

Annual Financial Report



2023–2024
Part B



City of
Melville



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

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

In my opinion, the financial report:

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

Basis for opinion

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

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

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 2024, the Council has resolved to extend the City's withdrawal from Resource Recovery Group by six months to 31 December 2025. 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 2024, but not the financial report and my auditor's report.

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

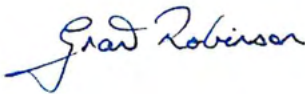
A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

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

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

Matters relating to the electronic publication of the audited financial report

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



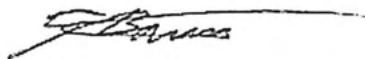
Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
4 December 2024

CITY OF MELVILLE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024
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 2024 and the financial position as at 30 June 2024.

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

Signed on the 4th day of December 2024.



Gail Bowman
CHIEF EXECUTIVE OFFICER



CITY OF MELVILLE
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

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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 2024**

	Note	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
Revenue				
Rates	2(b)/24	102,530,500	102,333,192	96,351,490
Grants, subsidies and contributions	2(b)	5,633,419	4,327,530	6,635,761
Fees and charges	2(b)	16,662,082	14,929,174	17,114,340
Service charges	2(b)	2,625,429	2,616,960	2,535,168
Interest revenue	2(c)	10,458,940	9,415,000	6,122,866
Other revenue	2(b)	1,876,826	1,201,008	3,181,873
		139,787,196	134,822,864	131,941,498
Expenses				
Employee costs	2(d)(ii)	(61,067,132)	(61,464,748)	(57,987,791)
Materials & contracts		(38,739,661)	(37,710,132)	(36,329,894)
Utility charges		(4,404,395)	(4,218,352)	(4,304,963)
Depreciation	9(d)	(33,870,410)	(24,768,455)	(24,988,908)
Finance costs	2(d)(iii)	(66,757)	(54,922)	(77,627)
Insurance		(1,290,414)	(1,406,838)	(1,262,516)
Other expenditure	2(d)(iv)	(823,467)	(756,907)	(450,502)
		(140,262,236)	(130,380,354)	(125,402,201)
Operating surplus		(475,040)	4,442,510	6,539,297
Capital grants, subsidies and contributions	2(b)	5,750,211	3,238,346	4,049,668
Profit/(loss) on asset disposals	9(c)	184,156	-	(354,715)
Profit/(loss) on investment		-	-	675,346
Fair value adjustments to investment property	10	1,838,000	-	(2,269,268)
Share of net profit/(loss) of equity accounted investment in associates	19(a)	103,024	-	(10,543,265)
Share of net profit/(loss) of equity accounted joint arrangements	19(b)	(131,390)	-	(126,203)
		7,744,001	3,238,346	(8,568,437)
Net result for the year		7,268,961	7,680,856	(2,029,140)
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus		(1,558,439)	-	213,559,767
Revaluation of local government house unit trust holding		4,203	-	9,215
Total other comprehensive income	15	(1,554,236)	-	213,568,982
Total comprehensive income for the year		5,714,725	7,680,856	211,539,842

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	<i>Note</i>	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
Current assets			
Cash & cash equivalents	3	31,231,114	40,181,285
Trade and other receivables	5(a)	14,575,509	10,808,728
Other financial assets	6(a)	133,701,973	135,876,603
Inventories	7	169,590	161,162
Other assets	8	1,933,994	1,804,717
Total current assets		181,612,180	188,832,495
Non current assets			
Trade and other receivables	5(b)	2,101,022	1,891,852
Other financial assets	6(b)	6,917,445	7,254,143
Investment in associates	19(a)	8,409,132	8,306,108
Property, plant & equipment	9(a)	496,497,951	494,429,963
Infrastructure	9(b)	707,410,134	696,893,112
Investment property	10	60,846,541	58,982,501
Total non current assets		1,282,182,225	1,267,757,679
TOTAL ASSETS		1,463,794,405	1,456,590,174
Current liabilities			
Trade and other payables	11(a)	22,542,472	19,925,840
Other liabilities	19	68,974	66,425
Contract liabilities	12	2,451,905	3,531,512
Borrowings	13 & 28	209,511	175,680
Employee related provisions	14(a)	9,330,106	9,682,737
Total current liabilities		34,602,968	33,382,194
Non current liabilities			
Trade and other payables	11(b)	286,510	256,116
Other liabilities	19	1,160,463	1,233,535
Borrowings	13 & 28	997,621	1,207,132
Employee related provisions	14(a)	972,066	754,285
Other provisions	14(b)	6,893,140	6,590,000
Total non current liabilities		10,309,800	10,041,068
TOTAL LIABILITIES		44,912,768	43,423,262
NET ASSETS		1,418,881,637	1,413,166,912
Equity			
Retained surplus		369,753,940	354,108,034
Reserve accounts	29	146,700,966	155,077,911
Revaluation surplus	15	902,426,731	903,980,967
TOTAL EQUITY		1,418,881,637	1,413,166,912

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



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	<i>Retained surplus</i> \$	<i>Reserve accounts</i> \$	<i>Revaluation surplus</i> \$	<i>Total equity</i> \$
Balance as at 1 July 2022	354,770,867	156,444,218	690,411,987	1,201,627,072
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		-
Balance as at 30 June 2023	354,108,034	155,077,911	903,980,967	1,413,166,912
Comprehensive income for the period				
Net result for the period	7,268,961			7,268,961
Other comprehensive income for the period			(1,554,236)	(1,554,236)
Total comprehensive income for the period	7,268,961	-	(1,554,236)	5,714,725
Transfer from reserve accounts	51,099,433	(51,099,433)		-
Transfer to reserve accounts	(42,722,488)	42,722,488		-
Balance as at 30 June 2024	369,753,940	146,700,966	902,426,731	1,418,881,637

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



STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	<i>Note</i>	<i>2023-2024 Actual \$</i>	<i>2023-2024 Budget \$</i>	<i>2022-2023 Actual \$</i>
Cash flows from operating activities				
Receipts				
Rates		101,268,442	102,333,192	97,021,279
Grants, subsidies and contributions		5,633,419	4,327,530	6,635,761
Fees and charges		16,874,044	16,864,734	16,633,342
Service charges		2,625,429	2,616,960	2,535,168
Interest revenue		10,458,940	10,606,049	6,122,866
Goods and services tax received		8,475,643	455,000	7,873,161
Other revenue		1,555,149	1,701,008	1,696,093
		146,891,066	138,904,473	138,517,670
Payments				
Employee costs		(61,205,702)	(60,044,423)	(57,106,920)
Materials and contracts		(39,141,479)	(34,016,430)	(37,390,272)
Utility charges		(4,404,395)	(4,218,352)	(4,304,963)
Finance costs		(66,757)	(54,922)	(77,627)
Insurance paid		(1,290,414)	(1,406,839)	(1,262,516)
Goods and services tax paid		(9,099,908)	(455,000)	(8,145,341)
Other expenditure		(647,787)	(756,907)	(224,433)
		(115,856,442)	(100,952,873)	(108,512,072)
Net cash provided by operating activities	4	31,034,624	37,951,600	30,005,598
Cash flows from investing activities				
Proceeds from collateralized debt obligation (CDOs)		-	-	675,346
Proceeds from sale of property, plant & equipment	9(c)	471,867	423,090	299,177
Capital grants, subsidies and contributions	2(b)	5,750,211	3,238,346	4,049,668
Receipts / (payments) of term deposits		2,178,745	17,000,000	6,196,165
Payments for purchase of property, plant & equipment and investment properties	9(a) & 10	(17,188,547)	(26,950,966)	(23,816,094)
Payments for construction of infrastructure	9(b)	(15,065,490)	(32,468,804)	(16,820,413)
Payments for work in progress	9(b)	(16,073,574)	-	4,050,894
Net cash (used in) investing activities		(39,926,788)	(38,758,334)	(25,365,257)
Cash flows from financing activities				
Repayment of self-supporting loans	28	(175,680)	(175,681)	(226,069)
Repayment of RRG loan		(70,524)	-	(1,288,850)
Repayment of Carawatha		-	-	(600,000)
Recoup from self-supporting loans		188,197	188,199	208,375
Net cash (used in) financing activities		(58,007)	12,518	(1,906,544)
Net increase / (decrease) in cash held		(8,950,171)	(794,216)	2,733,797
Cash at beginning of year		40,181,285	33,500,000	37,447,488
Cash and cash equivalents at the end of year	3	31,231,114	32,705,784	40,181,285

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 2024**

	<i>Note</i>	<i>2023-2024 Actual \$</i>	<i>2023-2024 Budget \$</i>	<i>2022-2023 Actual \$</i>
OPERATING ACTIVITIES				
Revenue from operating activities				
Rates	24	102,530,500	102,333,192	96,351,490
Grants, subsidies and contributions	2(b)	5,633,419	4,327,530	6,635,761
Fees and charges	2(b)	16,662,082	14,929,174	17,114,341
Service charges	2(b)	2,625,429	2,616,960	2,535,168
Interest revenue	2(b)	10,458,940	9,415,000	6,122,866
Profit on asset disposals		184,156	-	-
Other revenue		3,526,629	1,201,008	1,379,576
		141,621,155	134,822,864	130,139,202
Expenditure from operating activities				
Employee costs	2(d)(ii)	(61,067,132)	(61,464,748)	(57,987,791)
Materials and contracts		(39,369,766)	(37,710,132)	(36,744,984)
Utility charges		(4,404,395)	(4,218,352)	(4,304,963)
Depreciation	9(d)	(33,870,410)	(24,768,455)	(24,988,908)
Finance costs	2(d)(iii)	(66,757)	(54,922)	(77,627)
Insurance		(1,290,414)	(1,406,838)	(1,262,516)
Loss on asset disposals		-	-	(354,715)
Other expenditure		(676,154)	(1,542,096)	(10,893,902)
		(140,745,028)	(131,165,543)	(136,615,405)
Non-cash amounts excluded from operating activities	27(a)	32,848,872	25,344,439	38,140,311
Amount attributable to operating activities		33,724,999	29,001,760	31,664,109
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions	2(b)	5,750,211	3,238,346	4,049,668
Proceeds from disposal of assets	9(c)	471,867	423,090	299,177
		6,222,078	3,661,436	4,348,845
Outflows from investing activities				
Purchase of property, plant & equipment and investment properties		(17,188,547)	(26,950,966)	(23,816,094)
Purchase of infrastructure assets		(15,065,490)	(32,268,804)	(16,820,413)
Movement in work in progress		(16,073,574)	-	4,050,894
		(48,327,611)	(59,219,770)	(36,585,613)
Non-cash amounts excluded from investing activities		-	-	-
Amount attributable to investing activities		(42,105,533)	(55,558,334)	(32,236,768)

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

	<i>Note</i>	<i>2023-2024 Actual \$</i>	<i>2023-2024 Budget \$</i>	<i>2022-2023 Actual \$</i>
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	29	51,099,433	61,104,935	39,506,988
Recoup from self-supporting loans		188,197	188,199	208,375
		51,287,630	61,293,134	39,715,363
Outflows from financing activities				
Repayment of self-supporting loans		(175,680)	(175,681)	(226,069)
Repayment of RRG loan		(70,524)	-	(1,288,850)
Repayment of Carawatha		-	-	(600,000)
Transfers to reserve accounts	29	(33,933,477)	(36,855,094)	(32,930,765)
Transfers to reserve accounts investment earnings	29	(8,789,011)	-	(5,209,917)
		(42,968,692)	(37,030,775)	(40,255,601)
Amount attributable financing activities		8,318,938	24,262,359	(540,238)
MOVEMENT IN SURPLUS/(DEFICIT)				
Surplus/(deficit) at the start of the financial year		438,815	2,294,215	1,551,711
Amount attributable to operating activities		33,724,999	29,001,760	31,664,109
Amount attributable to investing activities		(42,105,533)	(55,558,334)	(32,236,768)
Amount attributable to financing activities		8,318,938	24,262,359	(540,238)
Surplus/(deficit) after imposition of general rates		377,219	-	438,814

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 2024**

NOTE 1: BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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

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

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

Critical accounting estimates and judgements

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

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

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

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

NOTE 1: BASIS OF PREPARATION

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment – note 9
 - Infrastructure – note 9
- Expected credit losses on financial assets – note 5
- Impairment losses of non-financial assets – note 9
- Investment property – note 10
- Measurement of employee benefits – note 14(a)
- Measurement of provisions – note 14(b)

Fair value hierarchy information can be found in note 22.

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.

Initial application of accounting standards

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

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

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

New accounting standards for application in future years

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

- *AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- *AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections (deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply)*
- *AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- *AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*

These amendments are not expected to have any material impact on the financial report on initial application.

- *AASB 2022-10 Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.*

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

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

These amendments may result in additional disclosures in the case of applicable finance arrangements.

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

NOTE 2: REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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	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	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
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 2024**

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 2024

<i>Nature</i>	<i>Contracts with customers</i> \$	<i>Capital grant /contributions</i> \$	<i>Statutory requirements</i> \$	<i>Other</i> \$	<i>Total</i> \$
Rates (Note 24)			102,530,500		102,530,500
Grants, subsidies and contributions	296,775		5,336,644		5,633,419
Fees and charges	3,002,691		4,216,715	9,442,676	16,662,082
Service charges			2,625,429		2,625,429
Interest revenue (Note 2(c))				10,458,940	10,458,940
Other revenue				1,876,826	1,876,826
Capital grants, subsidies and contributions		5,750,211			5,750,211
Total	3,299,466	5,750,211	114,709,288	21,778,442	145,537,407

For the year ended 30 June 2023

<i>Nature</i>	<i>Contracts with customers</i> \$	<i>Capital grant /contributions</i> \$	<i>Statutory requirements</i> \$	<i>Other</i> \$	<i>Total</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
Total	3,726,205	4,049,668	102,951,390	25,263,903	135,991,166

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

NOTE 2: REVENUE AND EXPENSES

Revenue (Continued)

	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
Assets and services acquired below fair value			
Recognised volunteer services	841,852	601,000	556,694

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 2024). 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.

	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
(c) Interest revenue			
Interest on reserve account funds	8,789,011	6,600,000	5,209,916
Interest on municipal account funds	1,344,093	2,400,000	1,256,707
Interest on rates instalment	191,269	170,000	170,695
Interest on late payments	134,567	220,000	(551,634)
Interest on deferred instalment	-	25,000	37,182
	10,458,940	9,415,000	6,122,866
Fees and charges relating to rates receivable			
Charges on search fees	73,317	60,000	62,888
Charges on legal recovery	35,163	75,000	65,651
	108,480	135,000	128,539
(d) Expenses			
(i) Auditors remuneration			
Audit of the annual financial report	161,939	100,000	122,597
Other acquittals	5,350	-	-
	167,289	100,000	122,597
(ii) Employee costs			
Employee benefit costs	58,526,005	59,186,875	55,570,041
Other employee costs	2,541,127	2,277,873	2,417,750
	61,067,132	61,464,748	57,987,791
(iii) Finance costs			
Interest on Self Supporting Loans	66,757	54,922	77,627
	66,757	54,922	77,627
(iv) Other expenditure			
Sundry expenses	823,467	756,907	450,502
	823,467	756,907	450,502

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

NOTE 3: CASH AND CASH EQUIVALENTS

	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
Cash on hand	2,755	3,772
Cash at bank	12,628,359	21,577,513
Term deposits	18,600,000	18,600,000
Total cash and cash equivalents	31,231,114	40,181,285
Held as:		
Cash - restricted funds	12,702,218	18,509,799
Reserve funds - unspent grants restricted	296,775	691,509
Trust deposits held - restricted	10,951,814	9,597,202
Cash - unrestricted funds	7,280,307	11,382,775
	31,231,114	40,181,285

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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 2024**

NOTE 4: NOTES TO THE STATEMENT OF CASHFLOWS

Reconciliation of net cash provided by operating activities to net result

	2023-2024 Actual \$	2022-2023 Actual \$
Net result	7,268,961	(2,029,140)
Non-cash flows in net result:		
Depreciation on non-current assets	33,870,410	24,988,908
(Profit) / loss on sale of assets	(184,156)	354,715
Grants & contributions for the development of assets	(5,750,211)	(4,049,668)
Adjustments to fair value of investment property	(1,838,000)	2,269,268
(Increase) / Decrease in Investments	-	(675,346)
(Increase) / decrease in equity - investment in associates	(103,024)	10,543,265
(Increase) / decrease in equity - joint arrangements	131,390	126,203
Changes in assets & liabilities		
(Increase)/decrease in accrued income	(2,212,756)	(1,599,457)
Increase/(decrease) in accrued expenses	(3,630)	389,723
(Increase)/decrease in current receivables	(1,566,541)	318,364
(Increase)/decrease in non-current receivables	341	(129,791)
Increase/(decrease) in current creditors	2,587,759	(1,823,660)
Increase/(decrease) in non-current creditors	190,447	(493,704)
Increase/(decrease) in contract liabilities	(1,079,607)	1,014,179
(Increase)/decrease in inventory	(8,428)	(11,461)
Increase/(decrease) in provision for employee entitlements	(134,851)	491,148
(Increase)/decrease in prepayments	(133,480)	322,052
Net cash provided by operating activities	31,034,624	30,005,598

The City has no significant non-cash transactions.

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

NOTE 5: TRADE AND OTHER RECEIVABLES

	2023-2024 Actual \$	2022-2023 Actual \$
(a) Current		
Rates and statutory receivables		
Rates debtors	4,390,884	3,488,450
Underground power (UGP) debtors	166,494	304,028
Refuse debtors	55,013	44,432
Fire Emergency Services levy debtors	813,475	650,906
Pensioner rebates	1,653,515	1,449,843
Sundry debtors	589,770	919,013
Allowance for expected credit loss	(43,702)	(166,509)
GST receivable	1,579,372	955,107
Accrued income	5,370,688	3,163,458
	14,575,509	10,808,728
(b) Non-Current		
Rates outstanding - pensioners	2,101,022	1,891,852
	2,101,022	1,891,852

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 considers 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 \$43,702 in 2023-2024 in accordance with AASB 9 Financial Instruments.

Disclosure of opening and closing balances related to contracts with

	30 June 2024 Actual \$	30 June 2023 Actual \$	1 July 2022 Actual \$
Trade and other receivables from contracts with customers	589,770	919,013	660,998
Contract assets	-	-	-
Allowance for credit losses of trade receivables	(43,702)	(166,508)	(383,966)
Allowance for impairment of contract assets	-	-	-
Total trade and other receivables from contracts with customers	546,068	752,505	277,032

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 2024**

NOTE 5: TRADE AND OTHER RECEIVABLES

MATERIAL 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 2024**

NOTE 6: OTHER FINANCIAL ASSETS

	<i>Note</i>	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
(a) Current			
Financial assets at amortised cost		133,701,973	135,876,603
		133,701,973	135,876,603
Other financial assets at amortised cost			
Loans - clubs and community groups		209,511	175,680
Term deposits		133,492,462	135,700,923
		133,701,973	135,876,603
Held as:			
Unrestricted other financial assets at amortised cost		209,511	175,680
Restricted other financial assets at amortised cost		133,492,462	135,700,923
		133,701,973	135,876,603
(b) Non-current			
Financial assets at amortised cost			
- Loans - Clubs and community groups	28	997,621	1,207,132
Financial assets at fair value through profit or loss			
- Units (10) held in Local Government House		207,927	203,724
- Equity - Share in joint arrangement (Carawatha Redevelopment Project)	19(b)	5,711,897	5,843,287
		6,917,445	7,254,143

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 2024**

NOTE 6: OTHER FINANCIAL ASSETS

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

- (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 2024**

NOTE 7: INVENTORIES

	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
Current		
Inventories		
Fuel and materials at cost	169,590	161,162
	169,590	161,162

MATERIAL 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

	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
Current		
Prepayments	1,933,994	1,804,717
	1,933,994	1,804,717

MATERIAL ACCOUNTING POLICIES

Other current assets

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or the 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 2024

NOTE 9: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE

(a) PROPERTY, PLANT AND EQUIPMENT

Movements in Carrying Amounts

	Land - Freehold Land	Buildings	Total Land and Buildings	Plant and Equipment	Electronic Equipment	Furniture and Fittings	Computer Equipment	Fleet and Mobile Plant	Total Plant and Equipment	Artworks	Total Property, Plant and Equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	248,063,300	137,925,838	385,989,138	18,413,864	186,666	773,048	508,171	10,189,944	30,171,893	3,876,955	420,037,786
Additions	-	13,093,097	13,093,097	7,142,584	-	414,551	214,868	2,654,258	10,426,281	215,281	23,734,639
(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)	(2,570,748)	(104,504)	(157,244)	(349,782)	(1,820,516)	(5,002,792)	-	(12,323,750)
Carrying amount at 30 June 2023	303,903,000	152,629,950	456,532,950	21,849,009	82,162	916,994	473,257	10,483,355	33,804,777	4,092,235	494,429,963
Comprises:											
Gross carrying 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)
Carrying amount at 30 June 2023	303,903,000	152,629,950	456,532,950	21,849,009	82,162	916,994	473,257	10,483,355	33,804,777	4,092,235	494,429,963
Additions	-	6,733,843	6,733,843	3,775,036	151,658	410,311	479,192	5,577,468	10,393,665	35,000	17,162,507
(Disposals)	-	-	-	-	-	-	-	(287,711)	(287,711)	-	(287,711)
Revaluation increments / (decrements) transferred to revaluation surplus	-	-	-	-	-	-	-	-	-	-	-
Impairment (losses) / reversals	-	-	-	-	-	-	-	-	-	-	-
Depreciation (expense)	-	(9,060,708)	(9,060,708)	(3,197,072)	(75,108)	(185,519)	(343,993)	(1,944,408)	(5,746,100)	-	(14,806,808)
Transfers	-	-	-	-	-	-	-	-	-	-	-
Carrying amount at 30 June 2024	303,903,000	150,303,085	454,206,085	22,426,973	158,712	1,141,786	608,456	13,828,704	38,164,631	4,127,235	496,497,951
Comprises:											
Asset Cost amount at 30 June 2024	303,903,000	331,337,843	635,240,843	56,608,546	780,785	3,909,093	6,126,096	21,723,337	89,147,857	4,127,235	728,515,935
Accumulated depreciation at 30 June 2024	-	(181,034,758)	(181,034,758)	(34,181,573)	(622,073)	(2,767,307)	(5,517,640)	(7,894,633)	(50,983,226)	-	(232,017,984)
Carrying amount at 30 June 2024	303,903,000	150,303,085	454,206,085	22,426,973	158,712	1,141,786	608,456	13,828,704	38,164,631	4,127,235	496,497,951

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

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.

	Infrastructure - Roads	Infrastructure Drains	Infrastructure Footpaths	Infrastructure Parks	Infrastructure Street Furniture	Infrastructure Irrigation	Total Infrastructure	Work In Progress	Total Infrastructure
Balance as 1 July 2022	244,915,181	169,210,019	89,833,574	8,511,905	3,123,036	7,193,698	522,787,313	24,076,852	546,864,165
Additions	9,780,260	2,028,006	2,272,724	1,065,498	483,293	1,190,632	16,820,413	(4,050,894)	12,769,519
(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)
Carrying amount at 30 June 2023	335,445,940	180,783,660	110,076,938	37,143,107	3,312,727	10,104,782	676,867,154	20,025,958	696,893,112
Comprises:									
Gross carrying amount at 30 June 2023	478,760,786	367,176,785	177,186,261	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)
Carrying amount at 30 June 2023	335,445,940	180,783,660	110,076,938	37,143,107	3,312,727	10,104,782	676,867,154	20,025,958	696,893,112
Additions	9,207,886	2,693,851	2,008,721	153,117	347,661	654,254	15,065,490	35,225,180	50,290,669
(Disposals and Transfer)	-	-	-	-	-	-	-	(19,151,606)	(19,151,606)
Revaluation increments / (decrements) transferred to revaluation surplus	126,798	(2,611,331)	1,505,688	-	-	(579,596)	(1,558,440)	-	(1,558,440)
Impairment (losses) / reversals	-	-	-	-	-	-	-	-	-
Depreciation (expense)	(8,528,910)	(2,820,279)	(3,001,082)	(3,691,777)	(121,597)	(899,957)	(19,063,602)	-	(19,063,602)
Carrying amount at 30 June 2024	336,251,714	178,045,901	110,590,265	33,604,447	3,538,791	9,279,483	671,310,602	36,099,532	707,410,135
Comprises:									
Asset Cost amount at 30 June 2024	488,540,219	368,599,821	181,686,479	61,425,989	6,584,711	21,127,317	1,127,964,537	36,099,532	1,164,064,069
Accumulated depreciation at 30 June 2024	(152,288,505)	(190,553,919)	(71,096,214)	(27,821,542)	(3,045,921)	(11,847,834)	(456,653,935)	-	(456,653,935)
Carrying amount at 30 June 2024	336,251,714	178,045,901	110,590,265	33,604,447	3,538,790	9,279,483	671,310,602	36,099,532	707,410,135

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

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)	
	2023-2024 Actual \$	2023-2024 Budget \$	2023-2024 Actual \$	2023-2024 Budget \$	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$	2022-2023 Budget \$	2022-2023 Actual \$	2022-2023 Budget \$	2022-2023 Actual \$	2022-2023 Budget \$
Artwork	-	-	-	-	-	-	-	-	-	-	-	-
Land & Building	-	-	-	-	-	-	-	-	-	-	-	-
Furniture & Fittings	-	-	-	-	-	-	113,361	-	-	-	-	-
Electronic Equipment	-	-	-	-	-	-	-	-	20,800	-	(92,561)	-
Plant & Equipment	-	-	-	-	-	-	-	-	-	-	-	-
Property	-	-	-	-	-	-	200	-	-	-	(200)	-
Fleet and Mobile Plant	287,711	423,090	-	-	-	-	-	-	-	-	-	-
Investment Land	-	-	-	-	184,156	-	540,330	-	278,377	-	(261,954)	-
Total	287,711	423,090	471,867	423,090	184,156	-	653,891	-	299,177	-	(354,715)	-

(d) Depreciation

Asset Class	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
Infrastructure	19,063,603	12,670,569	12,665,159
Building	9,060,708	7,360,054	7,320,958
Fleet and Mobile Plant	1,944,407	1,996,958	1,820,516
Plant & Equipment	3,197,072	2,366,556	2,570,746
Computer Equipment	419,102	228,683	454,286
Furniture & Fittings	185,518	145,635	157,244
Total	33,870,410	24,768,455	24,988,908

(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	2023-2024 Actual \$	2022-2023 Actual \$
Building	1,966,000	1,966,000
Computers	3,706,682	3,131,578
Electronic	167,990	167,990
Furniture	1,128,892	1,067,712
Lighting	825,249	893,995
Other Improvements	7,460,768	7,435,124
Playground Equipment	1,499,385	1,072,771
Plant and Fleet	6,462,848	6,087,940
Total	23,217,814	21,823,109

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

NOTE 9: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

Individual assets that are land, buildings, 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 reportable value.

Measurement after recognition

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

Reportable value

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

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

Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure item which were pre-existing improvements (i.e. vested improvements) on land vested in the City.

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

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

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

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

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

NOTE 9: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE

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.

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
Lighting	10 to 15 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

Freehold/Investment/vested land and artworks	Not Depreciated
---	------------------------

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.

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

NOTE 9: PROPERTY, PLANT AND EQUIPMENT AND INFRASTRUCTURE

Impairment

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

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

Gains or losses on disposal

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

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

NOTE 9: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE

CARRYING AMOUNT MEASUREMENTS

<i>Asset Class</i>	<i>Fair Value Hierarchy</i>	<i>Valuation Technique</i>	<i>Basis of Valuation</i>	<i>Date of last Valuation</i>	<i>Inputs used</i>
Fair value – as determined at the last valuation date					
<u>Land and Buildings</u>					
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.
<u>Infrastructure</u>					
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Internal valuation	June 2024	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	Internal valuation	June 2024	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Internal valuation	June 2024	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	Internal valuation	June 2024	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 2024**

NOTE 9: PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE

CARRYING AMOUNT MEASUREMENTS

<i>Asset Class</i>	<i>Fair Value Hierarchy</i>	<i>Valuation Technique</i>	<i>Basis of Valuation</i>	<i>Date of last Valuation</i>	<i>Inputs used</i>
<u>Infrastructure - Other</u>					
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
<u>(ii) Cost</u>					
Plant and Equipment	N/A	N/A	N/A	N/A	N/A
Electronic Equipment	N/A	N/A	N/A	N/A	N/A
Furniture and Equipment	N/A	N/A	N/A	N/A	N/A
Computer Equipment	N/A	N/A	N/A	N/A	N/A
Mobile Plant	N/A	N/A	N/A	N/A	N/A
Artworks	N/A	N/A	N/A	N/A	N/A

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

NOTE 10: INVESTMENT PROPERTY

	<i>Investment Property -Land \$</i>	<i>Investment Property - Buildings \$</i>	<i>Total Investment Property \$</i>
Balance at 1 July 2022	58,343,250	2,827,063	61,170,313
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)	-	-	-
Carrying amount at 30 June 2023	54,932,001	4,050,500	58,982,501
Additions	-	26,040	26,040
(Disposals)	-	-	-
Reclassification increments / (decrements)	-	-	-
Revaluation increments / (decrements) transferred to profit/(loss)	1,838,000	-	1,838,000
Depreciation (expense)	-	-	-
Carrying amount at 30 June 2024	56,770,001	4,076,540	60,846,541

The City has rezoned some of the investment properties to "Public Open Space" (POS) during the financial year 2022-2023. 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 were recorded in the Statement of Comprehensive income in 2022-2023.

Amount Recognised In The Profit Or Loss For Investment Properties

	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
Rental Income	1,075,963	1,172,254
Direct operating expenses from property that generated rental income	(26,686)	(34,728)
Fair value gain recognised in other income	-	-
Net rental income	1,049,277	1,137,526

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

NOTE 10: INVESTMENT PROPERTY

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>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
Within one year	824,720	962,624
Later than one year but not later than 5 years	4,438,463	4,877,177
Later than 5 years	33,745,545	22,896,492
	39,008,728	28,736,293

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.

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

MATERIAL ACCOUNTING PROPERTIES

Investment Properties

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the City. In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are investment properties, are shown at their reportable value.

Fair Value Of Investment Properties

A valuation was performed by an external qualified valuer to determine the fair value of investment properties. The level 2 and 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 2024**

NOTE 11: TRADE AND OTHER PAYABLES

	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
(a) Current		
Restricted funds creditor		
- Footpaths	8,822,442	8,239,276
- Bonds and deposits held	2,099,636	1,178,185
- Other	29,736	179,741
Non-restricted funds creditor	8,158,787	6,981,881
Prepaid rates	1,621,309	1,549,757
Amount received in advance	74,029	56,748
Accrued salaries & wages	1,736,533	1,740,252
	22,542,472	19,925,840
(b) Non-current		
Creditors	286,510	256,116
	286,510	256,116

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are 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 2024**

NOTE 12: CONTRACT LIABILITIES

	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
Current		
Grants, subsidies and contributions	296,775	691,509
Capital grants, subsidies and contributions	1,634,317	2,302,350
Membership fees - Leisure Fit Booragoon	520,813	537,653
	2,451,905	3,531,512
Reconciliation of changes in contract liabilities		
Opening balance	3,531,512	2,517,333
Additions	3,163,171	4,938,788
Revenue from contracts with customers included as a contract liability at the start of the period	(4,242,778)	(3,924,609)
	2,451,905	3,531,512
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.		
Reconciliation of Changes in Capital Grant/Contribution Liabilities		
Opening balance	2,302,350	1,813,743
Additions	2,700,641	4,038,353
Revenue from capital grant/contributions held as a liability at the start of the period	(3,368,674)	(3,549,746)
	1,634,317	2,302,350
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	1,634,317	2,302,350
1 to 2 years	-	-
2 to 3 years	-	-
	1,634,317	2,302,350

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.

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

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

Contract liabilities 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 value for non-current capital grant/contribution liabilities, not expected to extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. The City do not have non-current capital grant/contribution liabilities.

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

NOTE 13: BORROWINGS

	Note	2023-2024		Total \$	2022-2023		Total \$
		Current \$	Non-current \$		Current \$	Non-current \$	
Secured							
WA Treasury Corporation	28	209,511	997,621	1,207,132	175,680	1,207,132	1,382,812
Total secured borrowings		209,511	997,621	1,207,132	175,680	1,207,132	1,382,812

MATERIAL ACCOUNTING POLICIES

Borrowing Costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 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 2024**

NOTE 14: EMPLOYEE RELATED PROVISIONS AND OTHER PROVISIONS

(a) Employee related provisions

	2023-2024 Actual \$	2022-2023 Actual \$
Current provisions		
Employee benefit provisions		
Annual leave	4,810,699	4,688,269
Long service leave	3,906,560	4,319,079
Other employee leave provisions	8,113	15,809
	8,725,372	9,023,157
Employee related other provisions		
Employment on-costs	604,734	659,580
	604,734	659,580
Total current employee related provisions	9,330,106	9,682,737
Non-current provisions		
Employee benefit provisions		
Long service leave	838,863	647,009
	838,863	647,009
Employee related other provisions		
Employment on-costs	133,203	107,276
	133,203	107,276
Total non-current employee related provisions	972,066	754,285
Total employee related provisions	10,302,172	10,437,022

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:

	2023-2024 Actual \$	2022-2023 Actual \$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	9,330,106	9,682,737
More than 12 months from reporting date	972,066	754,285
	10,302,172	10,437,022
Expected reimbursements of employee related provisions from other WA local governments	(429,263)	(371,521)

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

NOTE 14: EMPLOYEE RELATED PROVISIONS AND OTHER PROVISIONS

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

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

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

Other long-term employee benefits

Long-term employee benefits 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.

(b) Other provisions

	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
Non-current provisions		
John Connell Reserve	6,893,140	6,590,000
	6,893,140	6,590,000

Provision for remediation costs

Under the licence for the operation of the City waste landfill site, the City has a legal obligation to restore the site.

The provision relates to the indicative costs for remediation of John Connell Reserve, a previous landfill site. The amount is based on an assessment performed by an independent consultant of the indicative costs of the scope of works to satisfy the Department of Health and Department of Water and Environmental Regulation requirements. The assessment of an indicative cost of \$6.59M in 2022-2023, with a further CPI increase of 4.6%, has been applied to the current provision of \$6.83M for the remediation of John Connell Reserve. This is reflected in the present value of the remediation provision at each reporting date.

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.

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

NOTE 14: EMPLOYEE RELATED PROVISIONS AND OTHER PROVISIONS

MATERIAL ACCOUNTING POLICIES

Provisions

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

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

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

NOTE 15: REVALUATION SURPLUS

	<i>Closing 30/06/2024 \$</i>	<i>Increment / (Decrement) \$</i>	<i>Closing 30/06/2023 \$</i>	<i>Increment / (Decrement) \$</i>	<i>Opening 1/07/2022 \$</i>
Land	286,174,385	-	286,174,385	55,839,700	230,334,685
Building	113,766,364	-	113,766,364	8,931,973	104,834,391
Land vested	-	-	-	-	-
Total land and buildings	399,940,749	-	399,940,749	64,771,673	335,169,076
Artworks					
Artworks	2,276,749	-	2,276,749	-	2,276,749
Total artworks	2,276,749	-	2,276,749	-	2,276,749
Plant and equipment					
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	-	22,354,506	(1,136,493)	23,490,999
Mobile plant	1,611,729	-	1,611,729	-	1,611,729
Total plant and equipment	24,971,350	-	24,971,350	(1,136,493)	26,107,843
Infrastructure					
Drains	164,844,287	(2,611,331)	167,455,618	12,141,510	155,314,108
Footpaths	100,568,053	1,505,688	99,062,365	20,799,773	78,262,592
Roads	172,307,644	126,798	172,180,846	86,367,434	85,813,412
Irrigation	3,059,669	(579,595)	3,639,264	2,291,299	1,347,965
Total infrastructure	440,779,653	(1,558,439)	442,338,093	121,600,016	320,738,077
Infrastructure - Other					
Parks	31,001,178	-	31,001,178	28,528,936	2,472,242
Street furniture	1,289,329	-	1,289,329	(204,365)	1,493,694
Total infrastructure - Other	32,290,507	-	32,290,507	28,324,571	3,965,936
Share of revaluation of RRG non current assets	2,190,442	-	2,190,442	-	2,190,442
Local Government House unit trust holding	(22,720)	4,203	(26,923)	9,215	(36,136)
Total revaluation surplus	902,426,731	(1,554,236)	903,980,967	213,568,982	690,411,987

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

NOTE 16: CAPITAL COMMITMENTS

(a) Capital commitments

Capital commitments as at 30 June 2024 amounted to \$18.79M, compared to \$11.26M as at 30 June 2023. The City had no other commitments as at 30 June 2024.

NOTE 17: CONTINGENT LIABILITIES

(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.

	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
Contingent Liability For Additional Workers' Compensation Premium	8,788,791	7,608,620

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)
- Leeming Recreation Centre 55 Farrington Road Leeming WA 6149
- Booragoon Lake (Lot 680 on Plan 25318)
- Len Shearer Reserve (Lot 2348 on Plan 181771 LR-3053/112)

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 2024**

NOTE 18: RELATED PARTY TRANSACTIONS

(a) Elected members remuneration

	<i>Note</i>	<i>2023-2024 Actual \$</i>	<i>2023-2024 Budget \$</i>	<i>2022-2023 Actual \$</i>
Fees, expenses and allowances to be paid or reimbursed to elected council members.				
Mayor's annual allowance		93,380	93,380	91,997
Mayor's meeting attendance fees		51,665	49,435	48,704
Mayor's annual allowance for ICT expenses		6,364	5,000	3,500
Mayor's travel and accommodation expenses		5,356	14,874	60
		156,765	162,689	144,261
Deputy Mayor's annual allowance		23,345	23,345	22,999
Deputy Mayor's meeting attendance fees		32,960	32,960	32,470
Deputy Mayor's annual allowance for ICT expenses		3,500	5,000	3,500
Deputy Mayor's travel and accommodation expenses		503	6,550	200
		60,308	67,855	59,169
All other council member's meeting attendance fees		362,559	362,560	358,369
All other council member's annual allowance for ICT expenses		37,333	55,000	37,334
All other council member's travel and accommodation expenses		33,460	61,250	22,051
		433,352	478,810	417,754
	18(b)	650,425	709,354	621,184

(b) Key management personnel (KMP) compensation disclosure

	<i>Note</i>	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
The total of remuneration paid to KMP of the City during the year are as follows:			
Short-term employee benefits		1,700,655	1,481,810
Post-employment benefits		164,822	127,598
Employee - Other long-term benefits		34,026	59,680
Employee - termination benefits		193,299	-
Council member costs	18(a)	650,425	621,184
		2,743,227	2,290,272

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

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.

Termination benefits

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

Council member costs

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

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:

	2023-2024 Actual \$	2022-2023 Actual \$
Associated companies/individuals:		
Sale of goods and services	-	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 2024**

NOTE 19: INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS

(a) Investment in Resource Recovery Group (RRG)

Resource Recovery Group (RRG)

	2023-2024 Actual \$	2022-2023 Actual \$
Current Assets	13,436,740	14,083,253
Non-Current Assets	16,532,226	19,156,168
Current Liabilities	(6,918,829)	(4,376,444)
Non-Current Liabilities	(11,633,177)	(17,598,062)
Net Assets (100%)	11,416,960	11,264,915
Revenue	19,676,410	16,752,088
Depreciation on Non-Current Assets	(3,693,580)	(4,740,647)
Impairment of assets	-	(6,963,290)
Interest Expense	(293,991)	(414,999)
Total Comprehensive loss (100%)	(2,485,583)	(16,148,178)

Share in Investment in Resource Recovery Group (RRG)

	2023-2024 Actual \$	2022-2023 Actual \$
Net Assets	8,409,132	8,306,108
Less: Share of RRG Loan Liability	(1,229,436)	(1,299,960)
Share in the net assets of the RRG (excluding equity)	7,179,696	7,006,148
Equity Ratios		
RRG Existing Undertakings Proportional Equity Share:	73.55%	73.63%
Office Accomodation Project Proportional Equity Share:	73.15%	73.27%
RRRC Project Proportional Equity Share:	73.78%	73.77%
Represented by Share of Investment in Associates Entity's Financial Position:		
Current Assets	9,839,133	10,318,336
Non Current Assets	10,996,857	12,862,469
Total Assets	20,835,990	23,180,805
Current Liabilities	5,033,492	3,160,135
Non Current Liabilities	7,393,366	11,714,562
Total Liabilities	12,426,858	14,874,697
Net Assets	8,409,132	8,306,108
Statement of Comprehensive Income		
Share of Profit/(Loss) of Associate Accounted For Using The Equity Method	103,024	(10,543,265)
Other Comprehensive Income		
Share of Profit/(Loss) of Revaluation of RRG Assets Using The Equity Method	-	-
Net Increase / (Decrease) in Equity - RRG Investment in Associates	103,024	(10,543,265)

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

NOTE 19: INVESTMENT IN ASSOCIATES AND JOINT ARRANGEMENTS

	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
Borrowings		
Share of RRG Loan Liability		
Current	68,974	66,425
Non-current	1,160,462	1,233,535
	1,229,436	1,299,960
Share of RRG Loan Liability by Project		
Office Accommodation Project	71.98%	72.22%
Current		
Office Accommodation Project	68,974	66,425
	68,974	66,425
Non-current		
Office Accommodation Project	1,160,462	1,233,535
	1,160,462	1,233,535

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.

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. 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, City of Cockburn in June 2019 and the Town of East Fremantle in June 2024.

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 at 30 June 2024

RRG Existing Undertakings Proportional Equity Share: **73.55%**

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

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 at 30 June 2024

RRRC Project Proportional Equity Share: **73.78%**

Lending Facility

The RRG administer the borrowings with the project participants making quarterly contributions equal to the repayment costs of these borrowings.

The Council guaranteed by way of agreement to its share of the loan liability to the RRG and the WATC. The Council's estimated share of the project funding is based on population derived from the Australian Bureau of Statistics census. These are revised yearly over the life of the percentages as lending facility.

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 at 30 June 2024:

Office Accommodation Project Proportional Equity Share: **73.15%**

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 2024, the balance outstanding against the lending facility stood at:	\$ 1,708,024
With the City's share of this liability being:	\$ 1,229,436
Using the current cost/profit sharing percentage of:	71.98%

At its Ordinary Council Meeting on 21 November 2023, the City resolved to withdraw from the RRG and all associated projects, effective 1 July 2025. This decision was subsequently amended at the Ordinary Council Meeting held on 17 September 2024, extending the withdrawal date by six months to 31 December 2025.

Additionally, the Town of East Fremantle, at its Ordinary Council Meeting on 20 June 2023, resolved to withdraw from the RRG and all associated projects, effective 1 July 2024.

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

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

	2023-2024 Actual \$	2022-2023 Actual \$
Opening Share In Equity	5,843,287	5,369,490
Carawatha Redevelopment Capital Call	-	600,000
Share In Profit/(Loss) In Net Results	(131,390)	(126,203)
Total	5,711,897	5,843,287
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 2024**

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.

<i>Risk</i>	<i>Exposure arising from</i>	<i>Measurement</i>	<i>Management</i>
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	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.

	<i>Weighted Average Interest Rate %</i>	<i>Carrying Amounts \$</i>	<i>Fixed Interest Rate \$</i>	<i>Variable Interest Rate \$</i>	<i>Non interest Bearing \$</i>
2024					
Cash And Cash Equivalents	4.39%	31,231,114	18,600,000	12,628,359	2,755
- Term Deposits	4.39%	133,492,462	133,492,462	-	-
2023					
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	-	-

Sensitivity

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

	<i>2023-2024 \$</i>	<i>2022-2023 \$</i>
Impact of a 1% movement in interest rates on profit and loss and equity*	126,284	215,775
<i>*Holding all other variables constant</i>		

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

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 2023 or 1 July 2024 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 2024 and 30 June 2023 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>
30 June 2024					
Rates and statutory receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	4,390,884	-	-	-	4,390,884
Loss allowance					
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	-19.69%	-7.41%
Gross carrying amount	273,685	65,891	28,247	221,947	589,770
Loss allowance	-	-	-	(43,702)	(43,702)
30 June 2023					
Rates and statutory 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)

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

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:

	<i>Rates receivables</i>		<i>Trade & other receivables</i>		<i>Contract assets</i>	
	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>	<i>2023-2024 Actual \$</i>	<i>2022-2023 Actual \$</i>
Opening loss allowance as at 1 July	-	-	166,509	383,966	-	-
Increase in loss allowance recognised in profit or loss during the year	-	-	43,702	33,055	-	-
Receivables written off during the year as uncollectible	-	-	-	-	-	-
Unused amount reversed	-	-	(166,509)	(250,512)	-	-
Closing loss allowance at 30 June	-	-	43,702	166,509	-	-

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 2024**

NOTE 20: FINANCIAL RISK MANAGEMENT

	<i>Due within 1 year \$</i>	<i>Due between 1 & 5 years \$</i>	<i>Due after 5 years \$</i>	<i>Total contractual cash flows \$</i>	<i>Carrying values \$</i>
2024					
Payables	22,542,472	286,510	-	22,828,982	22,828,982
Borrowings and Other Liabilities	278,485	1,953,890	204,194	2,436,569	2,436,569
	22,820,957	2,240,400	204,194	25,265,551	25,265,551
2023					
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
	20,167,945	2,421,643	275,140	22,864,728	22,864,728

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

At its Ordinary Council Meeting on 21 November 2023, the City resolved to withdraw from the RRG and all associated projects, effective 1 July 2025. This decision was subsequently amended at the Ordinary Council Meeting held on 17 September 2024, extending the withdrawal date by six months to 31 December 2025.

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

NOTE 22: OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current 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 2024**

NOTE 22: OTHER MATERIAL 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 2024**

NOTE 22: OTHER MATERIAL 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 except for non-financial assets that are:

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

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 9.

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

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

NOTE 23: FUNCTION AND ACTIVITY

	2023-2024 Actual \$	2022-2023 Actual \$
(b) Income and expenses		
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	6,125	1,200
General purpose funding	115,085,221	100,566,437
Law, order, public safety	2,877,954	2,826,272
Health	256,659	245,356
Education & welfare	188,685	160,471
Housing	99,065	115,060
Community amenities	3,510,142	3,519,215
Recreation and culture	8,623,670	9,400,935
Transport	1,732,335	1,103,607
Economic services	3,204,517	4,360,499
Other property and services	694,584	(9,611,420)
	136,278,957	112,687,632
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	732	732
General purpose funding	3,865,127	5,028,428
Law, order, public safety	30,981	31,820
Health	-	2,500
Education & welfare	454,016	637,472
Housing	-	-
Community amenities	1,409,674	1,278,950
Recreation and culture	2,144,902	868,066
Transport	3,442,415	2,830,211
Economic services	-	-
Other property and services	35,783	7,424
	11,383,630	10,685,603
Total income	147,662,587	123,373,235

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

NOTE 23: FUNCTION AND ACTIVITY

	2023-2024 Actual \$	2022-2023 Actual \$
Expenses		
Governance	(6,329,122)	(5,297,279)
General purpose funding	(1,386,715)	(1,382,504)
Law, order, public safety	(4,575,818)	(4,334,883)
Health	(1,242,367)	(1,093,080)
Education & welfare	(2,496,798)	(2,458,950)
Housing	(129,107)	(111,592)
Community amenities	(26,250,010)	(25,755,448)
Recreation and culture	(48,238,549)	(42,412,173)
Transport	(26,619,353)	(22,371,810)
Economic services	(2,820,173)	(3,922,619)
Other property and services	(20,305,614)	(16,262,037)
Total Expenses	(140,393,626)	(125,402,375)
Net result for the year	7,268,961	(2,029,140)
(c) Total assets		
Governance	529,763,948	536,758,400
Education & welfare	79,562	148,320
Community amenities	368,380,723	367,813,271
Health	1,623,553	1,667,422
Recreation and culture	125,734,229	132,434,607
Economic services	10,993,256	10,983,397
Other property and services	427,219,134	406,784,757
	1,463,794,405	1,456,590,174

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

NOTE 24: RATING INFORMATION

<i>Actual 2023-2024</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>
GENERAL RATE							
General Rate GRV							
Residential - Improved	32,084	928,048,462	7.009698	65,053,394	716,290	-	65,769,684
Residential - Unimproved	420	17,962,275	7.009698	1,259,101	(191,600)	-	1,067,501
	32,504	946,010,737		66,312,495	524,690	-	66,837,185
Commercial - Improved	1,573	242,948,276	8.635978	20,980,960	206,015	-	21,186,975
Commercial - Unimproved	24	2,055,469	8.635978	177,510	(1,727)	-	175,783
Strata Storage Units	-	-	8.635978	-	-	-	-
	1,597	245,003,745		21,158,470	204,288	-	21,362,758
Sub Total General Rate	34,101	1,191,014,482		87,470,964	728,979	-	88,199,943
MINIMUM RATE							
Minimum Rate							
Residential - Improved	9,438	129,276,604	1,372.65	12,955,071			12,955,071
Residential - Unimproved	840	10,860,000	1,372.65	1,153,026			1,153,026
	10,278	140,136,604		14,108,097	-	-	14,108,097
Commercial - Improved	183	1,775,888	1,112.90	203,661			203,661
Commercial - Unimproved	1	5,000	1,112.90	1,113			1,113
Strata Storage Units	57	165,890	1,112.90	63,435			63,435
	241	1,946,778		268,209	-	-	268,209
Sub Total Minimum Rate	10,519	142,083,382		14,376,306	-	-	14,376,306
Amount Raised from Rates				101,847,270	728,979	-	102,576,248
Melville Glades Concession				(14,056)	-	-	(14,056)
Storage Unit Concession				(31,692)	-	-	(31,692)
Sub Total Concessions				(45,748)	-	-	(45,748)
Total Amount Raised from Rates				101,801,521	728,979	-	102,530,500
Plus:							
Instalment Administration Fee							(4)
Instalment Interest							191,269
Late Payment Interest							134,567
GRAND TOTAL	44,620	1,333,097,864		101,801,521	728,979	-	102,856,332

Summary

<i>Actual 2023-2024</i>	<i>Rate Assessments</i>		<i>Rateable Value</i>		<i>Rate Yield</i>		<i>Average Rate</i>
	<i>#</i>	<i>%</i>	<i>\$</i>	<i>%</i>	<i>\$</i>	<i>%</i>	<i>\$</i>
Residential	42,782	95.88%	1,086,147,341	81.48%	80,420,591	78.96%	1,880
Commercial	1,838	4.12%	246,950,523	18.52%	21,426,678	21.04%	11,658
	44,620	100.00%	1,333,097,864	100.00%	101,847,270	100.00%	

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 2024

NOTE 24: RATING INFORMATION

Budget 2023-2024	Number of Properties	Rateable value \$	Rate in \$ (cents)	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$
GENERAL RATE							
General Rate GRV							
Residential - Improved	31,735	928,402,908	7.009698	65,078,091	292,800	-	65,370,891
Residential - Unimproved	444	16,040,500	7.009698	1,124,387	73,200	-	1,197,587
	32,179	944,443,408		66,202,478	366,000	-	66,568,478
Commercial - Improved	1,565	243,224,825	8.635978	21,004,834	32,000	-	21,036,834
Commercial - Unimproved	20	1,955,470	8.635978	168,874	8,000	-	176,874
Strata Storage Units	-	-	8.635978	-	-	-	-
	1,585	245,180,295		21,173,708	40,000	-	21,213,708
Sub Total General Rate	33,764	1,189,623,703		87,376,186	406,000	-	87,782,186
MINIMUM RATE							
Minimum Rate							
Residential - Improved	9,491	160,115,824	1372.65	13,027,819	-	-	13,027,819
Residential - Unimproved	946	11,968,410	1372.65	1,298,526	-	-	1,298,526
	10,437	172,084,234		14,326,345	-	-	14,326,345
Commercial - Improved	185	1,775,888	1112.90	205,887	-	-	205,887
Commercial - Unimproved	1	5,000	1112.90	1,113	-	-	1,113
Strata Storage Units	57	165,890	1112.90	63,435	-	-	63,435
	243	1,946,778		270,435	-	-	270,435
Sub Total Minimum Rate	10,680	174,031,012		14,596,780	-	-	14,596,780
Amount Raised from Rates	44,444	1,363,654,715		101,972,966	406,000	-	102,378,966
Storage Unit Concession				(31,718)	-	-	(31,718)
Melville Glades Rates Concession				(14,056)	-	-	(14,056)
Total Amount Raised from Rates				101,927,192	406,000	-	102,333,192
Plus:							
Instalment Administration Fee							-
Instalment Interest							170,000
Late Payment Interest							2,200,000
GRAND TOTAL	44,444	1,363,654,715		101,927,192	406,000	-	104,703,192

Summary

Budget 2023-2024	Rate Assessments		Rateable Value		Rate Yield		Average Rate
	#	%	\$	%	\$	%	\$
Residential	42,616	96%	1,116,527,642	82%	80,528,823	79%	1,890
Commercial	1,828	4%	247,127,073	18%	21,444,143	21%	11,731
	44,444	100%	1,363,654,715	100%	101,972,966	100%	

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

NOTE 24: RATING INFORMATION

Actual 2022-2023	Number of Properties	Rateable value \$	Rate in \$ (cents)	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$
GENERAL RATE							
General Rate GRV							
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
	31,367	816,537,195		61,942,209	467,846	-	62,410,055
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	-	-	-	-
	1,534	238,670,709		19,116,185	260,393	-	19,376,578
Sub Total General Rate	32,901	1,055,207,904		81,058,394	728,240	-	81,786,633
MINIMUM RATE							
Minimum Rate							
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
	10,971	159,786,468		14,349,208	-	-	14,349,208
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
	248	1,692,578		255,554	-	-	255,554
Sub Total Minimum Rate	11,219	161,479,046		14,604,762	-	-	14,604,762
Amount Raised from Rates				95,663,156	728,240	-	96,391,395
Melville Glades Concession				(10,537)	-	-	(10,537)
Storage Unit Concession				(29,368)	-	-	(29,368)
Sub Total Concessions				(39,905)	-	-	(39,905)
Total Amount Raised from Rates				95,623,250	728,240	-	96,351,490
Plus:							
Instalment Administration Fee							(17)
Instalment Interest							170,695
Late Payment Interest							140,286
GRAND TOTAL	44,120	1,216,686,950		95,623,250	728,240	-	96,662,454

Summary

Actual 2022-2023	Rate Assessments		Rateable Value		Rate Yield		Average Rate \$
	#	%	\$	%	\$	%	
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
	44,120	100.00%	1,216,686,950	100.00%	95,663,156	100.00%	

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

NOTE 24: RATING INFORMATION

DIFFERENTIAL RATING

A differential rate loading of 23.2 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 7.378877 cents with a minimum rate of \$1,367. 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.

MATERIAL 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 2023 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 and a Leisurefit Healthy Lifestyle Membership valued at \$1,476.

Second Category Prize Draw: Ratepayers who paid in full or all four instalments by the due dates using BPAY to win \$750.00 cash prize donated by BPAY. This prize was drawn after the fourth and final instalment due 7 March 2024.

(c) Concessions

Storage Unit Concession

A concession was granted to strata titled storage units of 18m² 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 \$14,056. 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 2024**

NOTE 26: INFORMATION ABOUT INTEREST PAYMENTS AND ADDITIONAL CHARGES

	<i>Interest Rate %</i>	<i>2024 Actual \$</i>	<i>2024 Budget \$</i>	<i>2023 Actual \$</i>
Late Payment Interest	3.5	134,567	220,000	140,286
Instalment Interest	2	191,269	195,000	170,765
Instalment Administration Fee	-	-	-	(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 2023-2024.

The following two payment options were provided to ratepayers:

Option 1 - Full amount of the rate notice payable by 25 August 2023

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

1st Instalment	Due	25 August 2023
2nd Instalment	Due	27 October 2023
3rd Instalment	Due	5 January 2024
4th Instalment	Due	7 March 2024

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

NOTE 27: DETERMINATION OF SURPLUS OR DEFICIT

	Note	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Add (profit)/loss on asset disposals		(184,156)	-	354,715
John Connell remediation provision		303,140	-	-
Carawatha losses		131,390	-	126,203
Credit loss provision		-	-	33,055
Miscellaneous payments		-	-	(2,611)
Add depreciation on assets		33,870,410	24,559,250	24,988,908
Revaluation of investment properties		(1,838,000)	-	2,269,268
Share in net loss of equity accounted investment in associates		(103,024)	-	10,543,265
Add plant investment provision		630,107	785,189	415,089
Net movement of deferred pensioner rates/ESL (non-current)		(209,170)	-	(129,791)
Net current movement in other debtors/dreditors		30,394	-	(465,255)
Movement in employee benefit provisions (non-current)		217,781	-	7,466
Non-cash amounts excluded from operating activities		32,848,872	25,344,439	38,140,311
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - restricted cash		(146,700,966)	(122,270,765)	(155,077,911)
Total adjustments to net current assets		(146,700,966)	(122,270,765)	(155,077,911)
Net current assets used in the Statement of Financial Activity				
Total current assets		181,612,180	140,964,261	188,832,495
Less: Total current liabilities		(34,602,969)	(27,886,272)	(33,382,193)
Add RRG - other financial liability		68,974		66,425
Less: Reserves - restricted cash		(146,700,966)	(122,270,765)	(155,077,911)
Less: Restricted municipal		-	9,192,776	-
Net current assets used in the Statement of Financial Activity		377,219	-	438,815

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

NOTE 28: BORROWINGS

Program / Sporting Body	Loan No	Principal 1 July 2023 \$	(Loans Discharged) /New Loans \$	Interest		Principal Repayments		Principal 30 June 2024 \$	Current \$	Non-Current \$
				Budget	Actual	Budget	Actual			
Recreation and Culture	Tompkins Park Community and Recreational Association	399	-	5,586	12,188	12,018	12,018	175,435	38,244	137,191
	Bull Creek Tennis Club	406	-	835	957	6,593	6,593	10,610	6,974	3,636
	Melville Glades Golf Club	411	-	38,014	39,902	104,496	104,496	554,798	110,860	443,938
	Brentwood Karoonda Sporting Association	415	-	4,624	5,478	8,956	8,956	139,119	9,242	129,877
	Windelya Sports Association Incorporation	416	-	5,420	7,429	23,686	23,686	276,747	24,124	252,623
	Kardinya Bowling Club	417	-	443	803	19,932	19,931	50,423	20,067	30,356
				54,922	66,757	175,681	175,680	1,207,132	209,511	997,621

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 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. The invoiced amount goes 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 2023-2024.

Unspent Borrowings

The City has no unspent borrowings on self-supporting loans as at 30th June 2024.

MATERIAL ACCOUNTING POLICIES

Financial Liabilities

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

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

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

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

NOTE 29: RESERVE ACCOUNTS

	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
<u>Restricted by Council</u>			
Melville South Underground Power & Streetscape Enhancement Reserve			
<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	2,959	2,959	2,959
Civic Centre Precinct Improvements Reserve			
<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	6,747	6,314
Funds to be set aside	-	-	-
Funds to be set aside - investment earnings	-	-	-
Funds to be used	-	-	-
Closing balance	6,314	6,747	6,314
Commercial Refuse Reserve			
<i>To be used for the acquisition and replacement or upgrade of commercial refuse bins, vehicles, and plant and equipment used for commercial waste operations and the development of commercial waste collection opportunities and to meet any shortfalls in the Refuse Facilities Reserve.</i>			
Opening balance	4,611,989	4,830,319	4,543,669
Funds to be set aside	72,399	12,044	68,320
Funds to be set aside - investment earnings	308,000	276,400	-
Funds to be used	-	-	-
Closing balance	4,992,388	5,118,763	4,611,989
Community Facilities Reserve			
<i>To be used for the provision of new, renewed or upgraded community facilities/buildings.</i>			
Opening balance	16,430,519	20,008,333	17,922,226
Funds to be set aside	4,745,000	4,810,050	4,187,225
Funds to be set aside - investment earnings	569,000	329,647	1,009,332
Funds to be used	(12,511,540)	(19,043,167)	(6,688,264)
Closing balance	9,232,979	6,104,863	16,430,519

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

NOTE 29: RESERVE ACCOUNTS

	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
Community Centre Fitout, Furniture and Equipment Reserve			
<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	85,897	13,841	104,522
Funds to be set aside	35,000	35,000	35,000
Funds to be set aside - investment earnings	6,000	1,075	5,595
Funds to be used	(34,880)	(30,000)	(59,220)
Closing balance	92,017	19,916	85,897
Community Surveillance and Security Reserve			
<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 or upgrade of vehicles used for community surveillance and security services.</i>			
Opening balance	710,521	683,773	673,005
Funds to be set aside	38,845	-	145,074
Funds to be set aside - investment earnings	50,000	30,940	-
Funds to be used	-	(141,726)	(107,558)
Closing balance	799,366	572,987	710,521
Fleet Services Vehicles, Plant and Equipment Replacement Reserve			
<i>To be used to fund the purchase of replacement vehicles, plant and equipment.</i>			
Opening balance	10,443,925	6,316,243	10,701,586
Funds to be set aside	2,000,000	2,000,000	1,500,000
Funds to be set aside - investment earnings	483,000	433,479	621,285
Funds to be used	(5,090,250)	(721,951)	(2,378,946)
Closing balance	7,836,675	8,027,771	10,443,925
New/Upgrade Works Reserve (Previously Future Works Reserve)			
<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	5,317,996	1,050,570	9,577,552
Funds to be set aside	6,160,000	6,426,000	5,499,673
Funds to be set aside - investment earnings	543,000	274,326	437,652
Funds to be used	(3,211,302)	(2,670,541)	(10,196,881)
Closing balance	8,809,694	5,080,355	5,317,996

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

NOTE 29: RESERVE ACCOUNTS

	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
Information Technology Reserve			
<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	4,485,443	3,339,048	3,454,777
Funds to be set aside	1,800,000	1,800,000	1,500,000
Funds to be set aside - investment earnings	321,000	184,044	233,295
Funds to be used	(1,406,843)	(1,914,700)	(702,629)
Closing balance	5,199,600	3,408,392	4,485,443
Infrastructure Asset Management Reserve			
<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	43,346,440	46,482,026	39,165,753
Funds to be set aside	11,301,453	11,000,000	12,156,544
Funds to be set aside - investment earnings	2,316,000	1,742,530	2,424,325
Funds to be used	(19,383,634)	(26,953,942)	(10,400,182)
Closing balance	37,580,259	32,270,614	43,346,440
Land and Property Reserve			
<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	31,182,608	31,520,612	32,448,023
Funds to be set aside	15,000	-	9,849
Funds to be set aside - investment earnings	2,045,000	1,756,374	-
Funds to be used	(48,952)	(750,000)	(1,275,264)
Closing balance	33,193,656	32,526,986	31,182,608

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

NOTE 29: RESERVE ACCOUNTS

	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
Leave Entitlements Reserve <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	2,798,153	2,798,153
Funds to be set aside	-	-	-
Funds to be set aside - Investment Earnings	184,000	159,717	-
Funds to be used	-	-	-
Closing Balance	2,982,153	2,957,870	2,798,153
Library, Museums & Arts Equipment & Specialised Fitout Reserve <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	535,828	270,575	428,117
Funds to be set aside	190,000	190,000	190,000
Funds to be set aside - investment earnings	28,000	13,960	28,322
Funds to be used	(312,839)	(216,000)	(110,611)
Closing balance	440,989	258,535	535,828
Organisational Environment Sustainability Initiatives Reserve <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	7,387,767	6,954,417	7,303,801
Funds to be set aside	250,000	250,000	250,000
Funds to be set aside - investment earnings	500,000	314,190	-
Funds to be used	(34,721)	(1,700,000)	(166,034)
Closing balance	8,103,046	5,818,607	7,387,767
Parking Facilities Reserve <i>To be used to fund the provision, refurbishment or improvement of parking facilities and equipment.</i>			
Opening balance	324,553	306,328	529,392
Funds to be set aside	40,000	40,000	40,000
Funds to be set aside - investment earnings	24,000	19,768	25,090
Funds to be used	-	-	(269,929)
Closing balance	388,553	366,096	324,553

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

NOTE 29: RESERVE ACCOUNTS

	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
Parking Management Reserve - Canning Bridge Activity Centre			
<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	593,079	489,217	496,967
Funds to be set aside	223,400	132,000	170,429
Funds to be set aside - investment earnings	48,000	28,609	-
Funds to be used	(92,969)	(120,000)	(74,317)
Closing balance	771,510	529,826	593,079
Parking Management Reserve - Riseley Activity Centre			
<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	74,587	75,120	54,120
Funds to be set aside	11,900	22,000	20,467
Funds to be set aside - investment earnings	6,000	5,544	-
Funds to be used	-	-	-
Closing balance	92,487	102,664	74,587
Private Swimming Pool Inspection Fee Reserve			
<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	75,767	71,559	71,316
Funds to be set aside	21,276	-	4,451
Funds to be set aside - investment earnings	7,000	1,659	-
Funds to be used	-	(42,496)	-
Closing balance	104,043	30,722	75,767

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

NOTE 29: RESERVE ACCOUNTS

	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
Public Open Space and Urban Forest Reserve			
<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	3,803,775	3,355,384	4,128,368
Funds to be set aside	1,017,000	957,000	950,000
Funds to be set aside - investment earnings	223,000	113,638	233,058
Funds to be used	(1,434,468)	(2,321,516)	(1,507,651)
Closing balance	3,609,307	2,104,506	3,803,775
Rates Equalisation Reserve			
<i>To temporarily retain any surplus carried forward funds as shown in the audited Annual Financial Report Rate Setting Statement 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 including expenditure on unbudgeted contingencies.</i>			
Opening balance	2,586,536	1,923,896	2,623,757
Funds to be set aside	-	-	1,551,711
Funds to be set aside - investment earnings	-	-	-
Funds to be used	(2,038,076)	(1,923,896)	(1,588,932)
Closing balance	548,460	-	2,586,536
Recreation Centres Specialised Plant, Equipment and Structures Reserve			
<i>To be used to fund the acquisition, repair, upgrade and replacement of Recreation Centres specialised plant, equipment and structures.</i>			
Opening balance	1,710,799	1,452,097	1,705,089
Funds to be set aside	462,000	462,000	448,658
Funds to be set aside - investment earnings	105,000	86,995	100,364
Funds to be used	(582,367)	(390,000)	(543,312)
Closing balance	1,695,432	1,611,092	1,710,799

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

NOTE 29: RESERVE ACCOUNTS

	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
Refuse Bins Reserve			
<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	1,766,622	1,572,698	1,350,939
Funds to be set aside	390,000	399,000	391,869
Funds to be set aside - investment earnings	130,000	102,840	91,598
Funds to be used	(186,070)	(170,000)	(67,784)
Closing balance	2,100,552	1,904,538	1,766,622
Refuse Facilities Reserve			
<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	11,976,125	11,976,125
Funds to be set aside	-	-	-
Funds to be set aside - investment earnings	774,011	675,772	-
Funds to be used	(24,243)	(137,000)	-
Closing balance	12,725,893	12,514,897	11,976,125
Risk Management and Insurance Equalisation Reserve			
<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	724,454	830,932	846,933
Funds to be set aside	-	-	-
Funds to be set aside - investment earnings	41,000	47,429	-
Funds to be used	(106,252)	-	(122,479)
Closing balance	659,202	878,361	724,454
Special Projects Reserve			
<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	800,747	156,621	949,850
Funds to be set aside	1,720,000	1,720,000	550,000
Funds to be set aside - investment earnings	78,000	1,064	-
Funds to be used	(1,338,531)	(1,858,000)	(699,103)
Closing balance	1,260,216	19,685	800,747

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

NOTE 29: RESERVE ACCOUNTS

	2023-2024 Actual \$	2023-2024 Budget \$	2022-2023 Actual \$
Unexpended Works and Specific Purpose Grants Reserve			
<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	3,261,496	-	2,547,891
Funds to be set aside	3,440,204	-	3,261,495
Funds to be set aside - investment earnings	-	-	-
Funds to be used	(3,261,496)	-	(2,547,890)
Closing balance	3,440,204	-	3,261,496
<u>Restricted by Legislation</u>			
Funds in lieu of Development on Public Open Space Reserve			
<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	33,013	33,013	33,013
Summary			
Opening balance	155,077,911	146,520,606	156,444,217
Funds to be set aside	33,933,477	30,255,094	32,930,765
Funds to be set aside - investment earnings	8,789,011	6,600,000	5,209,916
Funds to be used	(51,099,433)	(61,104,935)	(39,506,987)
Closing balance	146,700,966	122,270,765	155,077,911

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.