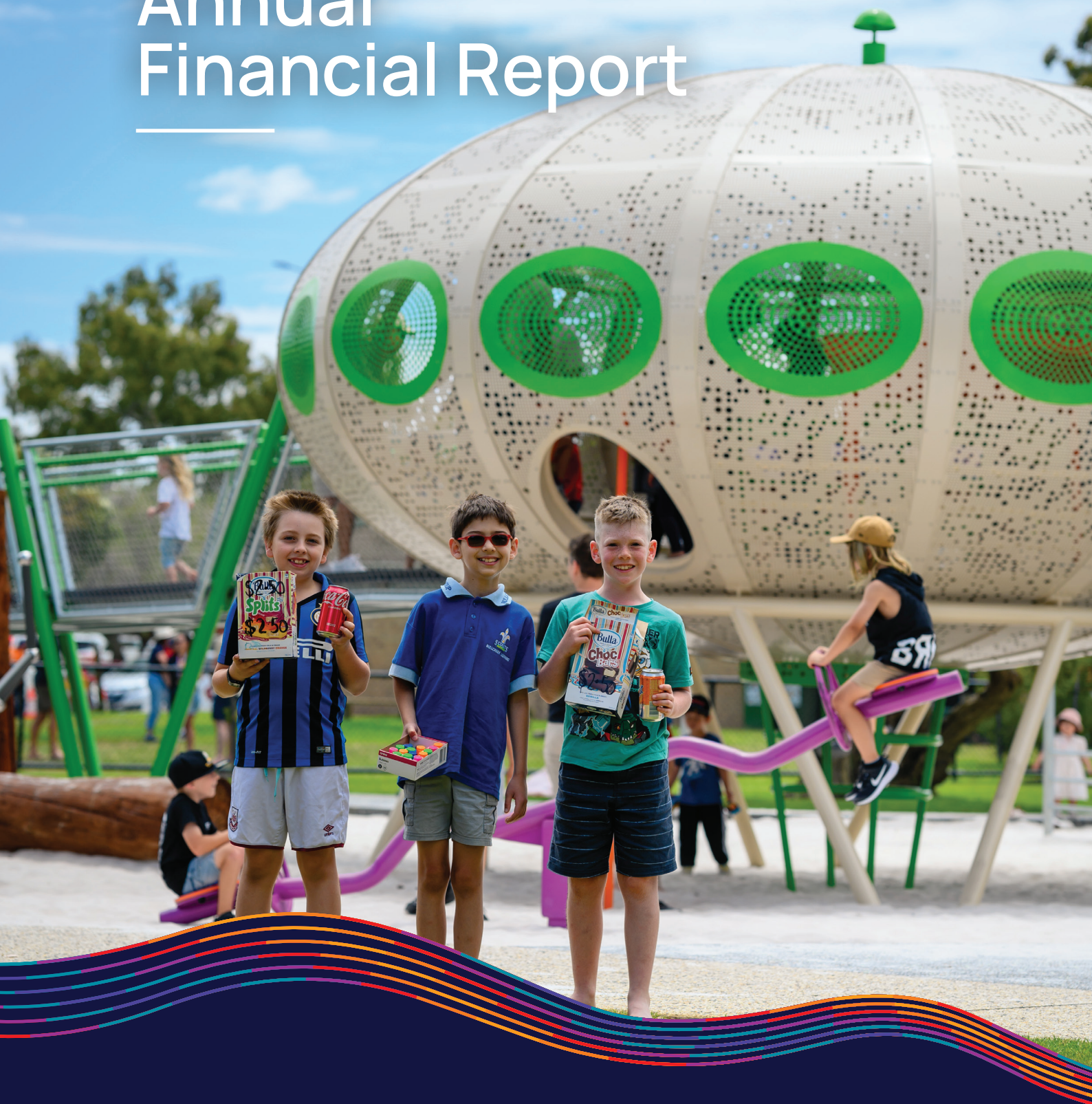


# Annual Financial Report

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2022-2023  
Part B



City of  
**Melville**



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2023 City of Melville

To the Council of the City of Melville

#### Opinion

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

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the City for the year ended 30 June 2023 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

#### Basis for opinion

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

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

#### Emphasis of Matter – Events Occurring After the End of the Reporting Period

I draw attention to Note 21 to the financial report, which states that, following the end of the financial year ended 30 June 2023, the two remaining member council participants including the City have resolved to withdraw from Resource Recovery Group effective from 1 July 2025. My opinion is not modified in respect of this matter.

#### Emphasis of Matter – Restatement of comparative balances

I draw attention to Note 17 to the financial report which states that the amounts reported in the previously issued 30 June 2022 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

## Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2023, but not the financial report and my auditor's report.

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

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

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

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

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

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

## Auditor's responsibilities for the audit of the financial report

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

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



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

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

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

### **Matters relating to the electronic publication of the audited financial report**

This auditor's report relates to the financial report of the City of Melville for the year ended 30 June 2023 included in the annual report on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the City to confirm the information contained in the website version.

Sandra Labuschagne  
Deputy Auditor General  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
21 December 2023

**CITY OF MELVILLE**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**  
**LOCAL GOVERNMENT ACT 1995**  
**LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996**  
**STATEMENT BY THE CHIEF EXECUTIVE OFFICER**

The accompanying financial report of the City of Melville has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

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

Signed on the 21st day of December 2023.



**Gail Bowman**  
**CHIEF EXECUTIVE OFFICER**



**CITY OF MELVILLE**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**Our Vision:**

Engaging with our diverse community to achieve an inclusive, vibrant and sustainable future.

**Principal Place of Business:**

10 Almondbury Road  
BOORAGOON WA 6154

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Note</i>	<b>2022-2023 Actual</b>	<b>2022-2023 Budget</b>	<b>Restated * 2021-2022 Actual</b>
		<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Revenue</b>				
Rates	24	96,351,490	96,166,880	92,006,154
Grants, subsidies and contributions	2(b)	6,635,761	4,474,605	5,662,131
Fees and charges	2(b)	17,114,340	17,169,679	16,909,442
Service charges	2(b)	2,535,168	2,515,125	5,685,030
Interest revenue	2(c)	6,122,866	2,265,000	1,316,607
Other revenue	2(b)	3,181,873	913,349	2,403,458
		<b>131,941,498</b>	<b>123,504,638</b>	<b>123,982,822</b>
<b>Expenses</b>				
Employee costs	2(d)(ii)	(57,987,791)	(56,503,518)	(53,007,390)
Materials & contracts		(36,329,894)	(35,411,078)	(32,772,877)
Utility charges		(4,304,963)	(4,228,694)	(4,056,037)
Depreciation	9(d)	(24,988,908)	(23,345,104)	(23,298,477)
Finance costs	2(d)(iii)	(77,627)	(70,202)	(90,301)
Insurance		(1,262,516)	(1,338,640)	(1,205,619)
Other expenditure	2(d)(iv)	(450,502)	(2,001,019)	(6,461,826)
		<b>(125,402,201)</b>	<b>(122,898,255)</b>	<b>(120,892,527)</b>
Capital grants, subsidies and contributions	2(b)	4,049,668	5,229,789	7,507,192
Profit/(loss) on asset disposals	9(c)	(354,715)	-	93,652
Profit/(loss) on investment		675,346	-	-
Fair value adjustments to investment property	10	(2,269,268)	200,000	7,615,295
Share of net profit/(loss) of equity accounted investment in associates	19(a)	(10,543,265)	-	(1,656,092)
Share of net profit/(loss) of equity accounted joint arrangements	19(b)	(126,203)	-	(162,947)
		<b>(8,568,437)</b>	<b>5,429,789</b>	<b>13,397,100</b>
<b>Net result for the year</b>		<b>(2,029,140)</b>	<b>6,036,172</b>	<b>16,487,395</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus*		213,559,767	10,000,000	117,398,337
Revaluation of local government house unit trust holding		9,215	-	9,992
<b>Total other comprehensive income*</b>	15	<b>213,568,982</b>	<b>10,000,000</b>	<b>117,408,329</b>
<b>Total comprehensive income for the year*</b>		<b>211,539,842</b>	<b>16,036,172</b>	<b>133,895,724</b>

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

\* Refer to Note 17



**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	<i>Note</i>	<i>2022-2023 Actual</i>	<i>Restated * 2021-2022 Actual</i>
		<b>\$</b>	<b>\$</b>
<b>Current assets</b>			
Cash & cash equivalents	3	40,181,285	37,447,488
Trade and other receivables	5(a)	10,808,728	9,509,941
Other financial assets	6(a)	135,876,603	142,224,524
Inventories	7	161,162	149,701
Other assets	8	1,804,717	510,487
<b>Total current assets</b>		<b>188,832,495</b>	<b>189,842,141</b>
<b>Non current assets</b>			
Trade and other receivables	5(b)	1,891,852	1,762,061
Other financial assets	6(b)	15,560,251	25,796,184
Property, plant & equipment	9(a)	494,429,963	420,037,786
Infrastructure*	9(b)	696,893,112	546,864,164
Investment property	10	58,982,501	61,170,312
<b>Total non current assets*</b>		<b>1,267,757,679</b>	<b>1,055,630,507</b>
<b>TOTAL ASSETS*</b>		<b>1,456,590,174</b>	<b>1,245,472,648</b>
<b>Current liabilities</b>			
Trade and other payables	11(a)	19,925,840	20,074,749
Other liabilities	19	66,425	1,285,049
Contract liabilities	12	3,531,512	2,517,333
Borrowings	13 & 28	175,680	226,069
Employee related provisions	14(a)	9,682,737	9,215,069
<b>Total current liabilities</b>		<b>33,382,194</b>	<b>33,318,269</b>
<b>Non current liabilities</b>			
Trade and other payables	11(b)	256,116	503,914
Other liabilities	19	1,233,535	1,303,762
Borrowings	13 & 28	1,207,132	1,382,812
Employee related provisions	14(a)	754,285	746,819
Other provisions	14(b)	6,590,000	6,590,000
<b>Total non current liabilities</b>		<b>10,041,068</b>	<b>10,527,307</b>
<b>TOTAL LIABILITIES</b>		<b>43,423,262</b>	<b>43,845,576</b>
<b>NET ASSETS*</b>		<b>1,413,166,912</b>	<b>1,201,627,072</b>
<b>Equity</b>			
Retained surplus		354,108,034	354,770,867
Reserve accounts	29	155,077,911	156,444,218
Revaluation surplus*	15	903,980,967	690,411,987
<b>TOTAL EQUITY*</b>		<b>1,413,166,912</b>	<b>1,201,627,072</b>

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

\* Refer to Note 17





**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Retained surplus</i>	<i>Reserve accounts</i>	<i>Restated* Revaluation surplus</i>	<i>Total equity</i>
	\$	\$	\$	\$
<b>Balance as at 1 July 2021</b>	<b>334,699,521</b>	<b>160,028,169</b>	<b>573,003,658</b>	<b>1,067,731,348</b>
Comprehensive income for the period				
Net result for the period	16,487,395	-		16,487,395
Other comprehensive income for the period*	-	-	117,408,329	117,408,329
Total comprehensive income for the period	16,487,395	-	117,408,329	133,895,724
Transfer from reserve accounts	44,972,705	(44,972,705)		-
Transfer to reserve accounts	(41,388,754)	41,388,754		-
<b>Restated balance as at 30 June 2022</b>	<b>354,770,867</b>	<b>156,444,218</b>	<b>690,411,987</b>	<b>1,201,627,072</b>
Comprehensive income for the period				
Net result for the period	(2,029,140)			(2,029,140)
Other comprehensive income for the period			213,568,980	213,568,980
Total comprehensive income for the period	(2,029,140)	-	213,568,980	211,539,840
Transfer from reserve accounts	39,506,988	(39,506,988)		-
Transfer to reserve accounts	(38,140,681)	38,140,681		-
<b>Balance as at 30 June 2023</b>	<b>354,108,034</b>	<b>155,077,911</b>	<b>903,980,967</b>	<b>1,413,166,912</b>

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

\*Refer to Note 17



**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Note</i>	<b>2022-2023 Actual</b> \$	<b>Restated 2022-2023 Budget</b> \$	<b>2021-2022 Actual</b> \$
<b>Cash flows from operating activities</b>				
<b>Receipts</b>				
Rates		97,021,279	96,166,880	95,069,288
Fees and charges		16,633,342	15,120,251	17,156,241
Service charges		2,535,168	2,515,125	5,685,030
Interest received		6,122,866	2,252,495	1,316,607
Grants, subsidies and contributions		6,635,761	4,474,605	5,662,131
Goods and services tax received		7,873,161	450,000	7,725,577
Other revenue		1,696,093	913,349	5,260,858
		<b>138,517,670</b>	<b>121,892,705</b>	<b>137,875,732</b>
<b>Payments</b>				
Employee costs		(57,106,920)	(59,197,573)	(52,784,749)
Materials and contracts		(37,390,272)	(35,638,460)	(32,911,431)
Utility charges		(4,304,963)	(4,228,694)	(4,056,037)
Insurance paid		(1,262,516)	(1,338,640)	(1,205,619)
Finance costs		(77,627)	(70,202)	(90,301)
Goods and services tax paid		(8,145,341)	(450,000)	(7,843,513)
Other expenditure		(224,433)	(2,001,019)	(4,592,716)
		<b>(108,512,072)</b>	<b>(102,924,588)</b>	<b>(103,484,366)</b>
<b>Net cash provided by (used in) operating activities</b>	<b>4</b>	<b>30,005,598</b>	<b>18,968,117</b>	<b>34,391,366</b>
<b>Cash flows from investing activities</b>				
Proceeds from collateralized debt obligation (CDOs)		675,346	-	-
Proceeds from sale of property, plant & equipment	9(c)	299,177	1,270,750	523,723
Capital grants, subsidies and contributions	2(b)	4,049,668	5,229,789	7,507,192
Receipts / (payments) of term deposits		6,196,165	18,000,000	(4,499,988)
Payments for purchase of property, plant & equipment and investment properties	9(a) & 10	(23,816,094)	(24,009,395)	(13,632,803)
Payments for construction of infrastructure	9(b)	(16,820,413)	(30,609,643)	(27,401,471)
Payments for work in progress	9(b)	4,050,894	-	(672,578)
<b>Net cash provided by (used in) investing activities</b>		<b>(25,365,257)</b>	<b>(30,118,499)</b>	<b>(38,175,925)</b>
<b>Cash flows from financing activities</b>				
Repayment of self-supporting loans	28	(226,069)	(226,069)	(231,008)
Repayment of RRG loan		(1,288,850)	-	(1,053,234)
Repayment of Carawatha		(600,000)	-	-
Recoup from self-supporting loans		208,375	208,375	214,301
<b>Net cash provided by (used in) financing activities</b>		<b>(1,906,544)</b>	<b>(17,694)</b>	<b>(1,069,941)</b>
<b>Net increase / (decrease) in cash held</b>		<b>2,733,797</b>	<b>(11,168,076)</b>	<b>(4,854,500)</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>37,447,488</b>	<b>48,668,077</b>	<b>42,301,988</b>
<b>Cash and cash equivalents at the end of year</b>	<b>3</b>	<b>40,181,285</b>	<b>37,500,000</b>	<b>37,447,488</b>

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



**STATEMENT OF FINANCIAL ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	<b>Note</b>	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
Rates	24	96,351,490	96,166,880	92,006,154
Grants, subsidies and contributions	2(b)	6,635,761	4,474,605	5,662,131
Fees and charges	2(b)	17,114,341	17,169,679	16,909,442
Service charges	2(b)	2,535,168	2,515,125	5,685,030
Interest revenue	2(b)	6,122,866	2,265,000	1,316,607
Other Revenue		1,379,576	913,349	2,282,810
		<b>130,139,202</b>	<b>123,504,638</b>	<b>123,862,174</b>
<b>Expenditure from operating activities</b>				
Employee costs	2(d)(ii)	(57,987,791)	(56,503,518)	(53,007,390)
Materials and contracts		(36,744,984)	(35,411,078)	(33,446,039)
Utility charges		(4,304,963)	(4,228,694)	(4,056,037)
Depreciation	9(d)	(24,988,908)	(23,345,104)	(23,298,477)
Finance Costs	2(d)(iii)	(77,627)	(70,202)	(90,301)
Insurance		(1,262,516)	(1,338,640)	(1,205,619)
Other Expenditure		(11,248,616)	(2,421,398)	(7,483,407)
		<b>(136,615,405)</b>	<b>(123,318,634)</b>	<b>(122,587,270)</b>
<b>Operating activities excluded</b>				
Non-cash amounts excluded from operating activities	27(a)	38,140,311	23,580,409	27,030,047
<b>Net cash revenue and expenditure from operating activities</b>		<b>31,664,108</b>	<b>23,766,413</b>	<b>28,304,951</b>
<b>INVESTING ACTIVITIES</b>				
<b>Revenue from investing activities</b>				
Capital grants, subsidies and contributions	2(b)	4,049,668	5,229,789	7,507,192
Proceeds from disposal of assets	9(c)	299,177	1,270,750	523,723
Recoup from self-supporting loans		208,375	208,375	214,301
		<b>4,557,220</b>	<b>6,708,914</b>	<b>8,245,216</b>
<b>Expenditure from investing activities</b>				
Purchase of property, plant & equipment and investment properties		(23,816,094)	(24,009,396)	(13,632,803)
Purchase of infrastructure assets excluding work in progress		(16,820,413)	(30,609,643)	(27,401,471)
Movement in work in progress		4,050,894	-	(672,578)
		<b>(36,585,613)</b>	<b>(54,619,039)</b>	<b>(41,706,852)</b>
<b>Investing Activities Excluded</b>				
Non-cash amounts excluded from investing activities		-	-	-
<b>Amount attributable to investing activities</b>		<b>(32,028,393)</b>	<b>(47,910,125)</b>	<b>(33,461,636)</b>
<b>Net cash revenue and expenditure</b>		<b>(364,285)</b>	<b>(24,143,712)</b>	<b>(5,156,685)</b>

**STATEMENT OF FINANCIAL ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2023**

	<i>Note</i>	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>FINANCING ACTIVITIES</b>				
<b>Cash inflows from financing activities</b>				
Transfers from reserve accounts	29	39,506,988	52,097,792	44,972,705
		39,506,988	52,097,792	44,972,705
<b>Cash outflows from financing activities</b>				
Repayment of self-supporting loans		(226,069)	(226,069)	(231,008)
Repayment of RRG loan		(1,288,850)	-	(1,053,234)
Repayment of Carawatha		(600,000)	-	-
Transfers to reserve accounts	29	(32,930,765)	(26,621,727)	(40,997,753)
Transfers to reserve accounts Investment Earnings	29	(5,209,917)	(1,106,284)	(391,000)
		(40,255,601)	(27,954,080)	(42,672,995)
<b>Net cashflows from financing activities</b>		<b>(748,613)</b>	<b>24,143,712</b>	<b>2,299,710</b>
<b>SURPLUS/(DEFICIT) MOVEMENT</b>				
Net current assets at start of financial year less excluded amounts		1,551,711	-	4,408,686
Net cash revenue and expenditure		(364,284)	(24,143,712)	(5,156,685)
Net cashflows from financing activities		(748,612)	24,143,712	2,299,710
<b>Surplus/(deficit) after imposition of general rates</b>	27(b)	<b>438,815</b>	<b>-</b>	<b>1,551,711</b>

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

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## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2023

### NOTE 1: BASIS OF PREPARATION

#### Basis of preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying Regulations.

#### Local Government Act 1995 requirements

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

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

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the at fair value of selected non-current assets, financial assets and liabilities.

#### The Local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 to the financial report.

#### Judgement and estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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
- Impairment of financial assets
- Estimation of fair values of land and buildings, infrastructure and investment property
- Estimation uncertainties made in relation to lease accounting
- Estimated useful life of intangible asset

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 1: BASIS OF PREPARATION**

**Initial application of accounting standards**

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

- *AASB 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*
- *AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (general editorials)*
- *AASB 2022-3 Amendments to Australian Accounting Standards – Illustrative Examples for Not-for-Profit Entities accompanying AASB 15*

These amendments have no material impact on the current annual financial report.

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

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

- *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- *AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies or Definition of Accounting Estimates. This standard will result in a terminology change for significant accounting policies*
- *AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply)*
- *AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*
- *AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities. The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.*

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 2: REVENUE AND EXPENSES**

**(a) Revenue Recognition Policy**

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

Revenue Category	Nature of Goods and Services	When Obligations Typically Satisfied	Payment Terms	Returns/Refunds/Warranties	Determination of Transaction Price	Allocating Transaction Price	Measuring Obligations for Returns	Timing of Revenue Recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates are 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 are 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	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Fees and Charges - 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
Fees and Charges - 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	Revenue recognised annually.
Fees and Charges - 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
Fees and Charges - 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	Provision of collection service
Fees and Charges - 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 conclusions of hire
Fees and Charges - Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by Council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method over 12 months matched to access right
Fees and charges for other goods and services	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
Other Revenue - 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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 2: REVENUE AND EXPENSES**

**(b) Revenue recognition**

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

**For the year ended 30 June 2023**

<i><b>Nature</b></i>	<i><b>Contracts with customers \$</b></i>	<i><b>Capital grant /contributions \$</b></i>	<i><b>Statutory requirements \$</b></i>	<i><b>Other \$</b></i>	<i><b>Total \$</b></i>
Rates (Note 24)	-	-	96,351,490	-	96,351,490
Grants, subsidies and contributions	691,509	-	-	5,944,252	6,635,761
Fees and charges	3,034,696	-	4,064,732	10,014,912	17,114,340
Service charges	-	-	2,535,168	-	2,535,168
Interest revenue (Note 2(c))	-	-	-	6,122,866	6,122,866
Other revenue	-	-	-	3,181,873	3,181,873
Capital grants, subsidies and contributions	-	4,049,668	-	-	4,049,668
<b>Total</b>	<b>3,726,205</b>	<b>4,049,668</b>	<b>102,951,390</b>	<b>25,263,903</b>	<b>135,991,166</b>

**For the year ended 30 June 2022**

<i><b>Nature</b></i>	<i><b>Contracts with customers \$</b></i>	<i><b>Capital grant /contributions \$</b></i>	<i><b>Statutory requirements \$</b></i>	<i><b>Other \$</b></i>	<i><b>Total \$</b></i>
Rates (Note 24)	-	-	92,006,154	-	92,006,154
Grants, subsidies and contributions	233,220	-	-	5,428,911	5,662,131
Fees and charges	7,443,654	-	5,199,210	4,266,578	16,909,442
Service charges	-	-	5,685,030	-	5,685,030
Interest revenue (Note 2(c))	-	-	-	1,316,607	1,316,607
Other revenue	-	-	-	2,403,458	2,403,458
Capital grants, subsidies and contributions	-	7,507,192	-	-	7,507,192
<b>Total</b>	<b>7,676,874</b>	<b>7,507,192</b>	<b>102,890,394</b>	<b>13,415,554</b>	<b>131,490,014</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 2: REVENUE AND EXPENSES**

**Revenue (Continued)**

	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>Assets and services acquired below fair value</b>			
Recognised volunteer services	<b>556,694</b>	<b>270,375</b>	<b>572,166</b>

**Volunteer services**

The City utilises volunteer services at its libraries, community centres, in waste education and in its natural areas. Volunteers provide their time willingly for the common good and without financial gain (National Standards for Volunteer Involvement 2015). The fair value of volunteers is calculated by using Volunteering WA's Benefits Calculator. The replacement cost of a volunteer is calculated using the average hourly part-time wage of a person of their age in their specific state of residence plus 15% employer on costs.

	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>(c) Interest revenue</b>			
Interest on reserve account funds	5,209,916	1,660,000	781,954
Interest on municipal account funds	1,256,707	225,000	105,773
Interest on rates instalment	170,695	180,000	151,272
Interest on late payments	(551,634)	200,000	255,036
Interest on deferred instalment	37,182	-	22,572
	<b>6,122,866</b>	<b>2,265,000</b>	<b>1,316,607</b>
<b>Fees and charges relating to rates receivable</b>			
Charges on search fees	62,888	50,000	74,238
Charges on legal recovery	65,651	50,000	161,967
	<b>128,539</b>	<b>100,000</b>	<b>236,205</b>
<b>(d) Expenses</b>			
<b>(i) Auditors remuneration</b>			
Audit of the annual financial report for financial year 2023	110,000	70,000	-
Audit of the annual financial report for financial year 2022	-	-	83,700
Audit of the annual financial report for financial year 2021	-	-	66,624
Other services - grant acquittals	12,597	-	8,400
	<b>122,597</b>	<b>70,000</b>	<b>158,724</b>
<b>(ii) Employee costs</b>			
Employee benefit costs	55,570,041	54,705,910	50,889,915
Other employee costs	2,417,750	1,797,608	2,117,475
	<b>57,987,791</b>	<b>56,503,518</b>	<b>53,007,390</b>
<b>(iii) Finance costs</b>			
Interest on Self Supporting Loans	77,627	70,202	90,301
	<b>77,627</b>	<b>70,202</b>	<b>90,301</b>
<b>(iv) Other expenditure</b>			
Sundry expenses	450,502	2,001,019	6,461,826
	<b>450,502</b>	<b>2,001,019</b>	<b>6,461,826</b>



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 3: CASH AND CASH EQUIVALENTS**

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
Cash on hand	3,772	5,700
Cash at bank (includes 11am at call accounts)	21,577,513	18,841,788
Term deposits	18,600,000	18,600,000
<b>Total cash and cash equivalents</b>	<b>40,181,285</b>	<b>37,447,488</b>

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used. The restricted financial assets are a result of the following specific purposes to which the assets may be used.

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
Held as:		
Cash - restricted funds	18,509,799	14,212,543
Reserve funds - unspent grants restricted	691,509	233,220
Trust deposits held - restricted	9,597,202	8,810,495
Cash - unrestricted funds	11,382,775	14,191,230
	<b>40,181,285</b>	<b>37,447,488</b>

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

**Restricted financial assets**

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 4: NOTES TO THE STATEMENT OF CASHFLOWS**

**Reconciliation of net cash provided by operating activities to net result**

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
<b>Net result</b>	<b>(2,029,140)</b>	<b>16,487,395</b>
<b>Non-cash flows in net result:</b>		
Depreciation on non-current assets	24,988,908	23,298,477
(Profit) / loss on sale of assets	354,715	(93,652)
Other expenses	-	1,638,103
Grants & contributions for the development of assets	(4,049,668)	(7,507,192)
Adjustments to fair value of investment property	2,269,268	(7,615,295)
(Increase) / Decrease in Investments	(675,346)	-
(Increase) / decrease in equity - investment in associates	10,543,265	1,656,092
(Increase) / decrease in equity - joint arrangements	126,203	162,947
<b>Changes in assets &amp; liabilities</b>		
(Increase)/decrease in accrued income	(1,599,457)	(342,575)
Increase/(decrease) in accrued expenses	389,723	193,587
Increase/(decrease) in accrued income payable	-	-
(Increase)/decrease in current receivables	318,364	2,463,113
(Increase)/decrease in non-current receivables	(129,791)	449,572
(Increase)/decrease in contract assets	-	-
Increase/(decrease) in current creditors	(1,823,660)	2,456,813
Increase/(decrease) in non-current creditors	(493,704)	(1,627,299)
Increase/(decrease) in contract liabilities	1,014,179	(655,700)
(Increase)/decrease in inventory	(11,461)	(16,349)
Increase/(decrease) in provision for employee entitlements	491,148	29,054
(Increase)/decrease in prepayments	322,052	3,414,275
<b>Net cash provided by operating activities</b>	<b>30,005,598</b>	<b>34,391,366</b>

The City has no significant non-cash transactions.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 5: TRADE AND OTHER RECEIVABLES**

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
<b>(a) Current</b>		
Rates and statutory receivables		
Rates debtors	3,488,450	4,156,082
Underground power (UGP) debtors	304,028	459,503
Refuse debtors	44,432	55,131
Fire Emergency Services levy debtors	650,906	782,850
Pensioner rebates	1,449,843	1,537,941
Sundry debtors	919,013	660,998
Allowance for expected credit loss	(166,509)	(383,966)
GST receivable	955,107	682,928
Accrued income	3,163,458	1,558,474
	<b>10,808,728</b>	<b>9,509,941</b>
<b>(b) Non-Current</b>		
Rates outstanding - pensioners	1,891,852	1,762,061
	<b>1,891,852</b>	<b>1,762,061</b>

The provision for expected credit loss was measured using the historical data to estimate future expected collections. In determining the recoverability of trade receivables, the City consider any changes in the credit quality of the trade receivable from the date credit was initially granted up until the reporting date. The concentration of credit risk is limited due to the customer base being large. Accordingly, management believes that there is no further credit provision required in excess of the expected credit loss of 166,509 in 2022-2023 in accordance with AASB 9 Financial Instruments.

**Disclosure of opening and closing balances related to contracts with customers**

	<b>30 June 2023 Actual \$</b>	<b>30 June 2022 Actual \$</b>	<b>1 July 2021 Actual \$</b>
Trade and other receivables from contracts with customers	919,013	660,998	894,229
Contract assets	-	-	-
Allowance for credit losses of trade receivables	(166,509)	(383,966)	(370,398)
Allowance for impairment of contract assets	-	-	-
<b>Total trade and other receivables from contracts with customers</b>	<b>752,504</b>	<b>277,032</b>	<b>523,831</b>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 5: TRADE AND OTHER RECEIVABLES**

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates and statutory receivables**

Rates and statutory receivables are non-contractual receivable arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines. Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

**Trade receivables**

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

**Other receivables**

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

**Measurement**

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

**CLASSIFICATION AND SUBSEQUENT MEASUREMENT**

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

Trade 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.

**IMPAIRMENT AND RISK EXPOSURE**

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 20.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 6: OTHER FINANCIAL ASSETS**

	<i>Note</i>	<i>2022-2023 Actual \$</i>	<i>2021-2022 Actual \$</i>
<b>(a) Current</b>			
Financial assets at amortised cost		135,876,603	142,224,524
		<b>135,876,603</b>	<b>142,224,524</b>
<b>Other financial assets at amortised cost</b>			
Loans - clubs and community groups at amortised cost	13 & 28	175,680	226,069
Term deposits		135,700,923	141,998,455
		<b>135,876,603</b>	<b>142,224,524</b>
Held as:			
Unrestricted other financial assets at amortised cost		175,680	226,069
Restricted other financial assets at amortised cost		135,700,923	141,998,455
		<b>135,876,603</b>	<b>142,224,524</b>
<b>(b) Non-current</b>			
Financial assets at amortised cost	13 & 28	1,207,132	1,382,812
Financial assets at fair value through profit or loss		14,353,119	24,413,372
		<b>15,560,251</b>	<b>25,796,184</b>
<b>Financial assets at amortised cost</b>			
Loans - Clubs and community groups at amortised cost	13 & 28	1,207,132	1,382,812
		<b>1,207,132</b>	<b>1,382,812</b>
<b>Financial assets at fair value through profit or loss</b>			
Units (10) held in Local Government House at fair value through profit or loss		203,724	194,509
Equity - Share in investment in associates (RRG) at fair value through profit or loss	19(a)	8,306,108	18,849,373
Equity - Share in joint arrangement (Carawatha Revopement Project) at fair value through profit or loss	19(b)	5,843,287	5,369,490
		<b>14,353,119</b>	<b>24,413,372</b>

Loans receivable from clubs have the same terms and conditions as the related borrowing disclosed in Note 28 as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 6: OTHER FINANCIAL ASSETS**

**SIGNIFICANT ACCOUNTING POLICIES**

**Other financial assets at amortised cost**

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 22 (i)) due to the observable market rates.

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

**Financial assets at fair value through profit or loss**

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

- (a) Debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- (b) Equity investments which the City has not elected to recognise fair value gains and losses through profit or loss.

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 20.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 7: INVENTORIES**

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
<b>Current</b>		
Inventories		
Fuel and materials at cost	161,162	149,701
	<b>161,162</b>	<b>149,701</b>

**SIGNIFICANT ACCOUNTING POLICIES**

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.

**NOTE 8: OTHER ASSETS**

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
<b>Current</b>		
Prepayments	1,804,717	510,487
	<b>1,804,717</b>	<b>510,487</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Other current assets**

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 9: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE**

**(a) PROPERTY, PLANT AND EQUIPMENT**

**Movements in Carrying Amounts**

	<i>Land - Freehold Land</i>	<i>Buildings</i>	<i>Total Land and Buildings</i>	<i>Plant and Equipment</i>	<i>Electronic Equipment</i>	<i>Furniture and Fittings</i>	<i>Computer Equipment</i>	<i>Fleet and Mobile Plant</i>	<i>Total Plant and Equipment</i>	<i>Artworks</i>	<i>Total Property, Plant and Equipment</i>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	<b>237,325,943</b>	<b>139,739,148</b>	<b>377,065,091</b>	<b>17,949,671</b>	<b>93,232</b>	<b>803,018</b>	<b>916,985</b>	<b>9,026,178</b>	<b>28,789,084</b>	<b>3,845,119</b>	<b>409,699,293</b>
Additions	-	5,371,792	5,371,792	3,129,589	117,599	151,156	146,470	3,143,568	6,688,382	31,836	12,092,010
(Disposals)	-	-	-	-	-	(1,734)	-	(428,337)	(430,071)	-	(430,071)
Reclassification increments / (decrements)	10,737,357	-	10,737,357	-	-	-	-	-	-	-	10,737,357
Revaluation increments / (decrements) transferred to revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
Depreciation (expense)	-	(7,185,102)	(7,185,102)	(2,665,395)	(24,165)	(179,392)	(455,284)	(1,551,465)	(4,875,701)	-	(12,060,803)
<b>Carrying amount at 30 June 2022</b>	<b>248,063,300</b>	<b>137,925,838</b>	<b>385,989,138</b>	<b>18,413,865</b>	<b>186,666</b>	<b>773,048</b>	<b>608,171</b>	<b>10,189,944</b>	<b>30,171,694</b>	<b>3,876,955</b>	<b>420,037,786</b>
<b>Comprises:</b>											
Gross carrying amount at 30 June 2022	248,063,300	260,926,042	508,989,342	47,740,325	629,127	3,333,931	5,432,036	16,327,805	73,463,224	3,876,955	586,329,521
Accumulated Depreciation at 30 June 2022		(123,000,204)	(123,000,204)	(29,326,461)	(442,461)	(2,560,883)	(4,823,865)	(6,137,861)	(43,291,531)	-	(166,291,735)
<b>Carrying amount at 30 June 2022</b>	<b>248,063,300</b>	<b>137,925,838</b>	<b>385,989,138</b>	<b>18,413,864</b>	<b>186,666</b>	<b>773,048</b>	<b>608,171</b>	<b>10,189,944</b>	<b>30,171,693</b>	<b>3,876,955</b>	<b>420,037,786</b>
Additions	-	13,093,097	13,093,097	7,142,584	-	414,551	214,868	2,654,258	10,426,261	215,280	23,734,638
(Disposals)	-	-	-	(200)	-	(113,361)	-	(540,331)	(653,892)	-	(653,892)
Reclassification increments / (decrements)	-	-	-	-	-	-	-	-	-	-	-
Revaluation increments / (decrements) transferred to revaluation surplus	55,839,700	8,931,973	64,771,673	(1,136,493)	-	-	-	-	(1,136,493)	-	63,635,180
Depreciation (expense)	-	(7,320,958)	(7,320,958)	(2,570,746)	(104,504)	(157,244)	(349,782)	(1,820,516)	(5,002,792)	-	(12,323,750)
Transfers	-	-	-	-	-	-	-	-	-	-	-
<b>Carrying amount at 30 June 2023</b>	<b>303,903,000</b>	<b>152,629,950</b>	<b>456,532,950</b>	<b>21,849,009</b>	<b>82,162</b>	<b>916,994</b>	<b>473,257</b>	<b>10,483,355</b>	<b>33,804,777</b>	<b>4,092,235</b>	<b>494,429,963</b>
<b>Comprises:</b>											
Asset Cost amount at 30 June 2023	303,903,000	324,604,000	628,507,000	52,833,510	629,127	3,498,782	5,646,904	17,499,893	80,108,216	4,092,235	712,707,451
Accumulated depreciation at 30 June 2023		(171,974,050)	(171,974,050)	(30,984,501)	(546,965)	(2,581,788)	(5,173,647)	(7,016,538)	(46,303,439)	-	(218,277,489)
<b>Carrying amount at 30 June 2023</b>	<b>303,903,000</b>	<b>152,629,950</b>	<b>456,532,950</b>	<b>21,849,009</b>	<b>82,162</b>	<b>916,994</b>	<b>473,257</b>	<b>10,483,355</b>	<b>33,804,777</b>	<b>4,092,235</b>	<b>494,429,963</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 9: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE**

**(b) INFRASTRUCTURE**

**Movements in Carrying Amounts**

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

	<i>Infrastructure - Roads</i>	<i>Infrastructure - Drains</i>	<i>Infrastructure - Footpaths</i>	<i>Infrastructure - Parks</i>	<i>Infrastructure - Street Furniture</i>	<i>Infrastructure Irrigation System</i>	<i>Total Infrastructure Excluding Work In Progress</i>	<i>Work In Progress</i>	<i>Total Infrastructure Including Work In Progress</i>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance as 1 July 2021</b>	<b>194,586,772</b>	<b>133,080,727</b>	<b>47,348,918</b>	<b>7,714,779</b>	<b>2,901,641</b>	<b>3,592,343</b>	<b>389,225,180</b>	<b>23,404,273</b>	<b>412,629,453</b>
Additions	16,999,401	3,021,098	2,793,305	1,655,795	303,965	2,627,907	27,401,471	672,578	28,074,049
(Disposals)	-	-	-	-	-	-	-	-	-
Restated revaluation increments / (decrements) transferred to revaluation surplus 30 June 2022*	39,007,546	35,298,688	41,164,310	-	-	1,927,792	117,398,336	-	117,398,336
Depreciation (expense)	(5,678,538)	(2,190,493)	(1,472,959)	(858,669)	(82,571)	(954,444)	(11,237,674)	-	11,237,674
<b>Restated carrying amount at 30 June 2022*</b>	<b>244,915,181</b>	<b>169,210,020</b>	<b>89,833,574</b>	<b>8,511,905</b>	<b>3,123,035</b>	<b>7,193,598</b>	<b>522,787,313</b>	<b>24,076,851</b>	<b>546,864,164</b>
<b>Comprises:</b>									
Gross carrying amount at 30 June 2022	387,821,289	338,208,846	158,393,606	15,906,582	4,538,183	13,153,561	918,022,067	24,076,851	942,098,918
Accumulated depreciation at 30 June 2022	(142,906,108)	(168,998,827)	(68,560,032)	(7,394,677)	(1,415,147)	(5,959,963)	(395,234,754)	-	(395,234,754)
<b>Retated carrying amount at 30 June 2022*</b>	<b>244,915,181</b>	<b>169,210,019</b>	<b>89,833,574</b>	<b>8,511,905</b>	<b>3,123,036</b>	<b>7,193,598</b>	<b>522,787,313</b>	<b>24,076,851</b>	<b>546,864,164</b>
Additions	9,780,260	2,028,006	2,272,724	1,065,498	483,293	1,190,632	16,820,413	(4,050,894)	12,769,520
(Disposals)	-	-	-	-	-	-	-	-	-
Revaluation increments / (decrements) transferred to revaluation surplus	86,367,434	12,141,509	20,799,774	28,528,936	(204,365)	2,291,299	149,924,587	-	149,924,587
Depreciation (expense)	(5,616,935)	(2,595,874)	(2,829,134)	(963,232)	(89,237)	(570,747)	(12,665,159)	-	(12,665,159)
<b>Carrying amount at 30 June 2023</b>	<b>335,445,940</b>	<b>180,783,660</b>	<b>110,076,938</b>	<b>37,143,107</b>	<b>3,312,727</b>	<b>10,104,782</b>	<b>676,867,154</b>	<b>20,025,958</b>	<b>696,893,112</b>
<b>Comprises:</b>									
Asset Cost amount at 30 June 2023	478,760,786	367,176,785	177,166,261	61,272,872	6,237,050	20,909,331	1,111,523,085	20,025,958	1,131,549,043
Accumulated depreciation at 30 June 2023	(143,314,846)	(186,393,125)	(67,089,323)	(24,129,765)	(2,924,323)	(10,804,549)	(434,655,931)	-	(434,655,931)
<b>Carrying amount at 30 June 2023</b>	<b>335,445,940</b>	<b>180,783,660</b>	<b>110,076,938</b>	<b>37,143,107</b>	<b>3,312,727</b>	<b>10,104,782</b>	<b>676,867,154</b>	<b>20,025,958</b>	<b>696,893,112</b>

\*Refer to Note 17.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 9: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE INCLUDING INVESTMENT  
PROPERTY**

**(c) Disposal of Assets**

Asset Class	Net Book Value		Sales Proceeds		(Profit) / Loss		Net Book Value		Sales Proceeds		Profit / (Loss)	
	2022-2023 Actual \$	2022-2023 Budget \$	2022-2023 Actual \$	2022-2023 Budget \$	2022-2023 Actual \$	2022-2023 Budget \$	2021-2022 Actual \$	2021-2022 Budget \$	2021-2022 Actual \$	2021-2022 Budget \$	2021-2022 Actual \$	2021-2022 Budget \$
Artwork	-	-	-	-	-	-	-	-	-	-	-	-
Land & Building	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	113,361	-	20,800	-	(92,561)	-	1,734	-	-	-	(1,734)	-
Electronic Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Plant & Equipment	200	-	-	-	(200)	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	-	-	-	-	-	-
Fleet and Mobile Plant	540,330	-	278,377	-	(261,954)	-	428,337	882,660	523,723	882,660	95,386	-
Investment Land	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>653,891</b>	<b>-</b>	<b>299,177</b>	<b>-</b>	<b>(354,715)</b>	<b>-</b>	<b>430,071</b>	<b>882,660</b>	<b>523,723</b>	<b>882,660</b>	<b>93,652</b>	<b>-</b>

**(d) Depreciation**

Asset Class	2022-2023 Actual \$	2022-2023 Budget \$	2021-2022 Actual \$
Infrastructure	12,665,159	11,180,514	11,237,674
Building	7,320,958	7,295,725	7,185,279
Fleet and Mobile Plant	1,820,516	2,000,000	1,551,465
Plant & Equipment	2,570,746	2,376,264	2,665,218
Computer Equipment	454,286	334,491	479,449
Furniture & Fittings	157,244	158,110	179,392
<b>Total</b>	<b>24,988,908</b>	<b>23,345,104</b>	<b>23,298,477</b>

**(e) Fully Depreciated Assets in Use**

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

Asset Class	2022-2023 Actual \$	2021-2022 Actual \$
Building	1,966,000	-
Computers	3,131,578	2,858,708
Electronic	167,990	167,990
Furniture	1,067,712	1,066,617
Lighting	893,995	380,927
Other Improvements	7,435,124	7,394,237
Playground Equipment	1,072,771	665,091
Plant and Fleet	6,087,940	5,340,753
<b>Total</b>	<b>21,823,109</b>	<b>17,874,323</b>



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 9: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE**

**SIGNIFICANT ACCOUNTING POLICIES**

**Fixed Assets**

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

**Initial recognition and measurement for assets held at cost**

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

**Initial recognition and measurement between mandatory revaluation dates**

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

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

Upon initial measurement, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates of the asset class in accordance with the City's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation consistent with *Financial Management Regulation 17A(4)*.

**Revaluation**

The fair value of land, buildings, infrastructure and investment properties is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the City. At the end of each period, the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure and vested improvements to be shown at fair value.

For property, plant and equipment and infrastructure, increases in the carrying amount arising on revaluation of these assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

The depreciable amount of all property, plant and equipment and infrastructure but excluding freehold land, vested land and Artworks, 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.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 9: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE**

**Depreciation rates**

The depreciable amount of all property, plant and equipment and infrastructure but excluding freehold land, vested land, and Artworks are depreciated on a straight - line basis over the estimated useful lives for the different asset classes for the current and prior years are as follows:

**General and Heritage Buildings (excluding Investment buildings)**

-Sub structure	60 to 100 years
-Sub structure only for heritage building	60 to 400 years
-Super structure	25 to 80 years
-Roof	20 to 60 years
-Floor	15 to 30 years
-Fitout & fittings	15 to 40 years
-Services Fire, Security, Electrical &Transport	10 to 40 years
-Services Hydraulic and Mechanical	10 to 30 years

**Plant & Equipment**

Plant & Equipment	1 to 10 years
Computer and Electronic Equipment	3 to 5 years
Furniture & Fittings, Fleet, Mobile and Other plant	1 to 10 years

**Infrastructure**

Infrastructure – Footpath	10 to 60 years
Infrastructure – Stormwater Drainage	40 to 130 years
Infrastructure – Roads	
-Formation	Not Depreciated
-Base	50 to 80 years
-Surface	50 to 80 years
-Kerbing and Pavement	50 to 80 years

**Other infrastructure**

Parks/ POS	3 to 100 years
Street Furniture	5 to 30 years
Irrigation	5 to 30 years
Jetties and Boardwalks	50 to 100 years

<b>Freehold/Investment/vested land and artworks</b>	Not Depreciated
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**Depreciation on revaluation**

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

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

**Impairment**

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

**Gains or losses on disposal**

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 9: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE**

**SIGNIFICANT ACCOUNTING POLICIES**

<i><b>Asset Class</b></i>	<i><b>Fair Value Hierarchy</b></i>	<i><b>Valuation Technique</b></i>	<i><b>Basis of Valuation</b></i>	<i><b>Date of last Valuation</b></i>	<i><b>Inputs used</b></i>
<b><u>(i) Fair Value</u></b>					
<b><u>Land and Buildings</u></b>					
Land - Freehold	2 & 3	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuer	June 2023	Price per hectare / market borrowing rate and income approach using discounted cash flow methodology
Buildings	2 & 3	Cost Approach	Independent desktop valuation	June 2023	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
<b><u>Infrastructure</u></b>					
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Drains	3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpath	3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Irrigation Systems	3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 9: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE**

**SIGNIFICANT ACCOUNTING POLICIES**

<i><b>Asset Class</b></i>	<i><b>Fair Value Hierarchy</b></i>	<i><b>Valuation Technique</b></i>	<i><b>Basis of Valuation</b></i>	<i><b>Date of last Valuation</b></i>	<i><b>Inputs used</b></i>
<b><u>Infrastructure - Other</u></b>					
Infrastructure - Parks	3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Street Furniture	3	Cost approach using depreciated replacement cost	Independent valuation	June 2023	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
<b><u>(ii) Cost</u></b>					
Plant and Equipment	N/A	N/A	Cost	June 2019	N/A
Electronic Equipment	N/A	N/A	Cost	June 2019	N/A
Furniture and Equipment	N/A	N/A	Cost	June 2019	N/A
Computer Equipment	N/A	N/A	Cost	June 2019	N/A
Mobile Plant	N/A	N/A	Cost	June 2019	N/A
Artworks	N/A	N/A	Cost	June 2018	N/A

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 10: INVESTMENT PROPERTY**

	<i>Investment Property -Land \$</i>	<i>Investment Property - Buildings \$</i>	<i>Total Investment Property \$</i>
<b>Balance at 1 July 2021</b>	60,674,115	2,077,466	62,751,581
Additions	791,196	749,597	1,540,793
(Disposals)	-	-	-
Reclassification increments / (decrements)	(10,737,357)		(10,737,357)
Revaluation increments / (decrements) transferred to profit/(loss)	7,615,296	-	7,615,296
Depreciation (expense)	-	-	-
<b>Carrying amount at 30 June 2022</b>	<b>58,343,250</b>	<b>2,827,063</b>	<b>61,170,312</b>
Additions	-	81,456	81,456
(Disposals)	-	-	-
Reclassification increments / (decrements)	(721,689)	721,689	-
Revaluation increments / (decrements) transferred to profit/(loss)	(2,689,560)	420,292	(2,269,268)
Depreciation (expense)	-	-	-
<b>Carrying amount at 30 June 2023</b>	<b>54,932,001</b>	<b>4,050,500</b>	<b>58,982,501</b>

The City has rezoned some of the investment properties to "Public Open Space" (POS) during the financial year. As per the Australian Accounting Standards *AASB 140*, those properties which are still under lease would need to remain classified as investment property until the expiry of the lease agreements. The fair value for rezoned properties to POS have dropped significantly and the net decrement for all investment properties are recorded in the Statement of Comprehensive income.

**Amount Recognised In The Profit Or Loss For Investment Properties**

	<i>2022-2023 Actual \$</i>	<i>2021-2022 Actual \$</i>
Rental Income	1,172,254	1,042,440
Direct operating expenses from property that generated rental income	(34,728)	(14,216)
Fair value gain recognised in other income	-	-
<b>Net rental income</b>	<b>1,137,526</b>	<b>1,028,224</b>

**Leasing Arrangements**

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

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

	<i>2022-2023 Actual \$</i>	<i>2021-2022 Actual \$</i>
Within one year	962,624	999,809
Later than one year but not later than 5 years	4,877,177	4,999,045
Later than 5 years	22,896,492	19,535,425
	<b>28,736,293</b>	<b>25,534,279</b>

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 10: INVESTMENT PROPERTY**

**SIGNIFICANT ACCOUNTING PROPERTIES**

**Investment Properties**

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the City. Investment properties are carried at fair value in accordance with the significant accounting policies in Note 22(g).

**Fair Value Of Investment Properties**

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 11: TRADE AND OTHER PAYABLES**

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
<b>(a) Current</b>		
Restricted funds creditor		
- Footpaths	8,239,276	7,765,556
- Bonds and deposits held	1,178,185	1,027,618
- Other	179,741	17,321
Non-restricted funds creditor	6,981,881	8,068,966
Prepaid rates	1,549,757	1,809,783
Amount received in advance	56,748	50,990
Accrued salaries & wages	1,740,252	1,334,515
	<b>19,925,840</b>	<b>20,074,749</b>
<b>(b) Non-current</b>		
Creditors	256,116	503,914
	<b>256,116</b>	<b>503,914</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Financial liabilities**

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

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

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

**Trade and other payables**

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

**Prepaid rates**

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 12: CONTRACT LIABILITIES**

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
<b>Current</b>		
Grants, subsidies and contributions	691,509	233,220
Capital grants, subsidies and contributions	2,302,350	1,813,743
Membership fees - Leisure Fit Booragoon	537,653	470,370
	<b>3,531,512</b>	<b>2,517,333</b>
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	2,517,333	3,173,033
Additions	4,936,788	1,984,441
Revenue from contracts with customers included as a contract liability at the start of the period	(3,922,609)	(2,640,141)
	<b>3,531,512</b>	<b>2,517,333</b>
The City expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.		
<b>Reconciliation of Changes in Capital Grant/Contribution Liabilities</b>		
Opening balance	1,813,743	2,444,917
Additions	4,038,353	2,033,993
Revenue from capital grant/contributions held as a liability at the start of the period	(3,549,746)	(2,665,167)
	<b>2,302,350</b>	<b>1,813,743</b>
<b>Expected satisfaction of capital grant/contribution liabilities</b>		
Less than 1 year	2,302,350	1,593,147
1 to 2 years	-	220,596
2 to 3 years	-	-
	<b>2,302,350</b>	<b>1,813,743</b>

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

**SIGNIFICANT ACCOUNTING POLICIES**

**Contract liabilities**

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

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

**Capital grant/contribution liabilities**

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22 (i)) due to the unobservable inputs, including own credit risk.



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 13: BORROWINGS**

	<i>Note</i>	<i>2022-2023</i>			<i>2021-2022</i>		
		<i>Current \$</i>	<i>Non-current \$</i>	<i>Total \$</i>	<i>Current \$</i>	<i>Non-current \$</i>	<i>Total \$</i>
<b>Secured</b>							
WA Treasury Corporation	28	175,680	1,207,132	1,382,812	226,069	1,382,812	1,608,881
<b>Total secured borrowings</b>		<b>175,680</b>	<b>1,207,132</b>	<b>1,382,812</b>	<b>226,069</b>	<b>1,382,812</b>	<b>1,608,881</b>

**SIGNIFICANT ACCOUNT POLICIES**

**Borrowing Costs**

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 22 (i) ) due to the unobservable inputs, including own credit risk.

**Risks**

Information regarding exposure to financial management risk can be found at Note 22. Details of individual borrowings required by regulation are provided as Note 28.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 14: EMPLOYEE RELATED PROVISIONS AND OTHER PROVISIONS**

**(a) Employee related provisions**

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	4,688,269	4,493,749
Long service leave	4,319,079	4,105,101
Other employee leave provisions	15,809	14,047
	<b>9,023,157</b>	<b>8,612,897</b>
<b>Employee related other provisions</b>		
Employment on-costs	659,580	602,172
	<b>659,580</b>	<b>602,172</b>
<b>Total current employee related provisions</b>	<b>9,682,737</b>	<b>9,215,069</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	647,009	687,711
	<b>647,009</b>	<b>687,711</b>
<b>Employee related other provisions</b>		
Employment on-costs	107,276	59,108
	<b>107,276</b>	<b>59,108</b>
<b>Total non-current employee related provisions</b>	<b>754,285</b>	<b>746,819</b>
<b>Total employee related provisions</b>	<b>10,437,022</b>	<b>9,961,888</b>

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

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

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
<b>Amounts are expected to be settled on the following basis:</b>		
Less than 12 months after the reporting date	9,682,737	9,215,069
More than 12 months from reporting date	754,285	746,819
	<b>10,437,022</b>	<b>9,961,888</b>
Expected reimbursements of employee related provisions from other WA local governments	(371,521)	(370,091)

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 14: EMPLOYEE RELATED PROVISIONS AND OTHER PROVISIONS**

**SIGNIFICANT ACCOUNTING POLICIES**

**Employee benefits**

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.

**Short-term employee benefits**

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

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

**Other long-term employee benefits**

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

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

**Provisions**

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 14: EMPLOYEE RELATED PROVISIONS AND OTHER PROVISIONS**

**(b) Other provisions**

	<i><b>2022-2023 Actual \$</b></i>	<i><b>2021-2022 Actual \$</b></i>
<b>Non-current provisions</b>		
John Connell Reserve	6,590,000	6,590,000
	<b>6,590,000</b>	<b>6,590,000</b>

**Provision for remediation costs**

The provision relates to the indicative costs for remediation of John Connell Reserve, a previous landfill site, of which the City has a legal obligation to restore the site. The amount of \$6.59 million is based on an assessment performed by an independent consultant of the scope of works.

A provision for remediation is recognised when:

- (a) There is a present obligation as a result of waste activities undertaken;
- (b) It is probable that an outflow of economic benefits will be required to settle that obligation;
- (c) The amount of the provision can be measured reliably.

The provision of future remediation costs is the best estimate of the present value of the expenditure required to settle the remediation obligation at the reporting date. Future remediation costs are reviewed annually and any changes in the estimate are reflected in the present value of the remediation provision at each reporting date.

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of the payment of non-current obligation is unable to be reliably estimated as it is dependent as at the reporting date.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 15: REVALUATION SURPLUS**

	<i>Closing 30/06/2023 \$</i>	<i>Increment / (Decrement) \$</i>	<i>Restated* Closing 30/06/2022 \$</i>	<i>Restated* Increment / (Decrement) \$</i>	<i>Opening 1/07/2021 \$</i>
Land	286,174,385	55,839,700	230,334,685	-	230,334,685
Building	113,766,364	8,931,973	104,834,391	-	104,834,391
Land vested	-	-	-	-	-
<b>Total land and buildings</b>	<b>399,940,749</b>	<b>64,771,673</b>	<b>335,169,076</b>	<b>-</b>	<b>335,169,076</b>
<b>Artworks</b>					
Artworks	2,276,749	-	2,276,749	-	2,276,749
<b>Total artworks</b>	<b>2,276,749</b>	<b>-</b>	<b>2,276,749</b>	<b>-</b>	<b>2,276,749</b>
<b>Plant and equipment</b>					
Computer equipment	554,433	-	554,433	-	554,433
Electronic equipment	127,790	-	127,790	-	127,790
Furniture & fittings	322,892	-	322,892	-	322,892
Plant & equipment	22,354,506	(1,136,493)	23,490,999	-	23,490,999
Mobile plant	1,611,729	-	1,611,729	-	1,611,729
<b>Total plant and equipment</b>	<b>24,971,350</b>	<b>(1,136,493)</b>	<b>26,107,843</b>	<b>-</b>	<b>26,107,843</b>
<b>Infrastructure</b>					
Drains	167,455,618	12,141,510	155,314,108	35,298,688	120,015,420
Footpaths	99,062,365	20,799,773	78,262,592	41,164,311	37,098,281
Roads*	172,180,846	86,367,434	85,813,412	39,007,546	46,805,866
Irrigation	3,639,264	2,291,299	1,347,965	1,927,792	(579,827)
<b>Total infrastructure</b>	<b>442,338,093</b>	<b>121,600,016</b>	<b>320,738,077</b>	<b>117,398,337</b>	<b>203,339,740</b>
<b>Infrastructure - Other</b>					
Parks	31,001,178	28,528,936	2,472,242	-	2,472,242
Street furniture	1,289,329	(204,365)	1,493,694	-	1,493,694
<b>Total infrastructure - Other</b>	<b>32,290,507</b>	<b>28,324,571</b>	<b>3,965,936</b>	<b>-</b>	<b>3,965,936</b>
Share of revaluation of RRG non current assets	2,190,442	-	2,190,442	-	2,190,442
Local Government House unit trust holding	(26,923)	9,215	(36,136)	9,992	(46,128)
<b>Total revaluation surplus</b>	<b>903,980,967</b>	<b>213,568,982</b>	<b>690,411,987</b>	<b>117,408,329</b>	<b>573,003,658</b>

\*Refer to Note 17.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 16: CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES**

**(a) Capital commitments**

Capital commitments as at 30 June 2023 amounted to \$11.26M, compared to \$14.94M as at 30 June 2022. The City had no other commitments as at 30 June 2023.

**(b) Contingent liabilities**

**Workers' Compensation Premium**

The City negotiates its Workers' Compensation Premium on a "burning cost" basis whereby a minimum and maximum premium are determined for workers' compensation and the City pays a deposit premium only with the actual premium being settled based on known and anticipated claims experience. Therefore, the City may be required to fund an additional premium if the actual premium (as yet to be determined) exceeds the deposit premium already paid. Accordingly, a contingent liability is recognised for the difference between the deposit premium paid and the maximum premium payable.

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
Contingent Liability For Additional Workers' Compensation Premium	7,608,620	6,887,010

**Possible Contaminated Sites**

AASB 137.86 In compliance with the Contaminated Sites Act 2003, the City has listed sites to be possible sources of contamination.

Details of those sites are:

- Tompkins Park (Lot 9789 on Plan 182892)
- John Creaney Park (Lot 3073 & Lot 3142 on Plan 214497)

Until the City conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the AASB 137.91 need and criteria for remediation of a risk based approach, the City is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 17: PRIOR PERIOD RESTATEMENTS**

In order to comply with accounting standards, the Local Government Act and the City's accounting policies, the City made the following prior period adjustments during the year.

Correction of revaluation of Infrastructure Roads previously incorrectly valued due to discrepancy in the road asset data (in particular the road widths).

In accordance with AASB 108, the effect of the adjustments have been recognised in the closing balance for the comparative period being 30 June 2022 (to the extent to which they relate to financial year 30 June 2023). The net impact of these adjustments is shown below:

	<b>30 June 2022 - Comparative year</b>		
	<b><i>As previously stated</i></b>	<b><i>Restatement</i></b>	<b><i>As restated</i></b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Statement of Comprehensive Income (extract):</b>			
<b>Net results for the year</b>	<b>16,487,395</b>	<b>-</b>	<b>16,487,395</b>
Changes in asset revaluation surplus	81,985,359	35,412,978	117,398,337
Total other comprehensive income	81,995,351	35,412,978	117,408,329
<b>Total comprehensive income for the year</b>	<b>98,482,746</b>	<b>35,412,978</b>	<b>133,895,724</b>
<b>Statement of financial position (extract):</b>			
<b>Infrastructure</b>			
Total infrastructure including work in progress	511,451,186	35,412,978	546,864,164
Total non-current assets	1,020,217,529	35,412,978	1,055,630,507
<b>Total assets</b>	<b>1,210,059,670</b>	<b>35,412,978</b>	<b>1,245,472,648</b>
<b>Total Liabilities</b>	<b>43,845,576</b>	<b>-</b>	<b>43,845,576</b>
<b>Net Assets</b>	<b>1,166,214,094</b>	<b>35,412,978</b>	<b>1,201,627,072</b>
<b>Equity</b>			
Retained surplus	354,770,867	-	354,770,867
Reserve accounts	156,444,218	-	156,444,218
Revaluation surplus	654,999,009	35,412,978	690,411,987
<b>Total equity</b>	<b>1,166,214,094</b>	<b>35,412,978</b>	<b>1,201,627,072</b>

The Entity notes that this change has no impact on the statement of cashflows for the year ended 30 June 2022.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 18: RELATED PARTY TRANSACTIONS**

**(a) Elected members remuneration**

	<i>Note</i>	<i>2022-2023 Actual \$</i>	<i>2022-2023 Budget \$</i>	<i>2021-2022 Actual \$</i>
Fees, expenses and allowances to be paid or reimbursed to elected council members.				
Mayor's annual allowance		91,997	91,997	89,753
Mayor's meeting attendance fees		48,704	48,704	47,516
Mayor's annual allowance for ICT expenses		3,500	3,500	3,500
Mayor's travel and accommodation expenses		60	13,771	757
		<b>144,261</b>	<b>157,972</b>	<b>141,526</b>
Deputy Mayor's annual allowance		22,999	23,000	22,438
Deputy Mayor's meeting attendance fees		32,470	32,470	31,678
Deputy Mayor's annual allowance for ICT expenses		3,500	3,500	3,500
Deputy Mayor's travel and accommodation expenses		200	6,250	2,217
		<b>59,169</b>	<b>65,220</b>	<b>59,833</b>
All other council member's meeting attendance fees		358,369	357,170	348,362
All other council member's annual allowance for ICT expenses		37,334	38,500	38,500
All other council member's travel and accommodation expenses		22,051	68,750	32,921
		<b>417,754</b>	<b>464,420</b>	<b>419,783</b>
	18(b)	<b>621,184</b>	<b>687,612</b>	<b>621,142</b>

**(b) Key management personnel (KMP) compensation disclosure**

	<i>Note</i>	<i>2022-2023 Actual \$</i>	<i>2021-2022 Actual \$</i>
The total of remuneration paid to KMP of the City during the year are as follows:			
Short-term employee benefits		1,481,810	1,327,774
Post-employment benefits		127,598	122,329
Other long-term benefits		59,680	15,249
Council member costs	18(a)	621,184	621,142
		<b>2,290,272</b>	<b>2,086,494</b>



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 18: RELATED PARTY TRANSACTIONS**

**Short-term employee benefits**

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

**Post-employment benefits**

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

**Other long-term benefits**

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

**Council member costs**

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

**Transactions with related parties**

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

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

	<b>2022-2023</b> <i>Actual</i> \$	<b>2021-2022</b> <i>Actual</i> \$
<b>Associated companies/individuals:</b>		
Sale of goods and services	26,000	26,000

**Related parties**

**The City's main related parties are as follows:**

*(i) Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 18(a) and 18(b).

*(ii) Other related parties*

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

*(iii) Entities subject to significant influence by the city*

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 19: INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS**

**(a) Investment in Resource Recovery Group (RRG)**

**Resource Recovery Group (RRG)**

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
Current Assets	14,083,253	20,401,202
Non-Current Assets	19,156,168	30,332,453
Current Liabilities	(4,376,444)	(8,373,725)
Non-Current Liabilities	(17,598,062)	(9,436,836)
<b>Net Assets (100%)</b>	<b>11,264,915</b>	<b>32,923,094</b>
Revenue	16,752,088	18,191,425
Depreciation on Non-Current Assets	(4,740,647)	(4,613,629)
Impairment of assets	(6,963,290)	-
Interest Expense	(414,999)	(543,876)
<b>Total Comprehensive loss (100%)</b>	<b>(16,148,178)</b>	<b>(3,327,049)</b>

**Share in Investment in Resource Recovery Group (RRG)**

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
Net Assets	8,306,108	18,849,373
Less: Share of RRG Loan Liability	(1,299,960)	(2,588,811)
Share in the net assets of the RRG (excluding equity)	<b>7,006,148</b>	<b>16,260,562</b>
<b>Equity Ratios</b>		
RRG Existing Undertakings Proportional Equity Share:	73.63%	73.71%
Office Accommodation Project Proportional Equity Share:	73.27%	73.40%
RRRC Project Proportional Equity Share:	73.77%	73.84%
Represented by Share of Investment in Associates Entity's Financial Position:		
Current Assets	10,318,336	11,309,657
Non Current Assets	12,862,469	16,938,708
<b>Total Assets</b>	<b>23,180,805</b>	<b>28,248,365</b>
Current Liabilities	3,160,135	2,431,053
Non Current Liabilities	11,714,562	6,967,939
<b>Total Liabilities</b>	<b>14,874,697</b>	<b>9,398,992</b>
<b>Net Assets</b>	<b>8,306,108</b>	<b>18,849,373</b>
Statement of Comprehensive Income		
Share of Profit/(Loss) of Associate Accounted For Using The Equity Method	(10,543,265)	(1,656,092)
Other Comprehensive Income		
Share of Profit/(Loss) of Revaluation of RRG Assets Using The Equity Method	-	-
<b>Net Increase / (Decrease) in Equity - RRG Investment in Associates</b>	<b>(10,543,265)</b>	<b>(1,656,092)</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 19: INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS**

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
<b>Borrowings</b>		
<b>Share of RRG Loan Liability</b>		
Current	66,425	1,285,049
Non-current	1,233,535	1,303,762
	<b>1,299,960</b>	<b>2,588,811</b>
<b>Share of RRG Loan Liability by Project</b>		
Regional Resource Recovery Centre (RRRC) Project	39.31%	39.78%
Office Accommodation Project	72.22%	72.43%
<b>Current</b>		
Regional Resource Recovery Centre (RRRC) Project	-	1,285,049
Office Accommodation Project	66,425	-
	<b>66,425</b>	<b>1,285,049</b>
<b>Non-current</b>		
Regional Resource Recovery Centre (RRRC) Project	-	-
Office Accommodation Project	1,233,535	1,303,762
	<b>1,233,535</b>	<b>1,303,762</b>

**Share in Resource Recovery Group (RRG)**

The Resource Recovery Group (RRG) is a statutory local government authority established in 1991 by the local governments of Canning, Cockburn, East Fremantle, Fremantle, Kwinana, Melville, and Rockingham. It was previously named as South Metropolitan Regional Council (SMRC).

The RRG is responsible for developing environmentally sustainable waste management solutions for the communities of the Participants.

The member local governments have jointly agreed to establish RRG under an Establishment Agreement and each participant may participate in regional projects that are governed by a Participants' Project Agreement.

There are two core projects being:

1. The Regional Resource Recovery Centre (RRRC) Project and;
2. The Office Accommodation Project.

Both the projects were established through separate project participants' agreements. The City of Kwinana are not participants in the RRRC project. In addition to the above two projects, the support activities of RRG such as Administrative activities, Education and Marketing and Research and Development, are referred to as Existing Undertakings.

Over the period the following local governments have since withdrawn from the Regional Council: City of Canning in June 2010, City of Rockingham in June 2012 and City of Cockburn in June 2019.

**Existing Undertakings**

The historical annual contributions made by Participants to the Existing Undertakings are used to determine the proportional contribution percentage of each Participant to the Existing Undertakings.

The City's share as on 30 June 2023:

RRG Existing Undertakings Proportional Equity Share: **73.63%**

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 19: INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS**

**Regional Resource Recovery Centre (RRRC) Project**

RRRC Project Participants shall make an annual contribution towards the acquisition of any asset of a capital nature required by the Project, plus pay gate fees for each tonne of waste they deliver to the facility to cover the operating costs.

The annual contribution shall be an amount which bears the same proportion to the cost of the acquisition disclosed in the Project Budget for the financial year as the Population of the Project Participant bears to the total of the Populations of all Project Participants.

The capital costs for each participating Local Government member is based on the Australian Bureau of Statistics population statistics. Each project participant will develop equity in the project equal to the relevant proportion of the total capital loan repayments made by that project participant.

The City's share as on 30 June 2023:

RRRC Project Proportional Equity Share: **73.77%**

**RRRC - Lending Facility**

The capital construction of the RRRC facility was funded by borrowings from Western Australian Treasury Corporation (WATC). The lending facility was fully repaid on the 30 June 2023.

**Office Accommodation Project**

The Office Project pertains to RRG's office located at 9 Aldous Place, Booragoon, Western Australia. The City's equity share of the project is based on their proportional populations.

The City's share as on 30 June 2023:

Office Accommodation Project Proportional Equity Share: **73.27%**

**Office Accommodation Project**

As a RRG participant, the City has guaranteed by way of security to the Western Australian Treasury Corporation, a charge over its' general funds for its' share of any outstanding debenture borrowings provided for the RRG administration building at 9 Aldous Place Booragoon. This facility has a limit of \$2 million.

As at 30 June 2023, the balance outstanding against the lending facility stood : \$ **1,800,000**

With the City's share of this liability being: \$ **1,299,960**

Using the current cost/profit sharing percentage of: **72.22%**

The Town of East Fremantle, at its Ordinary Council Meeting held on 20 June 2023 resolved to withdraw from the RRG and all associated projects, effective 1 July 2024. The City at its Ordinary Council Meeting held on 21 November 2023 resolved to withdraw from the RRG and all associated projects, effective 1 July 2025. See Note 21 Events occurring after the end of the reporting period.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 19: INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS**

**SIGNIFICANT ACCOUNTING POLICIES**

**Investment In Associates**

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

**(b) Joint Arrangements**

**Share in Carawatha Redevelopment Project**

	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
Opening Share In Equity	5,369,490	4,982,651
Carawatha Redevelopment Distribution	-	(550,000)
Carawatha Redevelopment Capital Call	600,000	1,099,786
Share In Profit/(Loss) In Net Results	(126,203)	(162,947)
<b>Total</b>	<b>5,843,287</b>	<b>5,369,490</b>
Equity Ratio	50.00%	50.00%

**SIGNIFICANT ACCOUNTING POLICIES**

**INTERESTS IN JOINT ARRANGEMENTS**

A joint operation is a joint arrangement where the City has joint control with two or more parties to the joint arrangement. All parties to joint arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

Asset, liabilities, revenue and expenses relating to the City's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standard.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 20: FINANCIAL RISK MANAGEMENT**

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

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

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

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

**(a) Interest rate risk**

**Cash and cash equivalents**

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk.

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

	<b>Weighted Average Interest Rate</b> %	<b>Carrying Amounts</b> \$	<b>Fixed Interest Rate</b> \$	<b>Variable Interest Rate</b> \$	<b>Non interest Bearing</b> \$
<b>2023</b>					
Cash And Cash Equivalents	4.27%	40,181,285	18,600,000	21,577,513	3,772
- Term Deposits	4.27%	135,700,923	135,700,923	-	-
<b>2022</b>					
Cash and cash equivalents	0.58%	37,447,488	18,600,000	18,841,788	5,700
- Term Deposits	0.58%	141,998,455	141,998,455	-	-

**Sensitivity**

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

	<b>2022-2023</b> \$	<b>2021-2022</b> \$
Impact of a 1% movement in interest rates on profit and loss and equity*	401,813	374,475
<i>*Holding all other variables constant</i>		

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 20: FINANCIAL RISK MANAGEMENT**

**(b) Credit Risk**

**Trade and Other Receivables**

The City's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk - the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies.

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

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

The expected loss from rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2022 or 1 July 2023 respectively and the corresponding historical losses experienced within this period. Historical credit loss from rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade and other receivables.

	<i>Current</i>	<i>More than 30 days past due</i>	<i>More than 60 days past due</i>	<i>More than 90 days past due</i>	<i>Total</i>
<b>30 June 2023</b>					
Trade receivables					
Expected Credit Loss	0.00%	0.00%	0.00%	0.00%	
Gross Carrying Amount	3,488,450	-	-	-	3,488,450
Loss Allowance	-	-	-	-	-
Other receivables					
Expected Credit Loss	0.00%	0.00%	0.00%	-50.37%	-18.12%
Gross Carrying Amount	535,397	37,750	15,311	330,555	919,013
Loss Allowance	-	-	-	(166,509)	(166,509)
<b>30 June 2022</b>					
Trade receivables					
Expected Credit Loss	0.00%	0.00%	0.00%	0.00%	
Gross Carrying Amount	4,156,082	-	-	-	4,156,082
Loss Allowance	-	-	-	-	-
Other receivables					
Expected Credit Loss	0.00%	0.00%	0.00%	-149.75%	-58.09%
Gross Carrying Amount	282,130	106,077	16,391	256,400	660,998
Loss Allowance	-	-	-	(383,966)	(383,966)

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 20: FINANCIAL RISK MANAGEMENT**

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

	<b>Rates receivables</b>		<b>Trade &amp; other receivables</b>		<b>Contract assets</b>	
	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>	<b>2022-2023 Actual \$</b>	<b>2021-2022 Actual \$</b>
Opening loss allowance as at 1 July	-	-	383,966	370,398	-	-
Increase in loss allowance recognised in profit or loss during the year	-	-	33,055	155,522	-	-
Receivables written off during the year as uncollectible	-	-	(250,512)	(141,954)	-	-
Unused amount reversed	-	-	-	-	-	-
Closing loss allowance at 30 June	-	-	<b>166,509</b>	<b>383,966</b>	-	-

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

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

**Contract assets**

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

**(c) Liquidity risk**

**Payables, Borrowings and Other Financial Liability**

Payables, borrowings and other financial liability are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities arranged if required.

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



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 20: FINANCIAL RISK MANAGEMENT**

	<i><b>Due within 1 year \$</b></i>	<i><b>Due between 1 &amp; 5 years \$</b></i>	<i><b>Due after 5 years \$</b></i>	<i><b>Total contractual cash flows \$</b></i>	<i><b>Carrying values \$</b></i>
<b>2023</b>					
Payables	19,925,840	256,116	-	20,181,956	20,181,956
Borrowings and Other Liabilities	242,105	2,165,527	275,140	2,682,772	2,682,772
Contract Liabilities	3,531,512	-	-	3,531,512	3,531,512
	<b>23,699,457</b>	<b>2,421,643</b>	<b>275,140</b>	<b>26,396,240</b>	<b>26,396,240</b>
<b>2022</b>					
Payables	20,090,763	503,914	-	20,594,677	20,594,677
Borrowings and Other Liabilities	1,511,118	2,214,567	472,007	4,197,692	4,197,692
Contract Liabilities	2,296,737	220,596	-	2,517,333	2,517,333
	<b>23,898,618</b>	<b>2,939,077</b>	<b>472,007</b>	<b>27,309,702</b>	<b>27,309,702</b>

**NOTE 21: EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

Following the end of the financial year ended 30 June 2023, the City at its ordinary Council Meeting held on 21 November 2023 resolved to withdraw from the Resource Recovery Group (RRG, formerly SMRC) and all associated projects, effective 1 July 2025.

The other remaining participant of the RRG, City of Fremantle, also resolved at its Ordinary Council Meeting held on 22 November 2023 to withdraw from the RRG and all associated projects, effective from 1 July 2025.

These events occurred after the reporting period, and prior to issue of the City's financial report. Any financial impact to the City is unable to be estimated at the time of issue of the financial report.

Other than the above, there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the City, to significantly affect the operations of the City, the results of those operations or the state of affairs of the City in future financial years.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 22: OTHER SIGNIFICANT ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

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

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

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

**b) Current and non-current classification**

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

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

**g) Fair value of assets and liabilities**

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

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 22: OTHER SIGNIFICANT ACCOUNTING POLICIES**

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

**h) Interest revenue**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurement based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

**Market approach**

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

**Income approach**

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

**Cost approach**

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 22: OTHER SIGNIFICANT ACCOUNTING POLICIES**

**j) Impairment of assets**

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

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 23: FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

<b>Objective</b>	<b>Description</b>
<b>Governance</b> To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting council members and ratepayers on matters which do not concern specific local government services.
<b>General purpose funding</b> To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
<b>Law, order, public safety</b> To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
<b>Health</b> To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
<b>Education and welfare</b> To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home care programs and youth services.
<b>Housing</b> To provide and maintain housing.	Provision and maintenance of elderly residents housing.
<b>Community amenities</b> To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes and public conveniences.
<b>Recreation and culture</b> To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.	Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
<b>Transport</b> To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.
<b>Economic services</b> To help promote the City and its economic wellbeing.	Tourism and area promotion including the maintenance and operation. Provision of rural services including weed control, vermin control and standpipes. Building Control.
<b>Other property and services</b> To monitor and control operating accounts.	Private works operation, plant repair and costs.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 23: FUNCTION AND ACTIVITY**

	<b>2022-2023 Actual \$</b>	<b>Restated * 2021-2022 Actual \$</b>
<b>(b) Income and expenses</b>		
<b>Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
Governance	1,200	55,332
General purpose funding	100,566,437	108,758,549
Law, order, public safety	2,826,272	2,896,298
Health	245,356	227,093
Education & welfare	160,471	73,505
Housing	(202,666)	103,061
Community amenities	3,395,528	1,857,917
Recreation and culture	9,836,822	8,565,666
Transport	1,103,607	1,318,628
Economic services	4,360,499	7,180,784
Other property and services	(9,605,894)	(6,826,236)
	<b>112,687,632</b>	<b>124,210,597</b>
<b>Grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
Governance	732	732
General purpose funding	5,028,428	4,543,493
Law, order, public safety	31,820	37,804
Health	2,500	2,273
Education & welfare	637,472	181,597
Housing	-	-
Community amenities	1,278,950	1,184,365
Recreation and culture	868,066	2,005,689
Transport	2,830,211	5,178,868
Economic services	-	-
Other property and services	7,424	34,503
	<b>10,685,603</b>	<b>13,169,324</b>
<b>Total income</b>	<b>123,373,235</b>	<b>137,379,921</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 23: FUNCTION AND ACTIVITY**

	<b>2022-2023 Actual \$</b>	<b>Restated * 2021-2022 Actual \$</b>
<b>Expenses</b>		
Governance	(5,297,279)	(5,794,376)
General purpose funding	(1,382,504)	(1,429,297)
Law, order, public safety	(4,334,883)	(4,038,750)
Health	(1,093,080)	(1,055,151)
Education & welfare	(2,458,950)	(1,742,023)
Housing	(111,592)	(116,971)
Community amenities	(25,755,448)	(24,377,090)
Recreation and culture	(42,412,173)	(42,475,192)
Transport	(22,371,810)	(19,803,749)
Economic services	(3,922,619)	(5,838,965)
Other property and services	(16,262,037)	(14,220,962)
<b>Total Expenses</b>	<b>(125,402,375)</b>	<b>(120,892,526)</b>
<b>Net result for the year</b>	<b>(2,029,140)</b>	<b>16,487,395</b>
<b>(c) Total assets</b>		
Governance	536,758,400	545,615,224
Education & welfare	148,320	-
Community amenities	367,813,271	199,890,345
Health	1,667,422	146,193
Recreation and culture	132,434,607	83,434,056
Economic services	10,983,397	9,457,002
Other property and services	406,784,757	406,929,828
	<b>1,456,590,174</b>	<b>1,245,472,648</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 24: RATING INFORMATION**

<b>Actual 2022-2023</b>	<b>Number of Properties</b>	<b>Rateable value \$</b>	<b>Rate in \$ (cents)</b>	<b>Rate Revenue \$</b>	<b>Interim Rates \$</b>	<b>Back Rates \$</b>	<b>Total Revenue \$</b>
<b>GENERAL RATE</b>							
<b>General Rate GRV</b>							
Residential - Improved	30,536	795,029,070	7.604795	60,460,177	388,656	-	60,848,833
Residential - Unimproved	831	21,508,125	6.890588	1,482,032	79,190	-	1,561,222
	<b>31,367</b>	<b>816,537,195</b>		<b>61,942,209</b>	<b>467,846</b>	<b>-</b>	<b>62,410,055</b>
Commercial - Improved	1,516	237,531,381	8.009442	19,024,931	206,843	-	19,231,774
Commercial - Unimproved	18	1,139,328	8.009442	91,254	53,550	-	144,804
Strata Storage Units	-	-	8.009442	-	-	-	-
	<b>1,534</b>	<b>238,670,709</b>		<b>19,116,185</b>	<b>260,393</b>	<b>-</b>	<b>19,376,578</b>
<b>Sub Total General Rate</b>	<b>32,901</b>	<b>1,055,207,904</b>		<b>81,058,394</b>	<b>728,240</b>	<b>-</b>	<b>81,786,633</b>
<b>MINIMUM RATE</b>							
<b>Minimum Rate</b>							
Residential - Improved	10,451	154,761,478	1,328.35	13,882,586			13,882,586
Residential - Unimproved	520	5,024,990	897.35	466,622			466,622
	<b>10,971</b>	<b>159,786,468</b>		<b>14,349,208</b>	<b>-</b>	<b>-</b>	<b>14,349,208</b>
Commercial - Improved	190	1,585,466	1,030.46	195,787			195,787
Commercial - Unimproved	1	5,000	1,030.46	1,030			1,030
Strata Storage Units	57	102,112	1,030.46	58,736			58,736
	<b>248</b>	<b>1,692,578</b>		<b>255,554</b>	<b>-</b>	<b>-</b>	<b>255,554</b>
<b>Sub Total Minimum Rate</b>	<b>11,219</b>	<b>161,479,046</b>		<b>14,604,762</b>	<b>-</b>	<b>-</b>	<b>14,604,762</b>
<b>Amount Raised from Rates</b>				<b>95,663,156</b>	<b>728,240</b>	<b>-</b>	<b>96,391,395</b>
Melville Glades Concession				(10,537)	-	-	(10,537)
Storage Unit Concession				(29,368)	-	-	(29,368)
<b>Sub Total Concessions</b>				<b>(39,905)</b>	<b>-</b>	<b>-</b>	<b>(39,905)</b>
<b>Total Amount Raised from Rates</b>				<b>95,623,250</b>	<b>728,240</b>	<b>-</b>	<b>96,351,490</b>
<b>Plus:</b>							
Instalment Administration Fee							(17)
Instalment Interest							170,695
Late Payment Interest							140,286
<b>GRAND TOTAL</b>	<b>44,120</b>	<b>1,216,686,950</b>		<b>95,623,250</b>	<b>728,240</b>	<b>-</b>	<b>96,662,454</b>

**Summary**

<b>Actual 2022-2023</b>	<b>Rate Assessments</b>		<b>Rateable Value</b>		<b>Rate Yield</b>		<b>Average Rate</b>
	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>
Residential	42,338	95.96%	976,323,663	80.24%	76,291,417	79.75%	1,802
Commercial	1,782	4.04%	240,363,287	19.76%	19,371,739	20.25%	10,871
	<b>44,120</b>	<b>100.00%</b>	<b>1,216,686,950</b>	<b>100.00%</b>	<b>95,663,156</b>	<b>100.00%</b>	

The rate revenue was recognised from the rate record as soon as practicable after the City resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

The rate revenue was recognised from the rate record as soon as practicable after the City resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 24: RATING INFORMATION**

<i>Budget 2022-2023</i>	<i>Number of Properties</i>	<i>Rateable value \$</i>	<i>Rate in \$ (cents)</i>	<i>Rate Revenue \$</i>	<i>Interim Rates \$</i>	<i>Back Rates \$</i>	<i>Total Revenue \$</i>
<b>GENERAL RATE</b>							
<b>General Rate GRV</b>							
Residential - Improved	30,537	795,024,640	7.604795	60,459,994	307,500	-	60,767,494
Residential - Unimproved	832	21,564,285	6.890588	1,485,906	62,500	-	1,548,406
	<b>31,369</b>	<b>816,588,925</b>		<b>61,945,900</b>	<b>370,000</b>	<b>-</b>	<b>62,315,900</b>
Commercial - Improved	1,515	237,515,141	8.009442	19,023,637	144,905	-	19,168,542
Commercial - Unimproved	18	1,139,328	8.009442	91,254	25,000	-	116,254
Strata Storage Units	-	-	8.009442	-	-	-	-
	<b>1,533</b>	<b>238,654,469</b>		<b>19,114,891</b>	<b>169,905</b>	<b>-</b>	<b>19,284,796</b>
<b>Sub Total General Rate</b>	<b>32,902</b>	<b>1,055,243,394</b>		<b>81,060,791</b>	<b>539,905</b>	<b>-</b>	<b>81,600,696</b>
<b>MINIMUM RATE</b>							
<b>Minimum Rate</b>							
Residential - Improved	10,452	154,777,598	1328.35	13,883,914	-	-	13,883,914
Residential - Unimproved	520	5,024,990	897.35	466,622	-	-	466,622
	<b>10,972</b>	<b>159,802,588</b>		<b>14,350,536</b>	<b>-</b>	<b>-</b>	<b>14,350,536</b>
Commercial - Improved	190	1,585,466	1030.46	195,788	-	-	195,788
Commercial - Unimproved	1	5,000	1030.46	1,030	-	-	1,030
Strata Storage Units	57	102,112	1030.46	58,736	-	-	58,736
	<b>248</b>	<b>1,692,578</b>		<b>255,554</b>	<b>-</b>	<b>-</b>	<b>255,554</b>
<b>Sub Total Minimum Rate</b>	<b>11,220</b>	<b>161,495,166</b>		<b>14,606,090</b>	<b>-</b>	<b>-</b>	<b>14,606,090</b>
<b>Amount Raised from Rates</b>				<b>95,666,881</b>	<b>539,905</b>	<b>-</b>	<b>96,206,786</b>
Storage Unit Concession				(29,368)	-	-	(29,368)
Melville Glades Rates Concession				(10,537)	-	-	(10,537)
<b>Total Amount Raised from Rates</b>				<b>95,626,975</b>	<b>539,905</b>	<b>-</b>	<b>96,166,880</b>
<b>Plus:</b>							
Instalment Administration Fee							-
Instalment Interest							180,000
Late Payment Interest							200,000
<b>GRAND TOTAL</b>	<b>44,122</b>	<b>1,216,738,560</b>		<b>95,626,975</b>	<b>539,905</b>	<b>-</b>	<b>96,546,880</b>

**Summary**

<i>Budget 2022-2023</i>	<i>Rate Assessments</i>		<i>Rateable Value</i>		<i>Rate Yield</i>		<i>Average Rate</i>
	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>
Residential	42,341	96%	976,391,513	80%	76,296,436	80%	1,802
Commercial	1,781	4%	240,347,047	20%	19,370,445	20%	10,876
	<b>44,122</b>	<b>100%</b>	<b>1,216,738,560</b>	<b>100%</b>	<b>95,666,881</b>	<b>100%</b>	

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 24: RATING INFORMATION**

<i>Actual 2021-2022</i>	<i>Number of Properties</i>	<i>Rateable value \$</i>	<i>Rate in \$ (cents)</i>	<i>Rate Revenue \$</i>	<i>Interim Rates \$</i>	<i>Back Rates \$</i>	<i>Total Revenue \$</i>
<b>GENERAL RATE</b>							
<b>General Rate GRV</b>							
Residential - Improved	30,266	786,694,266	7.347628	57,803,216	263,969	-	58,067,185
Residential - Unimproved	807	21,408,920	6.657573	1,425,311	120,999	-	1,546,310
	<b>31,073</b>	<b>808,103,186</b>		<b>59,228,527</b>	<b>384,968</b>	-	<b>59,613,495</b>
Commercial - Improved	1,511	236,420,686	7.738591	18,295,623	24,415	-	18,320,038
Commercial - Unimproved	17	968,828	7.738591	74,974	18,267	-	93,241
Strata Storage Units	-	-	7.738591	-	-	-	-
	<b>1,528</b>	<b>237,389,514</b>		<b>18,370,597</b>	<b>42,682</b>	-	<b>18,413,279</b>
<b>Sub Total General Rate</b>	<b>32,601</b>	<b>1,045,492,700</b>		<b>77,599,124</b>	<b>427,650</b>	-	<b>78,026,774</b>
<b>MINIMUM RATE</b>							
<b>Minimum Rate</b>							
Residential - Improved	10,530	155,857,898	1,283.43	13,514,541	-	-	13,514,541
Residential - Unimproved	364	3,460,914	818.63	297,981	-	-	297,981
	<b>10,894</b>	<b>159,318,812</b>		<b>13,812,522</b>	-	-	<b>13,812,522</b>
Commercial - Improved	189	1,576,366	995.61	188,170	-	-	188,170
Commercial - Unimproved	1	5,000	995.61	996	-	-	996
Strata Storage Units	57	102,112	995.61	56,750	-	-	56,750
	<b>247</b>	<b>1,683,478</b>		<b>245,916</b>	-	-	<b>245,916</b>
<b>Sub Total Minimum Rate</b>	<b>11,141</b>	<b>161,002,290</b>		<b>14,058,438</b>	-	-	<b>14,058,438</b>
<b>Amount Raised from Rates</b>				<b>91,657,562</b>	<b>427,650</b>	-	<b>92,085,213</b>
Storage Unit Concession				(28,375)	-	-	(28,375)
Residential Improved Stimulus Concession				(1,946)	-	-	(1,946)
Commercial Improved Stimulus Concession				(38,556)	-	-	(38,556)
Melville Glades Rates Concession				(10,181)	-	-	(10,181)
<b>Sub Total Concessions</b>				<b>(79,058)</b>	-	-	<b>(79,058)</b>
<b>Total Amount Raised from Rates</b>				<b>91,578,503</b>	<b>427,650</b>	-	<b>92,006,154</b>
<b>Plus:</b>							
Instalment Administration Fee							(17)
Instalment Interest							151,272
Late Payment Interest							255,036
<b>GRAND TOTAL</b>	<b>43,742</b>	<b>1,206,494,990</b>		<b>91,578,503</b>	<b>427,650</b>	-	<b>92,412,445</b>

**Summary**

<i>Actual 2021-2022</i>	<i>Rate Assessments</i>		<i>Rateable Value</i>		<i>Rate Yield</i>		<i>Average Rate</i>
	<b>#</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>	<b>\$</b>
Residential	41,967	96%	967,421,998	80%	73,041,049	80%	1,740
Commercial	1,775	4%	239,072,992	20%	18,616,513	20%	10,488
	<b>43,742</b>	<b>100%</b>	<b>1,206,494,990</b>	<b>100%</b>	<b>91,657,562</b>	<b>100%</b>	

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 24: RATING INFORMATION**

**DIFFERENTIAL RATING**

A differential rate reduction of 9.39 per cent below the residential improved land rate was applied to residential unimproved (vacant) land. A differential rate loading of 5.32 per cent above the residential improved land rate was applied to commercial and industrial land. If the differential rates were not imposed, the rate in the dollar would be approximately 7.422259 cents with a minimum rate of \$1,262.97. This rate is referred to as the standard rate.

The *Valuation of Land Act 1978* stipulates that for unimproved land the method by which the Gross Rental Value is calculated is to be 3% of the unimproved value of the land. When applied to residential land this results in the revenue generated from unimproved residential land being substantially less than if the same vacant land was improved to its highest and best use under the applicable Town Planning Scheme provisions. The resulting difference in rate revenue is not considered to result in a fair and equitable distribution of the revenue burden as between the two different classes of residential land. The purpose of imposing a differential rate is to obtain a fair income from all land within the Municipal District.

**SIGNIFICANT ACCOUNTING POLICIES**

**Rates**

Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer.

**NOTE 25: INFORMATION ABOUT DISCOUNTS, INCENTIVES, CONCESSIONS AND WRITE-OFFS**

**(a) Discounts**

Eligible pensioners and Seniors receive various discounts on fees & charges for the City's recreation facilities.

**(b) Payment Incentives**

Ratepayers who paid their rates in full or the first instalment by the due date of 25 August 2022 were automatically eligible to go into the draw to win one of three major prizes sponsored by Westpac:

First Category Prize Draw: Three (3) \$1,000 Bonus Saver Accounts from Westpac Bank.

Second Category Prize Draw: Pay your rates in full or by the instalment dates using any payment method were eligible to win \$250 to shop with a local business of their choice and a Leisurefit Healthy Life PLUS Member ship valued at \$1,476. There were three prizes to be won, with one prize drawn after each instalment date.

Third Category Prize Draw: Ratepayers who paid in full or by the first instalment due dates using BPAY to win \$750.00 cash prize donated by BPAY. This prize was drawn after the fourth and final instalment.

**(c) Concessions**

**Storage Unit Concession**

A concession was granted to strata titled storage units of 18m<sup>2</sup> or smaller, whereby the minimum rate charged was \$515.23. The value of this concession was \$29,368. This concession was granted due to the size and Gross Rental Value of the storage units.

**Melville Glades Golf Club**

A 100% concession from General Rates was granted to the Melville Glades Golf Club. The value of this concession was \$10,537. The City grants a concession to the Club, as the club maintains the grounds and facilities at no cost to the City.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 26: INFORMATION ABOUT INTEREST PAYMENTS AND ADDITIONAL CHARGES**

	<b><i>Interest Rate %</i></b>	<b><i>2022-2023 Actual \$</i></b>	<b><i>2022-2023 Budget \$</i></b>	<b><i>2021-2022 Actual \$</i></b>
Late Payment Interest	3.5	140,286	200,000	255,036
Instalment Interest	2	170,765	180,000	151,272
Instalment Administration Fee	-	(17)	-	(17)

The interest was charged on the daily balance of all overdue rates and charges in accordance with the *Local Government Act 1995*. Where a ratepayer had not taken advantage of the instalment option given in the rate notice, interest is accrued on rates or charges that remained unpaid after 35 days from the issue date of original rate notice. Eligible pensioners are exempt.

Where a ratepayer elected the instalment option, interest accrued on any instalment that remained unpaid after the due date of the instalment and continued to accrue until the instalment was paid.

All penalty interest charges on outstanding rates and service charges to the City was set at 3.5% for 2022-2023.

The following two payment options were provided to ratepayers:

**Option 1** - Full amount of the rate notice payable by 25 August 2022

**Option 2** - Full amount of the rate notice payable in four equal instalments due on the following dates.

1st Instalment	Due	25 August 2022
2nd Instalment	Due	27 October 2023
3rd Instalment	Due	5 January 2023
4th Instalment	Due	7 March 2023

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 27: DETERMINATION OF SURPLUS OR DEFICIT**

	<b>Note</b>	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Add (profit)/loss on asset disposals		354,715	-	(93,652)
Carawatha losses		126,203	-	-
Credit loss provision		33,055	-	-
Miscellaneous payments		(2,611)	-	-
Add depreciation on assets		24,988,908	23,160,028	23,298,477
Revaluation of investment properties		2,269,268	-	-
Other expenses		-	-	1,638,103
Share in net loss of equity accounted investment in associates		10,543,265	-	1,089,643
Add plant investment provision		415,089	420,381	673,161
Net movement of deferred pensioner rates/ESL (non-current)		(129,791)	-	449,572
Net current movement in other debtors/dreditors		(465,255)	-	(5,177)
Movement in employee benefit provisions (non-current)		7,466	-	(20,080)
<b>Non-cash amounts excluded from operating activities</b>		<b>38,140,311</b>	<b>23,580,409</b>	<b>27,030,047</b>
<b>(b) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserves - restricted cash		(155,077,911)	(112,486,669)	(156,444,218)
<b>Total adjustments to net current assets</b>		<b>(155,077,911)</b>	<b>(112,486,669)</b>	<b>(156,444,218)</b>
<b>Net current assets used in the Statement of Financial Activity</b>				
Total current assets		188,832,495	140,964,261	189,842,141
Less: Total current liabilities		(33,382,193)	(27,886,272)	(33,318,270)
Add RRG - other financial liability		66,425	-	1,285,049
Less: Reserves - restricted cash		(155,077,911)	(112,486,669)	(156,444,218)
Less: Restricted municipal		-	(591,320)	187,008
<b>Net current assets used in the Statement of Financial Activity</b>		<b>438,815</b>	<b>-</b>	<b>1,551,711</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 28: BORROWINGS**

Program / Sporting Body	Loan No	Principal 1 July 2022 \$	(Loans Discharged) /New Loans \$	Interest		Principal Repayments		Principal 30 June 2023 \$	Current \$	Non-Current \$
				Budget \$	Actual \$	Budget \$	Actual \$			
<b>Recreation and Culture</b>										
Leeming Sport Association	398	21,047	-	973	684	21,047	21,047	-	-	-
Tompkins Park Community and Recreational Association	399	210,455	-	12,206	13,716	23,002	23,002	187,453	12,018	175,435
Bull Creek Tennis Club	406	23,435	-	1,196	1,357	6,232	6,232	17,203	6,593	10,610
Melville Glades Golf Club	411	757,791	-	44,012	46,638	98,498	98,498	659,293	104,496	554,798
Mt Pleasant Bowling Club	413	17,832	-	339	223	17,832	17,832	-	-	-
Blue Gum Tennis Club	414	7,727	-	147	97	7,727	7,727	-	-	-
Brentwood Karoonda Sporting Association	415	156,753	-	4,901	5,818	8,678	8,678	148,075	8,956	139,119
Windelya Sports Association Incorporation	416	323,689	-	5,849	8,017	23,256	23,256	300,433	23,686	276,747
Kardinya Bowling Club	417	90,152	-	579	1,077	19,797	19,797	70,355	19,931	50,423
		<b>1,608,881</b>	<b>-</b>	<b>70,202</b>	<b>77,627</b>	<b>226,069</b>	<b>226,069</b>	<b>1,382,812</b>	<b>175,680</b>	<b>1,207,132</b>

The City has borrowings that are entered into to support clubs and associations in the upgrade of their facilities. All loan repayments are negotiated by the City with the WA Treasury Corporation. The loan repayments are paid by the City and then recouped from the respective clubs and associations in accordance with the signed agreements and repayment schedules. As per council resolution M21/3923, Tompkins Park Community and Recreation Association (TPCRA) needs to have the 3.5% of their revenue locked in for paying rent and the self-supporting loan. As per the lease agreement with the City which commenced on 1 June 2021, TPCRA provides the revenue information for each month and the City will arrange an invoice equivalent to 3.5% of the gross revenue reported as per clause 19.3 of the schedule will go toward repayment of the existing TPCRA self-supporting loan (Loan 399) until the self-supporting loan is paid in full.

**New Borrowings**

There was no new borrowing on self-supporting loan in 2022-2023.

**Unspent Borrowings**

The City has no unspent borrowings on self-supporting loans as at 30th June 2023.

**SIGNIFICANT ACCOUNT POLICIES**

**Financial Liabilities**

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

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

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

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 29: RESERVE ACCOUNTS**

	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b><u>Restricted by Council</u></b>			
<b>Melville North Underground Power &amp; Streetscape Enhancement Reserve</b>			
<i>To be used for underground power projects and streetscape enhancements in the Melville North Underground Power project area.</i>			
Opening balance	-	-	55,325
Funds to be set aside	-	-	-
Funds to be set aside - investment earnings	-	-	-
Funds to be used	-	-	(55,325)
Closing balance	-	-	-
<b>Melville South Underground Power &amp; Streetscape Enhancement Reserve</b>			
<i>To be used for underground power projects and streetscape enhancements in the Melville South Underground Power project area.</i>			
Opening balance	2,959	2,959	2,959
Funds to be set aside	-	-	-
Funds to be set aside - investment earnings	-	-	-
Funds to be used	-	-	-
Closing balance	<b>2,959</b>	<b>2,959</b>	<b>2,959</b>
<b>Civic Centre Precinct Improvements Reserve</b>			
<i>To be used for improvements to the buildings and associated landscaping and car parking located within the Civic Centre Precinct (Melville City Centre).</i>			
Opening balance	6,314	6,334	6,314
Funds to be set aside	-	-	-
Funds to be set aside - investment earnings	-	64	-
Funds to be used	-	-	-
Closing balance	<b>6,314</b>	<b>6,398</b>	<b>6,314</b>
<b>Commercial Refuse Reserve</b>			
<i>To be used for the acquisition and replacement of commercial refuse bins, vehicles, and plant and equipment used for commercial waste operations and the development of commercial waste collection opportunities.</i>			
Opening balance	4,543,669	4,493,448	4,408,808
Funds to be set aside	68,320	96,300	134,861
Funds to be set aside - investment earnings	-	46,016	-
Funds to be used	-	-	-
Closing balance	<b>4,611,989</b>	<b>4,635,764</b>	<b>4,543,669</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 29: RESERVE ACCOUNTS**

	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>Community Facilities Reserve</b>			
<i>To be used for the provision of new, renewed or upgraded community facilities/buildings.</i>			
Opening balance	17,922,226	19,619,115	22,313,533
Funds to be set aside	4,187,225	3,822,421	3,519,206
Funds to be set aside - investment earnings	1,009,332	93,744	84,956
Funds to be used	(6,688,264)	(16,541,698)	(7,995,469)
Closing balance	<b>16,430,519</b>	<b>6,993,582</b>	<b>17,922,226</b>
<b>Community Centre Fitout, Furniture and Equipment Reserve</b>			
<i>To be used to fund the acquisition and replacement of the fitouts, furniture and specialised equipment requirements for Community Centres and multipurpose rooms at venues owned by the City of Melville.</i>			
Opening balance	104,522	1,823	24,367
Funds to be set aside	35,000	35,000	129,000
Funds to be set aside - investment earnings	5,595	69	272
Funds to be used	(59,220)	(25,000)	(49,117)
Closing balance	<b>85,897</b>	<b>11,892</b>	<b>104,522</b>
<b>Community Surveillance and Security Reserve</b>			
<i>To temporarily retain any surpluses that may arise from the Property Surveillance and Security Service Charge to be used to offset future years Property Surveillance and Security Service Charges or for the purchase of plant and equipment used for community surveillance and security services.</i>			
Opening balance	673,005	613,390	533,165
Funds to be set aside	145,074	105,768	139,840
Funds to be set aside - investment earnings	-	-	-
Funds to be used	(107,558)	-	-
Closing balance	<b>710,521</b>	<b>719,158</b>	<b>673,005</b>
<b>Fleet Services Vehicles, Plant and Equipment Replacement Reserve</b>			
<i>To be used to fund the purchase of replacement vehicles, plant and equipment.</i>			
Opening balance	10,701,586	7,389,757	11,391,870
Funds to be set aside	1,500,000	1,500,000	1,789,344
Funds to be set aside - investment earnings	621,285	68,037	46,650
Funds to be used	(2,378,946)	(2,849,544)	(2,526,278)
Closing balance	<b>10,443,925</b>	<b>6,108,250</b>	<b>10,701,586</b>



**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 29: RESERVE ACCOUNTS**

	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>New/Upgrade Works Reserve (Previously Future Works Reserve)</b>			
<i>To be used to fund the "New" and "Upgrade" components of the costs of Infrastructure Capital Works and Buildings as opposed to renewal of existing assets as per Asset Management Plans.</i>			
Opening balance	9,577,552	2,100,000	11,159,773
Funds to be set aside	5,499,673	5,059,476	4,094,264
Funds to be set aside - investment earnings	437,652	2,133	43,785
Funds to be used	(10,196,881)	(6,680,159)	(5,720,270)
Closing balance	<b>5,317,996</b>	<b>481,450</b>	<b>9,577,552</b>
<b>Information Technology Reserve</b>			
<i>To be used to fund the acquisition and replacement of computer software, information technology hardware and costs of utilisation of service based and emerging technologies.</i>			
Opening balance	3,454,777	2,703,283	2,960,493
Funds to be set aside	1,500,000	1,500,000	1,588,946
Funds to be set aside - investment earnings	233,295	30,142	13,546
Funds to be used	(702,629)	(956,850)	(1,108,208)
Closing balance	<b>4,485,443</b>	<b>3,276,575</b>	<b>3,454,777</b>
<b>Infrastructure Asset Management Reserve</b>			
<i>To be used to fund infrastructure asset management projects including the construction, maintenance and renewal of the City of Melville's road, path, kerbing, street furniture, park structures, playground, irrigation/reticulation and drainage infrastructure assets.</i>			
Opening balance	39,165,753	36,343,304	38,351,523
Funds to be set aside	12,156,544	11,550,000	12,061,755
Funds to be set aside - investment earnings	2,424,325	801,211	163,675
Funds to be used	(10,400,182)	(18,479,695)	(11,411,200)
Closing balance	<b>43,346,440</b>	<b>30,214,820</b>	<b>39,165,753</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 29: RESERVE ACCOUNTS**

	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>Land and Property Reserve</b>			
<i>To be used to:</i>			
<i>a) fund the acquisition or construction of commercial revenue earning land and or buildings, or</i>			
<i>b) fund the acquisition of land and buildings in structure plan areas to help encourage the redevelopment of those structure plan areas by assembling developable land parcels and fund with Council approval, infrastructure and other developments in line with structure plan principles; or</i>			
<i>c) internally fund the purchase or construction of City of Melville community facilities or infrastructure assets, on the basis that those funds will be returned to the Land and Property Reserve over a predetermined period of time with interest, with the interest rate being set at what would have been charged by the Western Australian Treasury Corporation for the term of the borrowing using the Semi Annual Annuity interest rate.</i>			
Opening balance	32,448,023	32,086,862	38,739,184
Funds to be set aside	9,849	-	2,800,000
Funds to be set aside - investment earnings	-	-	-
Funds to be used	(1,275,264)	(272,345)	(9,091,161)
Closing balance	<b>31,182,608</b>	<b>31,814,517</b>	<b>32,448,023</b>
<b>Leave Entitlements Reserve</b>			
<i>To be used to fund the non-current liability amount of annual, sick and long service leave entitlements accrued in previous financial years beyond the amount provided for in the Provision for Leave current liability account.</i>			
Opening Balance	2,798,153	2,806,934	2,798,153
Funds to be set aside	-	-	-
Funds to be set aside - Investment Earnings	-	-	-
Funds to be used	-	-	-
Closing Balance	<b>2,798,153</b>	<b>2,806,934</b>	<b>2,798,153</b>
<b>Library, Museums &amp; Arts Equipment &amp; Specialised Fitout Reserve</b>			
<i>To be used to fund the acquisition and replacement of the fit outs, furniture and specialised equipment for art centres, museums and libraries.</i>			
Opening balance	428,117	247,467	270,286
Funds to be set aside	190,000	190,000	190,000
Funds to be set aside - investment earnings	28,322	2,502	1,475
Funds to be used	(110,611)	(191,000)	(33,644)
Closing balance	<b>535,828</b>	<b>248,969</b>	<b>428,117</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 29: RESERVE ACCOUNTS**

	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>Organisational Environment Sustainability Initiatives Reserve</b>			
<i>To be used to fund environmental initiatives which are intended to reduce the energy usage and/or carbon footprint of the corporation of the City of Melville or for debt servicing costs associated with any loan borrowings taken out for such purposes.</i>			
Opening balance	7,303,801	6,711,421	1,193,542
Funds to be set aside	250,000	250,000	6,250,000
Funds to be set aside - investment earnings	-	-	-
Funds to be used	(166,034)	(1,500,000)	(139,741)
Closing balance	<b>7,387,767</b>	<b>5,461,421</b>	<b>7,303,801</b>
<b>Parking Facilities Reserve</b>			
<i>To be used to fund the provision, refurbishment or improvement of parking facilities and equipment.</i>			
Opening balance	529,392	520,731	484,110
Funds to be set aside	40,000	40,000	65,000
Funds to be set aside - investment earnings	25,090	5,479	2,140
Funds to be used	(269,929)	-	(21,858)
Closing balance	<b>324,553</b>	<b>566,210</b>	<b>529,392</b>
<b>Parking Management Reserve - Canning Bridge Activity Centre</b>			
<i>To fund public place improvement, business improvement, place activation and encourage a safer, more active and vibrant community and business precinct, through a place based grant program at the discretion of an internal assessment committee.</i>			
Opening balance	496,967	460,221	358,967
Funds to be set aside	170,429	112,250	138,000
Funds to be set aside - investment earnings	-	-	-
Funds to be used	(74,317)	(120,000)	-
Closing balance	<b>593,079</b>	<b>452,471</b>	<b>496,967</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 29: RESERVE ACCOUNTS**

	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>Parking Management Reserve - Riseley Activity Centre</b>			
<i>To fund public transport, car parking, streetscape upgrades that improve opportunities for walking and cycling, footpaths and other pedestrian-related infrastructure, cycle paths and other cycling-related infrastructure, street trees, plants and landscaping that improves pedestrian amenity and/or Travelsmart programs and initiatives at the Riseley Activity Centre, or as per the discretion of the Council under the advice of a Parking Fund Advisory Committee.</i>			
Opening balance	54,120	41,605	27,120
Funds to be set aside	20,467	21,000	27,000
Funds to be set aside - investment earnings	-	-	-
Funds to be used	-	-	-
Closing balance	<b>74,587</b>	<b>62,605</b>	<b>54,120</b>
<b>Private Swimming Pool Inspection Fee Reserve</b>			
<i>To temporarily retain any surpluses that may arise from the Swimming Pool Inspection fees to be used to offset any deficits that may occur in future years operations of the Private Swimming Pools Inspection Program.</i>			
Opening balance	71,316	36,308	123,950
Funds to be set aside	4,451	243	-
Funds to be set aside - investment earnings	-	-	-
Funds to be used	-	-	(52,634)
Closing balance	<b>75,767</b>	<b>36,551</b>	<b>71,316</b>
<b>Public Open Space and Urban Forest Reserve</b>			
<i>To be used to fund the purchase, development and re-development of public open spaces, including streetscapes, bushlands, parks and reserves and to fund initiatives to enhance and improve the urban forest or for debt servicing costs associated with any loan borrowings taken out for such purposes.</i>			
Opening balance	4,128,368	3,412,162	6,253,458
Funds to be set aside	950,000	948,742	903,000
Funds to be set aside - investment earnings	233,058	32,791	21,921
Funds to be used	(1,507,651)	(1,300,000)	(3,050,011)
Closing balance	<b>3,803,775</b>	<b>3,093,695</b>	<b>4,128,368</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 29: RESERVE ACCOUNTS**

	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>Rates Equalisation Reserve</b>			
<i>To temporarily retain any surplus carried forward funds as shown in the audited Annual Financial Report Statement of Financial Activity in excess of the estimated surplus funds brought forward amount identified in the following years Annual Budget Rate Setting Statement to subsequently be used to reduce the need to raise rates in future years or to meet any budget shortfalls identified during budget reviews.</i>			
Opening balance	2,623,757	2,264,898	5,871
Funds to be set aside	1,551,711	-	2,708,686
Funds to be set aside - investment earnings	-	-	-
Funds to be used	(1,588,932)	(1,813,602)	(90,800)
Closing balance	<b>2,586,536</b>	<b>451,296</b>	<b>2,623,757</b>
<b>Recreation Centres Specialised Plant, Equipment and Structures Reserve</b>			
<i>To be used to fund the acquisition, repair, upgrade and replacement of Recreation Centres specialised plant, equipment and structures.</i>			
Opening balance	1,705,089	1,206,593	1,849,650
Funds to be set aside	448,658	448,658	435,590
Funds to be set aside - investment earnings	100,364	11,357	7,506
Funds to be used	(543,312)	(620,000)	(587,657)
Closing balance	<b>1,710,799</b>	<b>1,046,608</b>	<b>1,705,089</b>
<b>Refuse Bins Reserve</b>			
<i>To be used for the purchase and replacement of any non-commercial refuse, recycling or Food Organics Garden Organics bins or receptacles.</i>			
Opening balance	1,350,939	1,150,897	1,052,274
Funds to be set aside	391,869	391,869	384,940
Funds to be set aside - investment earnings	91,598	12,739	5,074
Funds to be used	(67,784)	(179,000)	(91,349)
Closing balance	<b>1,766,622</b>	<b>1,376,505</b>	<b>1,350,939</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 29: RESERVE ACCOUNTS**

	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>Refuse Facilities Reserve</b>			
<i>To be used for payments relating to the establishment and operation of waste management facilities, funding associated costs, and the cost of landscaping, environmental and rehabilitation works of former refuse tip sites operated or funded by the City of Melville. The reserve is also used for any additional waste collection, management and disposal costs of waste associated with storm, disaster or major pollution events.</i>			
Opening balance	11,976,125	11,677,053	12,002,160
Funds to be set aside	-	-	-
Funds to be set aside - investment earnings	-	-	-
Funds to be used	-	-	(26,035)
Closing balance	<b>11,976,125</b>	<b>11,677,053</b>	<b>11,976,125</b>
<b>Risk Management and Insurance Equalisation Reserve</b>			
<i>To be used to fund prior years insurance premium contingencies, the self insured element of insurance claims, risk reduction initiatives or projects, losses arising from investment activities and discretionary expenditure required as a consequence of unforeseen events beyond the control of the City.</i>			
Opening balance	846,933	894,738	979,132
Funds to be set aside	-	-	57,477
Funds to be set aside - investment earnings	-	-	-
Funds to be used	(122,479)	-	(189,676)
Closing balance	<b>724,454</b>	<b>894,738</b>	<b>846,933</b>
<b>Special Projects Reserve</b>			
<i>To be used to fund costs associated with City of Melville Council Elections, infrastructure asset condition surveys, asset valuations and gross rental value revaluations and strategic planning projects.</i>			
Opening balance	949,850	32,134	1,227,826
Funds to be set aside	550,000	550,000	1,032,954
Funds to be set aside - investment earnings	-	-	-
Funds to be used	(699,103)	(568,900)	(1,310,930)
Closing balance	<b>800,747</b>	<b>13,234</b>	<b>949,850</b>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**NOTE 29: RESERVE ACCOUNTS**

	<b>2022-2023 Actual \$</b>	<b>2022-2023 Budget \$</b>	<b>2021-2022 Actual \$</b>
<b>Unexpended Works and Specific Purpose Grants Reserve</b>			
<i>To be used to carry forward available funding for uncompleted projects and specific purpose grants that will be completed and expended in ensuing financial years.</i>			
Opening balance	2,547,891	-	1,421,343
Funds to be set aside	3,261,495	-	2,547,890
Funds to be set aside - investment earnings	-	-	-
Funds to be used	(2,547,890)	-	(1,421,342)
Closing balance	<b>3,261,496</b>	<b>-</b>	<b>2,547,891</b>
<b><u>Restricted by Legislation</u></b>			
<b>Funds in lieu of Development on Public Open Space Reserve</b>			
<i>Maintained for the purpose of retaining and using funds in accordance with section 154(2) of the Planning and Development Act 2005.</i>			
Opening balance	33,013	33,013	33,013
Funds to be set aside	-	-	-
Funds to be set aside - investment earnings	-	-	-
Funds to be used	-	-	-
Closing balance	<b>33,013</b>	<b>33,013</b>	<b>33,013</b>
<b>Summary</b>			
Opening balance	156,444,218	136,856,450	160,028,169
Funds to be set aside	32,930,765	26,621,727	40,997,754
Funds to be set aside - investment earnings	5,209,916	1,106,284	391,000
Funds to be used	(39,506,988)	(52,097,793)	(44,972,705)
Closing balance	<b>155,077,911</b>	<b>112,486,668</b>	<b>156,444,218</b>

**NOTE 30: TRUST FUNDS**

Funds held in trust were transferred to reserve account "Funds in lieu of development on Public Open Space reserve" under section 153 and *Local Government Act 1995* section 6.11 for the purposes set out in subsection (2)(a) to (d). There is no balance under Trust fund.