	Variance \$	Variance %
	(a)	(b)	(b)-(a)	(b)-(a)/(a)
	\$	\$	\$	%
<b>Debt Aging</b>				
90+ Days	0	13,867	13,867	(100%)
60 Days	0	12,995	12,995	(100%)
30 Days	1,055	11,117	10,062	954%
Current	455,051	59,394	(395,657)	(87%)
	<b>456,106</b>	<b>97,373</b>	<b>(358,732)</b>	

Main Roads is a significant contributor to the city in the form of grant income for road projects. In 2019 the City has invoices for grant funds outstanding. In 2020, all invoices were paid prior to 30 June.

**Main Roads**

	Actual 2019 (a)	Actual 2020 (b)	Variance \$ (b)-(a)	Variance % (b)-(a)/(a)
	\$	\$	\$	%
<b>Debt Aging</b>				
90+ Days	0	0	0	(100%)
60 Days	0	0	0	(100%)
30 Days	14,640	0	(14,640)	(100%)
Current	941,656	0	(941,656)	(100%)
	<u>956,296</u>	<u>0</u>	<u>(956,296)</u>	

Goldfields Golf Club has paid a portion of its membership fees in 2019/20. The remainder is expected to be disbursed to the City on commencement of construction of the resort at the Golf Course site.

**Goldfields Golf Club**

	Actual 2019 (a)	Actual 2020 (b)	Variance \$ (b)-(a)	Variance % (b)-(a)/(a)
	\$	\$	\$	%
<b>Debt Aging</b>				
90+ Days	793,994	454,637	(339,356)	(43%)
60 Days	0	0	0	(100%)
30 Days	505	0	(505)	(100%)
Current	4,286	3,101	(1,185)	(28%)
	<u>798,784</u>	<u>457,738</u>	<u>(341,046)</u>	

**Fire Break Debtors**

The City holds an amount in Sundry Debtors for the recovery of costs in relation to the clearance of fire breaks. If left unpaid, these debts are transferred against the property and collected when the property is sold in accordance with 4.1 Recovery of Rates Arrears.

**Fire Break Debtors**

	Actual 2019 (a)	Actual 2020 (b)	Variance \$ (b)-(a)	Variance % (b)-(a)/(a)
	\$	\$	\$	%
Debt	24,682	40,191	15,509	63%
	<u>24,682</u>	<u>40,191</u>	<u>15,509</u>	

The City continues to encourage debtors who have encountered financial difficulties due to COVID 19 to apply for payment plans through the City’s financial hardship policy. These can include an extension on time to pay and/or the suspension of interest charges and administration fees while a payment plan is in place.

**STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

**COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.



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### 6.2.5 FRINGE BENEFIT TAX (FBT) REPORT 2020

<b>Responsible Officer:</b>	<b>Xandra Curnock Financial Controller</b>
<b>Author:</b>	<b>Ishani Subaharan Corporate Accountant</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>

#### VOTING REQUIREMENTS

Simple

#### OFFICER RECOMMENDATION

**That the Committee recommend Council receive the Fringe Benefit Tax report.**

#### EXECUTIVE SUMMARY

The purpose of this report is to present the Committee with FBT report for 31 March 2020 including a comparison of FBT against prior reporting periods.

#### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Guiding Theme:

- **CAPABLE:** We will have the resources to contribute to our community and economy.

#### BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this report.

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#### REPORT

This report analyses the Fringe Benefit Tax liability of the City of Kalgoorlie-Boulder for the past 3 years.

The City has reported a 45% reduction in FBT liability from 2018 to 2020. The key factors affecting this reduction being:

- Car expenses have reduced by 16% from 2018 to 2019, and 24% from 2019 to 2020 (see Table 1). This is due to a reduction in the number of cars provided for private use for employees. Total cars being 80 in 2019 and 57 in 2020 (see Table 2).
  - Expense payments include the employee claims of remote area housing, which has reduced drastically from 2018 to 2020. Table 1 indicates a 36% reduction from year 2018 to 2019 and a 60% reduction from 2019 to 2020.
  - Other benefits are residual vehicles other than cars (utility vehicles) provided for employees. Given the number of residual vehicles increased from 12 to 17 from 2019 to 2020 (Table 2), the taxable value of the benefit has reduced by 17%, which is due to the majority of the utility vehicles being used for business purpose only.
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- Meal entertainment has dropped through the years by reducing the number of staff functions that attract FBT - from the City holding 3 functions in 2019 to 1 such function in 2020 (Table 2).

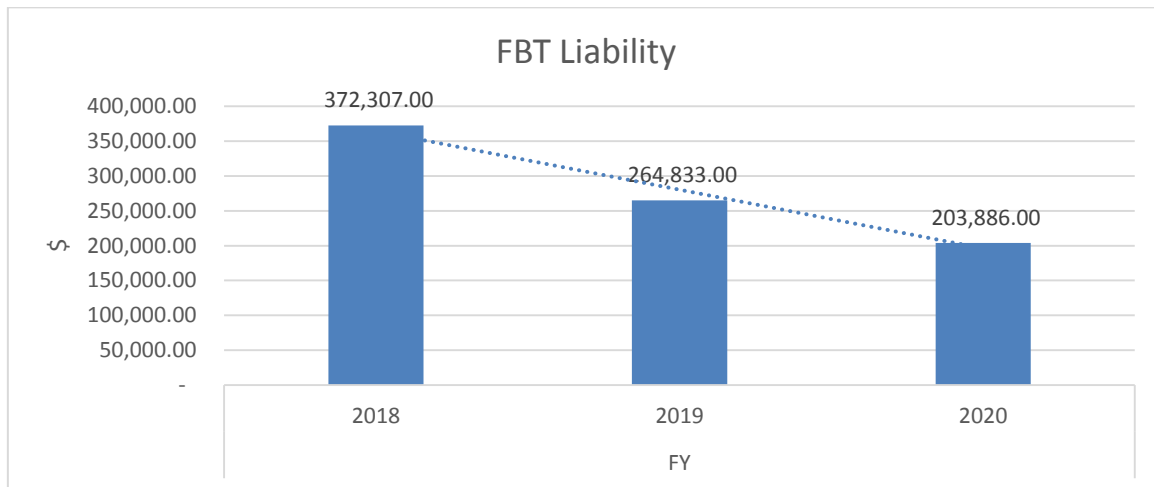


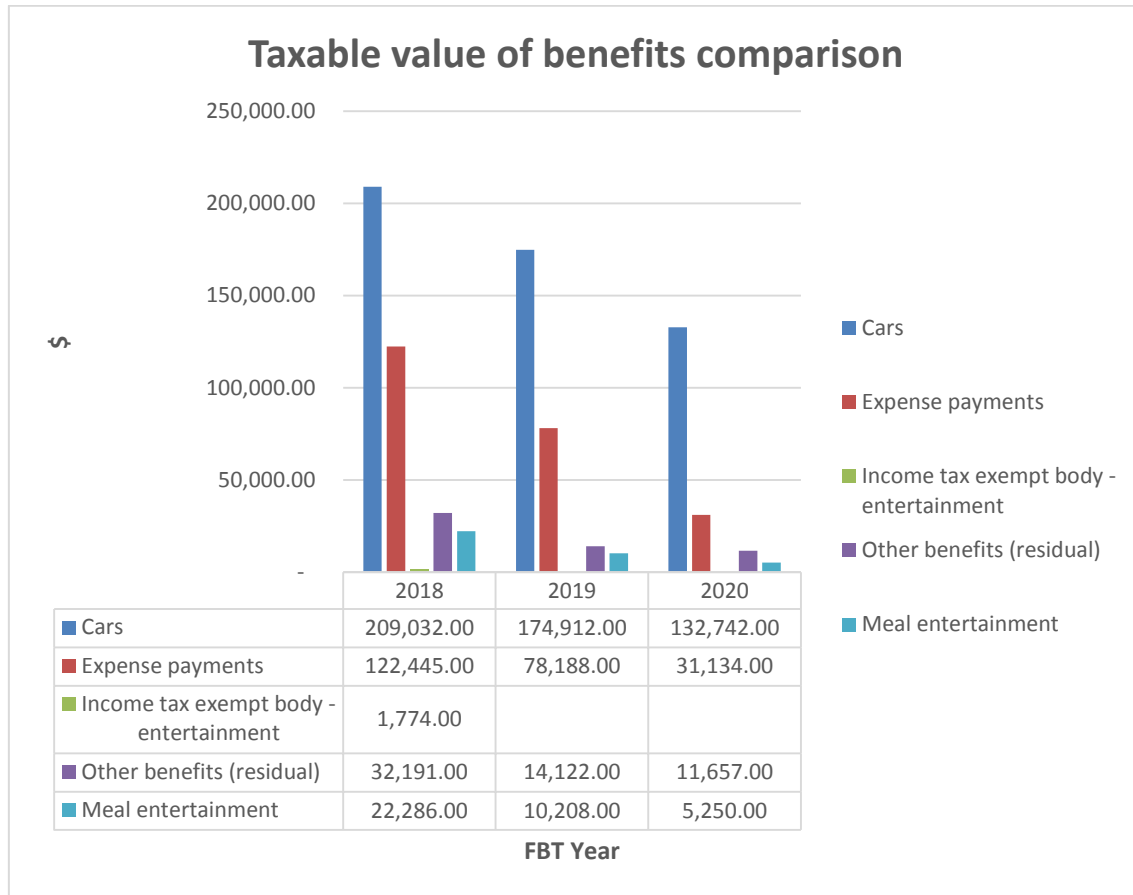
Table 1

Taxable value of benefits	FY			% variance from Prior Year	
	2018	2019	2020	2018 -2019	2019 -2020
Cars	209,032	174,91	132,742	(16%)	(24%)
Expense payments	122,445	78,188	31,134	(36%)	(60%)
Income tax exempt body - entertainment	1,774	-	-	(100%)	(100%)
Other benefits (residual)	32,191	14,122	11,657	(56%)	(18%)
Meal entertainment	22,286	10,208	5,250	(54%)	(49%)
<b>Total</b>	<b>387,728</b>	<b>277,430</b>	<b>180,783</b>		

Table 2

Number of benefits provided		
	2019	2020
Cars	80	57
Expense payments	17	15
Other benefits (residual)	12	17
Meal entertainment	3	1

The below chart details the types of fringe benefits provided for employees; of which the majority is providing private use of cars and remote area housing benefits for the past 3 years.



**STATUTORY IMPLICATIONS**

There are no statutory implications resulting from the recommendations of this report.

**POLICY IMPLICATIONS**

There are no policy implications resulting from the recommendations of this report.

**COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

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## 6.2.6 UNAUDITED STATEMENT OF COMPREHENSIVE INCOME AND STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 30 JUNE 2020

<b>Responsible Officer:</b>	<b>Xandra Curnock Financial Controller</b>
<b>Author:</b>	<b>Casey Radford Finance and Compliance Coordinator</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>

### VOTING REQUIREMENTS

Simple

### OFFICER RECOMMENDATION

**That the Committee recommend Council receive the unaudited draft Statement of Comprehensive Income (SOCI) and Statement of Financial Position as at 30 June 2020.**

### EXECUTIVE SUMMARY

The draft Statement of Comprehensive Income (SOCI) and Statement of Financial Position of the City has been attached for the committee's consideration. The current position is unaudited and is not final.

### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Guiding Theme:

- **CAPABLE:** We will have the resources to contribute to our community and economy.

### BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this report.

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### REPORT

The SOCI and Statement of Financial Position for the City of Kalgoorlie – Boulder has been run and is attached for the committee's consideration. Please note these are draft and subject to external audit, therefore the position is not final.

### STATUTORY IMPLICATIONS

There are no statutory implications resulting from the recommendations of this report.


### POLICY IMPLICATIONS

There are no policy implications resulting from the recommendations of this report.

**COMMUNITY ENGAGEMENT CONSULTATION**

No community consultation was considered necessary in relation to the recommendations of the report.

**ATTACHMENTS**

CKB Unaudited SOCI and SOFP June 2020 

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### 6.2.7 AUDIT UPDATE

<b>Responsible Officer:</b>	<b>David Trevaskis</b> <b>General Manager Finance and Corporate</b>
<b>Author:</b>	<b>Xandra Curnock</b> <b>Financial Controller</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>

#### VOTING REQUIREMENTS

Simple

#### OFFICER RECOMMENDATION

That the Committee receive the officer update on the City's audit by Grant Thornton and make a recommendation to Council.

#### EXECUTIVE SUMMARY

Xandra Curnock, the City's Financial Controller, will provide an update to the Committee on the status of the City's audit, conducted by Grant Thornton.

#### COMMUNITY STRATEGIC PLAN LINKS

This report links to the Strategic Community Plan through the following Guiding Theme:

- **EMPOWERED:** We ensure considered decision making based on collaborative, transparent and accountable leadership.

#### BUDGET IMPLICATIONS

There are no financial implications resulting from the recommendations of this report.

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#### REPORT

Xandra Curnock, the City's Financial Controller, will provide an update to the Committee on the status of the City's audit, conducted by Grant Thornton.

#### STATUTORY IMPLICATIONS

There are no statutory implications resulting from the recommendations of this report.

#### POLICY IMPLICATIONS

There are no policy implications resulting from the recommendations of this report.

#### COMMUNITY ENGAGEMENT CONSULTATION

No community consultation was considered necessary in relation to the recommendations of the report.

## 7 CONFIDENTIAL ITEMS

### 7.1.1 GOLF COURSE

<b>Responsible Officer:</b>	<b>John Walker Chief Executive Officer</b>
<b>Author:</b>	<b>John Walker Chief Executive Officer</b>
<b>Disclosure of Interest:</b>	<b>Nil</b>

#### OFFICER RECOMMENDATION

- That in accordance with Section 5.23 (2) of the *Local Government Act 1995* the meeting is closed to members of the public with the following aspect(s) of the Act being applicable to this matter:
- legal advice obtained, or which may be obtained, by the local government, and which relates to a matter to be discussed at the meeting
- a matter that if disclosed, would reveal information that has a commercial value to a person, where the information is held by, or is about, a person other than the local government
- a matter that if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person, where the information is held by, or is about, a person other than the local government

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#### EXECUTIVE SUMMARY

It is the recommendation of the Responsible Officer that this item be considered “in camera” due to the private and confidential nature of its contents.

## 8 CLOSURE