

# City of Gosnells

FINANCIAL REPORT  
for the year ended 30 June 2024

# Financial Report

for the year ended 30 June 2024

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## Content Overview

The City of Gosnells conducts the operations of a local government with the following community vision:

*Making the City of Gosnells a great place.*

Principal place of business:  
2120 Albany Highway,  
Gosnells

**Financial Report**

for the year ended 30 June 2024

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

**STATEMENT BY CEO**

The accompanying financial report of the City of Gosnells 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 4<sup>th</sup> day of December 2024



Chief Executive Officer

Ian Cowie PSM



## Statement of Comprehensive Income

for the year ended 30 June 2024

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>Revenue</b>				
Rates	25	78,324,616	78,269,089	74,019,418
Grants, subsidies and contributions	2a	7,529,191	6,810,168	9,091,907
Fees and charges	2a	28,424,645	27,743,794	26,632,215
Interest revenue	2a	7,795,155	4,838,330	5,698,749
Other revenue	2a	537,105	2,000	271,537
		<u>122,610,712</u>	<u>117,663,381</u>	<u>115,713,826</u>
<b>Expenses</b>				
Employee costs	2b	56,810,744	56,989,851	52,958,636
Materials and contracts	2b	40,607,278	37,923,467	40,557,120
Utility charges		5,007,332	5,215,652	4,859,727
Depreciation	9a	31,394,588	26,838,048	28,372,564
Interest expenses	2b	107,481	162,440	282,556
Insurance expenses		1,144,537	1,227,764	1,130,637
Other expenses	2b	7,455,388	3,323,273	11,898,516
		<u>142,527,348</u>	<u>131,680,495</u>	<u>140,059,756</u>
Capital grants, subsidies and contributions	2a	21,478,236	13,656,584	29,680,768
Profit on asset disposals	9d	723,840	781,427	1,355,433
Loss on asset disposals	9d	(1,195,720)	(108,819)	(2,599,305)
Fair value adjustments to financial assets at fair value through profit or loss	4b	(1,521)	–	14,827
Public Open Space - Cash-in-Lieu contributions		1,122,042	2,067,843	1,703,109
		<u>22,126,877</u>	<u>16,397,035</u>	<u>30,154,832</u>
<b>Net result for the period</b>	24b	<u>2,210,241</u>	<u>2,379,921</u>	<u>5,808,902</u>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	16	–	–	77,196,331
<b>Total comprehensive income for the period</b>		<u>2,210,241</u>	<u>2,379,921</u>	<u>83,005,233</u>



## Statement of Financial Position

as at 30 June 2024

	Note	2024 \$	2023 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	46,473,335	51,389,695
Trade and other receivables	5	13,404,329	11,332,152
Other financial assets	4a	99,000,000	88,000,000
Inventories	6	463,103	371,076
<b>Total current assets</b>		<b>159,340,767</b>	<b>151,092,923</b>
<b>Non-current assets</b>			
Trade and other receivables	5	1,836,187	2,548,290
Other financial assets	4b	315,410	316,931
Inventories	6	1,206,977	1,206,977
Property, plant and equipment	7	288,836,150	272,908,753
Infrastructure	8	1,100,618,339	1,100,999,356
Right of use assets	10a	–	1,049
Intangible assets	11	543,447	929,264
<b>Total non-current assets</b>		<b>1,393,356,510</b>	<b>1,378,910,620</b>
<b>Total assets</b>	24c	<b>1,552,697,277</b>	<b>1,530,003,543</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	12	20,387,341	17,688,438
Contract, grant and contribution liabilities	13	2,620,819	3,905,840
Lease liabilities	10b	–	1,204
Current portion of long term borrowings	14	15,387,863	976,618
Employee related provisions	15	11,903,469	11,727,141
<b>Total current liabilities</b>		<b>50,299,492</b>	<b>34,299,241</b>
<b>Non-current liabilities</b>			
Contract, grant and contribution liabilities	13	24,355,164	18,880,485
Long term borrowings	14	5,189,191	6,180,711
Employee related provisions	15	647,161	647,078
<b>Total non-current liabilities</b>		<b>30,191,516</b>	<b>25,708,274</b>
<b>Total liabilities</b>		<b>80,491,008</b>	<b>60,007,515</b>
<b>Net assets</b>		<b>1,472,206,269</b>	<b>1,469,996,028</b>
<b>Equity</b>			
Retained surplus		408,520,753	413,004,516
Cash-backed reserves	28	126,785,775	118,551,588
Revaluation surplus	16	936,899,741	938,439,924
<b>Total equity</b>		<b>1,472,206,269</b>	<b>1,469,996,028</b>

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



## Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Retained Surplus \$	Reserves Cash Backed \$	Revaluation Surplus \$	Total Equity \$
Balance as at 1 July 2022		396,067,457	127,642,696	863,280,642	1,386,990,795
<b>Comprehensive income for the period</b>					
<b>Net result for the period</b>		5,808,902	–	–	5,808,902
Changes on revaluation of Non-current Assets		–	–	77,196,331	77,196,331
<b>Total comprehensive income</b>		<b>5,808,902</b>	<b>–</b>	<b>77,196,331</b>	<b>83,005,233</b>
Revaluation write back on disposals		2,037,049	–	(2,037,049)	–
Transfers from reserve accounts	28	29,761,248	(29,761,248)	–	–
Transfers to reserve accounts	28	(20,670,140)	20,670,140	–	–
<b>Balance as at 30 June 2023</b>		<b>413,004,516</b>	<b>118,551,588</b>	<b>938,439,924</b>	<b>1,469,996,028</b>
Balance as at 1 July 2023		413,004,516	118,551,588	938,439,924	1,469,996,028
<b>Comprehensive income for the period</b>					
<b>Net result for the period</b>		2,210,241	–	–	2,210,241
<b>Total comprehensive income</b>		<b>2,210,241</b>	<b>–</b>	<b>–</b>	<b>2,210,241</b>
Revaluation write back on disposals		1,540,183	–	(1,540,183)	–
Transfers from reserve accounts	28	16,931,829	(16,931,829)	–	–
Transfers to reserve accounts	28	(25,166,016)	25,166,016	–	–
<b>Balance as at 30 June 2024</b>		<b>408,520,753</b>	<b>126,785,775</b>	<b>936,899,741</b>	<b>1,472,206,269</b>

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



Statement of Cash Flows

for the year ended 30 June 2024

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>Cash flows from operating activities</b>				
<b>Receipts</b>				
Rates		78,573,109	79,631,570	74,101,679
Grants, subsidies and contributions		7,587,603	6,810,168	9,300,992
Fees and charges		29,228,417	28,752,066	27,236,340
Interest earnings		6,753,166	5,043,447	3,733,659
Goods and services tax		7,937,728	5,500,000	6,969,075
Other revenue		537,105	192,000	271,537
		<u>130,617,128</u>	<u>125,929,251</u>	<u>121,613,282</u>
<b>Payments</b>				
Employee costs		(56,731,408)	(56,589,851)	(52,526,075)
Materials and contracts		(41,200,623)	(37,424,362)	(41,164,488)
Utility charges		(5,007,332)	(5,215,652)	(4,859,727)
Finance costs		(53,117)	(182,440)	(350,698)
Insurance paid		(1,144,537)	(1,227,764)	(1,130,637)
Goods and services tax paid		(8,039,617)	(5,550,000)	(6,968,306)
Other expenditure		(7,455,388)	(3,323,273)	(11,861,544)
		<u>(119,632,022)</u>	<u>(109,513,342)</u>	<u>(118,861,475)</u>
<b>Net cash provided by/(used in) operating activities</b>	17b	<u>10,985,106</u>	<u>16,415,909</u>	<u>2,751,807</u>
<b>Cash flows from investing activities</b>				
<b>Payments</b>				
Payments for construction of infrastructure	8a	(16,374,134)	(22,076,797)	(18,442,053)
Payments for financial assets at amortised cost		(133,000,000)	(72,400,000)	(113,000,000)
Payments for intangible assets	11	–	–	(283,378)
Payments for land under development and developed land		–	–	27,127
Payments for purchase of property, plant & equipment	7a	(22,672,140)	(19,536,731)	(10,869,180)
<b>Receipts</b>				
Capital grants, subsidies and contributions		19,598,927	18,408,448	18,483,364
Proceeds from matured term deposits		122,000,000	75,000,000	104,000,000
Proceeds from assets disposals		1,127,359	1,588,000	2,250,362
<b>Net cash provided by/(used in) investment activities</b>		<u>(29,319,988)</u>	<u>(19,017,080)</u>	<u>(17,833,758)</u>
<b>Cash flows from financing activities</b>				
<b>Payments</b>				
Repayment of loan facilities	27a	(976,618)	(976,618)	(8,116,333)
Repayment of lease liabilities	27d	(1,204)	(3,098)	(16,403)
<b>Receipts</b>				
Proceeds from loan facilities	27a	14,396,344	2,546,616	–
<b>Net cash provided by/(used in) financing activities</b>		<u>13,418,522</u>	<u>1,566,900</u>	<u>(8,132,736)</u>
<b>Net increase/(decrease) in cash held</b>		<u>(4,916,360)</u>	<u>(1,034,271)</u>	<u>(23,214,687)</u>
Cash at beginning of year		51,389,695	47,252,302	74,604,382
<b>Cash and cash equivalents at the end of the year</b>	17a	<u>46,473,335</u>	<u>46,218,031</u>	<u>51,389,695</u>

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



## Statement of Financial Activity

for the year ended 30 June 2024

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	25	77,878,763	77,850,738	73,629,154
Rates excluding general rates	25	445,853	418,351	390,264
Grants, subsidies and contributions		7,529,191	6,810,168	9,091,907
Fees and charges		28,424,645	27,743,794	26,632,215
Interest revenue		7,795,155	4,838,330	5,698,749
Other revenue		537,105	2,000	271,537
Profit on asset disposals		723,840	781,427	1,355,433
Fair value adjustments to financial assets at fair value through profit or loss	4b	(1,521)	–	14,827
		<b>123,333,031</b>	<b>118,444,808</b>	<b>117,084,086</b>
<b>Expenditure from operating activities</b>				
Employee costs		56,810,744	56,989,851	52,958,636
Materials and contracts		40,607,278	37,923,467	40,557,120
Utility charges		5,007,332	5,215,652	4,859,727
Amortisation and depreciation		31,394,588	26,838,048	28,372,564
Interest expenses		107,481	162,440	282,556
Insurance expenses		1,144,537	1,227,764	1,130,637
Other expenses		7,455,388	3,323,274	11,898,516
Loss on asset disposals		1,195,720	108,819	2,599,305
		<b>143,723,068</b>	<b>131,789,315</b>	<b>142,659,061</b>
Non-cash amounts excluded from operating activities	26	35,926,465	26,355,015	24,706,846
<b>Amount attributable to operating activities</b>		<b>15,536,428</b>	<b>13,010,508</b>	<b>(868,129)</b>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		21,478,236	13,656,584	29,680,768
Proceeds from asset disposals		1,127,359	1,408,800	2,250,362
Movement in Intangible assets		–	–	29,803
Movement in land under development and developed land		–	–	3,364
Public Open Space Cash-in-Lieu contributions		1,122,042	2,067,843	1,703,109
		<b>23,727,637</b>	<b>17,133,227</b>	<b>33,667,406</b>
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	7a	(24,463,147)	(19,536,731)	(11,152,559)
Purchase and construction of infrastructure	8a	(23,956,078)	(22,076,797)	(26,259,989)
		<b>(48,419,225)</b>	<b>(41,613,528)</b>	<b>(37,412,548)</b>
Non-cash amounts excluded from investing activities	26	265,885	–	1,461,839
<b>Amount attributable to investing activities</b>		<b>(24,425,703)</b>	<b>(24,480,301)</b>	<b>(2,283,303)</b>





Statement of Financial Activity (continued)  
for the year ended 30 June 2024

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from loan facilities	27a	14,396,344	2,546,616	–
Transfers from reserve accounts	28	16,931,829	19,607,019	29,761,248
		<b>31,328,173</b>	<b>22,153,635</b>	<b>29,761,248</b>
<b>Outflows from financing activities</b>				
Repayment of loan facilities	27a	(976,618)	(976,618)	(8,116,333)
Payments for principal portion of lease liabilities	27d	(1,204)	–	(16,403)
Transfers to reserve accounts	28	(25,166,016)	(9,981,126)	(20,670,140)
		<b>(26,143,838)</b>	<b>(10,957,744)</b>	<b>(28,802,876)</b>
<b>Amount attributable to financing activities</b>		<b>5,184,335</b>	<b>11,195,891</b>	<b>958,372</b>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	26	1,497,650	273,902	3,690,710
Amount attributable to operating activities		15,536,428	13,010,508	(868,129)
Amount attributable to investing activities		(24,425,703)	(24,480,301)	(2,283,303)
Amount attributable to financing activities		5,184,335	11,195,891	958,372
<b>Surplus/(deficit) after imposition of general rates</b>	26	<b>(2,207,290)</b>	<b>–</b>	<b>1,497,650</b>

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



## Notes to the Financial Report

for the year ended 30 June 2024

## Notes to and forming part of the financial report

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## Notes to the Financial Report

for the year ended 30 June 2024

## Note 1. Basis of preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* ("the Act") 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 Act 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 *Leases* 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. Revaluating these non-financial assets every five years is a departure from AASB 116 *Property, Plant & 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 measurement 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 values 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.

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 8
  - Infrastructure - note 9
  - Expected credit losses on financial assets - note 5
  - Assets held for sale - note 7
  - Impairment losses of non-financial assets - note 8 and 9
  - Investment property - note 12
  - Estimated useful life of intangible assets - note 13
  - Measurement of employee benefits - note 17
  - Measurement of provisions - note 18

Fair value hierarchy information can be found in note 28.

**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 29 to these financial statements.

**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)*

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

## Notes to the Financial Report

for the year ended 30 June 2024

### Note 1. Basis of preparation (continued)

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#### **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*

These 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 the Financial Report

for the year ended 30 June 2024

### Note 2. Revenue and expenses

#### (a) Revenue

##### **Contracts with customers**

##### **Grants, subsidies and contributions**

The City receives:

- Financial assistance grants;
- Operating grants, subsidies and contributions to deliver various programs and events within the City; and
- Non-operating grants, subsidies and contributions to acquire or construct recognisable non-financial assets to be controlled by the City.

Financial Assistance Grants are recognised when monies are received as the City does not have an obligation to refund the monies.

The City has an obligation to refund monies for operating and non-operating grants, subsidies and contributions. Revenue is recognised over time when the City satisfies its performance obligation under the grant and contribution contract. The payment terms vary for different contracts and is based on agreed milestones and reporting.

##### **Rates Revenue**

Rates revenue is recognised on commencement of the rating period. Rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Rates are payable 35 days after the rate notice date. Rates revenue is not refundable except if the amount is recognised as prepaid rates.

##### **Fees and charges**

Fees and charges revenue relates to fees from the use of facilities and charges made for local government services, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

Revenue is recognised when the services or goods are provided. The payment and refund terms vary for different fees and charges and is based on the terms and conditions.

##### **Interest earnings**

Interest earned are recognised on an accruals basis taking into account interest rates applicable to the financial assets. Interest on municipal account and notice savers are paid monthly and interest on term deposits are paid when the term deposits mature.

##### **Other revenue**

Other revenue relates to sale of minor equipment, discounts and rebates received. Revenue is recognised when the sale of minor equipment occurs or when discount and rebate is received. Other revenue is paid immediately when the discount, rebates or sale of minor equipment is received.

##### **POS - Cash in Lieu contributions**

POS - Cash in Lieu contributions are relates to funds collected prior to 12 September 2020 for the provision of public open space within a locality of new subdivisions. The funds are collected in accordance with section 154 of the Planning and Development Act 2005 and are recognised as trust (refer to Note 29). The revenue is recognised at a point in time once the capital expenditure has been incurred.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 2. Revenue and expenses (continued)

## (a) Revenue (continued)

**Revenue Recognition**

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

Nature	Contracts with customers	Capital grant/ contributions	Statutory Requirements	Other	Total
<b>For the year ended 30 June 2024</b>					
Rates	–	–	78,324,616	–	78,324,616
Grants, subsidies and contributions	581,445	–	–	6,947,746	7,529,191
Fees and charges	6,480,623	–	21,944,022	–	28,424,645
Interest revenue	–	–	–	7,795,155	7,795,155
Other revenue	–	–	–	537,105	537,105
POS - CIL Contributions	–	1,122,042	–	–	1,122,042
Capital grants, subsidies and contributions	–	21,478,236	–	–	21,478,236
<b>Total</b>	<b>7,062,068</b>	<b>22,600,278</b>	<b>100,268,638</b>	<b>15,280,006</b>	<b>145,210,990</b>
<b>For the year ended 30 June 2023</b>					
Rates	–	–	74,019,418	–	74,019,418
Grants, subsidies and contributions	670,253	–	–	8,421,654	9,091,907
Fees and charges	6,044,784	–	20,587,431	–	26,632,215
Interest revenue	–	–	–	5,698,749	5,698,749
Other revenue	–	–	–	271,537	271,537
POS - CIL Contributions	–	1,703,109	–	–	1,703,109
Capital grants, subsidies and contributions	–	28,509,410	–	1,171,358	29,680,768
<b>Total</b>	<b>6,715,037</b>	<b>30,212,519</b>	<b>94,606,849</b>	<b>15,563,298</b>	<b>147,097,703</b>

**Interest revenue**

The City does not charge interest on overdue trade & other receivables.

**Service charges**

The City did not impose any service charges in 2023/24.

	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>Other revenue</b>			
Discount received	122	–	618
Others	536,983	2,000	270,919
	<b>537,105</b>	<b>2,000</b>	<b>271,537</b>

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 2. Revenue and expenses (continued)

## (b) Expenses

	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>Materials and contracts</b>			
<b>Auditors remuneration</b>			
- Audit of the annual financial report	125,200	144,000	105,000
- Audit of grant acquittals	1,100	6,000	–
<b>Total Auditors remuneration</b>	<b>126,300</b>	<b>150,000</b>	<b>105,000</b>
<b>Other</b>			
Materials	7,094,027	5,266,904	9,262,519
Other	33,386,951	32,506,563	31,189,601
<b>Total</b>	<b>40,607,278</b>	<b>37,923,467</b>	<b>40,557,120</b>

## Employee costs

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Employee benefit costs	224,195	178,415	184,905
Wages and salaries	40,108,186	41,839,855	37,951,121
Employee leave entitlements	6,979,090	6,143,033	6,304,096
Superannuation	6,479,166	6,295,189	5,783,884
Workers' compensation insurance	542,429	569,902	518,702
Overtime	1,315,488	846,340	1,120,231
Protective clothing and uniforms	179,760	136,100	146,461
Recruitment costs	32,394	29,000	38,905
Training costs (other than salaries and wages)	435,159	564,300	374,578
Other employee costs	514,877	387,717	535,753
<b>Total employee costs</b>	<b>56,810,744</b>	<b>56,989,851</b>	<b>52,958,636</b>

	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>Interest expenses (Finance costs)</b>			
Operating - Interest on loan facilities	107,421	162,370	281,967
Operating - Interest on lease liabilities	60	70	589
<b>Total</b>	<b>107,481</b>	<b>162,440</b>	<b>282,556</b>
Capital interest on loan facilities	–	81,218	–

## Other expenses

Elected Members remuneration	20a	613,728	633,650	580,470
Election expenditure		404,416	450,000	–

continued on next page ...

Notes to the Financial Report

for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(b) Expenses (continued)

Community sponsorship and donations	555,297	508,050	406,883
Rate waivers	83,011	88,373	100,890
Refund of fees and charges	26,143	6,000	11,346
ESL council properties	78,904	91,436	87,078
Developer contribution reimbursements	5,615,256	1,465,664	10,164,032
Other	78,633	80,100	547,817
<b>Total other expenses</b>	<b>7,455,388</b>	<b>3,323,273</b>	<b>11,898,516</b>



## Notes to the Financial Report

for the year ended 30 June 2024

## Note 3. Cash and cash equivalents

	Note	2024 \$	2023 \$
Cash on hand		5,800	6,775
Cash at bank		37,430,514	24,345,899
Term deposits		9,037,021	27,037,021
<b>Total cash and cash equivalents</b>	17	<b>46,473,335</b>	<b>51,389,695</b>
Held as			
- Unrestricted cash and cash equivalents		16,216,086	19,210,001
- Restricted cash and cash equivalents	17a	30,257,249	32,179,694
<b>Total</b>		<b>46,473,335</b>	<b>51,389,695</b>

**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.

**Restricted financial assets**

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

## Note 4. Other financial assets

	Note	2024 \$	2023 \$
<b>(a) Current assets</b>			
<b>Financial assets at amortised cost</b>			
Term deposits		99,000,000	88,000,000
		<b>99,000,000</b>	<b>88,000,000</b>
Held as			
- Restricted other financial assets at amortised cost	17a	99,000,000	88,000,000
<b>Total</b>		<b>99,000,000</b>	<b>88,000,000</b>

**(b) Non current assets****Financial assets at fair value through profit or loss**

Units in Local Government House Trust		207,927	203,723
Share in Rivers Regional Council		107,483	113,208
		<b>315,410</b>	<b>316,931</b>

The equity the City has in the Local Government House Trust ("the Trust") is as a consequence of a contribution towards the cost of purchasing 10 units in the Trust. The total contribution by all Councils towards the cost of the WALGA building was \$582,000. There are 620 units in the Trust.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 4. Other financial assets (continued)

	2024	2023
	\$	\$
Changes in fair value of units in the Trust have been recognised based on the audited financial statements of the Trust as at 30 June 2023 as the audited financial statements as at 30 June 2023 were not available at the time of the preparation of the financial report. Changes in the fair value of units in the Trust as at 30 June 2023 are unlikely to be material.		
The City's investment in Rivers Regional Council (the "Council") represents a 30.79% share in Net Assets of \$349,062. Changes in fair value of the share in Rivers Regional Council have been recognised based on the audited financial statements of the Council as at 30 June 2023 as the audited financial statements as at 30 June 2024 were not available at the time of the preparation of the financial report. Changes in the fair value of units in the Council as at 30 June 2024 are unlikely to be material.		
<b>Financial assets at fair value through profit or loss</b>		
Opening balance	316,931	302,104
Share in River Regional Council	4,204	5,613
Units in Local Government House Trust	(5,725)	9,214
<b>Closing balance</b>	<b>315,410</b>	<b>316,931</b>

## 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:

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

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

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

- Equity investments which the City has not elected to recognise as fair value gains and losses through other comprehensive income.

**Impairment and risk exposure**

Information regarding impairment and exposure to risk can be found at Note 21.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 5. Trade and other receivables

	2024	2023
	\$	\$
<b>Current</b>		
Rates receivables	7,406,385	7,442,009
Sundry receivables	1,144,694	695,008
Allowance for impairment of receivables	(9,814)	(9,814)
GST receivables	794,040	692,151
Accrued revenue	3,528,945	2,471,383
Capital grant receivables	74,197	8,340
Prepayments	465,882	33,075
	<u>13,404,329</u>	<u>11,332,152</u>
<b>Non-current</b>		
Pensioner's rates and ESL deferred	1,836,187	1,748,827
Sundry Receivables	–	799,463
	<u>1,836,187</u>	<u>2,548,290</u>

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

Information about receivables from contracts with customers is:

	30 June 2024	30 June 2023	1 July 2022
	Actual	Actual	Actual
	\$	\$	\$
Trade and other receivables from contracts with customers	586,026	558,686	357,879
Contract Assets	74,197	–	–
Allowance for credit losses of trade receivables	(1,873)	(1,873)	(1,873)
<b>Total trade and other receivables from contracts with customers</b>	<u>658,350</u>	<u>556,813</u>	<u>356,006</u>

## MATERIAL ACCOUNTING POLICIES

## Rates and sundry receivables

Rates and sundry receivables include amounts due from ratepayers for unpaid rates and other amounts receivable from third parties under contractual arrangements for goods sold and services performed in the ordinary course of business.

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

## Accrued revenue

Accrued revenue is recognised when the City has yet to receive payment for goods or services provided. It includes accrued interest income and royalties.

## Capital grant receivables

Capital grant receivables are recognised when money has been spent by the City to acquire or construct non-financial assets that are controlled by the City and the City is entitled to, but has not yet received those capital funds from the grantor.

## 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 21.

## Notes to the Financial Report

for the year ended 30 June 2024

### Note 5. Trade and other receivables (continued)

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

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.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 6. Inventories

	2024	2023
	\$	\$
<b>Current</b>		
Fuel and materials	463,103	371,076
<b>Total current inventories</b>	<b>463,103</b>	<b>371,076</b>
<b>Non-current</b>		
Land under development and developed land - cost		
- Acquisition cost	1,206,977	1,206,977
<b>Total non-current inventories</b>	<b>1,206,977</b>	<b>1,206,977</b>

The following movements in inventories occurred during the year:

<b>Carrying amount at 1 July</b>	<b>1,578,053</b>	<b>1,738,296</b>
Inventories expensed during the year	(1,845,742)	(1,931,433)
Reclassification	(23,791)	(14,612)
Stock adjustments during the year	(48,452)	(3,364)
Additions to fuel and materials	1,986,221	1,958,151
Additions to land under development and developed land	-	-
Sale/disposals of inventory	23,791	(168,985)
<b>Carrying amount at 30 June</b>	<b>1,670,080</b>	<b>1,578,053</b>

**MATERIAL ACCOUNTING POLICIES****General**

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

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

**Land under development and developed land**

Land under development and developed land is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Borrowing costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land under development and developed land is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

There is no movement in the non-current land under development balance as there is no intention to sell any land under development in the next 12 months.

## Notes to the Financial Report for the year ended 30 June 2024

### Note 7. Property, plant and equipment

#### (a) Movements in balances

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

	Note	Assets not subject to operating lease		Total Property		Plant and equipment		Total property, plant and equipment
		Land	Buildings non-specialised	Land	Buildings non-specialised	Furniture and equipment	Plant and equipment	
		\$	\$	\$	\$	\$	\$	\$
Measurement basis								
<b>Balance at 1 July 2022</b>		138,953,170	119,333,704	138,953,170	119,333,704	4,249,551	8,783,261	271,319,686
Additions - Completed Works		2,588,273	2,805,925	2,588,273	2,805,925	987,455	3,560,880	9,942,533
Reclassification		5,463	–	5,463	–	–	–	5,463
Disposals	9d	(530,010)	(41,199)	(530,010)	(41,199)	–	(324,455)	(895,664)
Depreciation	9a	–	(4,785,627)	–	(4,785,627)	(1,328,963)	(2,558,701)	(8,673,291)
Additions - Works in Progress		151,724	1,047,874	151,724	1,047,874	–	10,428	1,210,026
<b>Carrying amount at 30 June 2023</b>		<b>141,168,620</b>	<b>118,360,677</b>	<b>141,168,620</b>	<b>118,360,677</b>	<b>3,908,043</b>	<b>9,471,413</b>	<b>272,908,753</b>
<b>Comprises:</b>								
Gross carrying amount at 30 June 2023		141,168,620	217,139,790	141,168,620	217,139,790	17,839,285	23,480,217	399,627,912
Less: Accumulated depreciation at 30 June 2023		–	(98,779,113)	–	(98,779,113)	(13,931,242)	(14,008,804)	(126,719,159)
<b>Carrying amount at 30 June 2023</b>		<b>141,168,620</b>	<b>118,360,677</b>	<b>141,168,620</b>	<b>118,360,677</b>	<b>3,908,043</b>	<b>9,471,413</b>	<b>272,908,753</b>
Measurement basis								
<b>Balance at 1 July 2023</b>		141,168,620	118,360,677	141,168,620	118,360,677	3,908,043	9,471,413	272,908,753
Additions - Completed Works		1,375,563	1,852,334	1,375,563	1,852,334	422,326	3,814,997	7,465,220
Reclassification		23,791	–	23,791	–	–	–	23,791
Disposals	9d	(22,837)	(118,346)	(22,837)	(118,346)	–	(492,713)	(633,896)
Depreciation	9a	–	(5,148,084)	–	(5,148,084)	(1,207,227)	(2,559,470)	(8,914,781)
Additions - Works in Progress		16,696,808	1,012,104	16,696,808	1,012,104	278,151	–	17,987,063
<b>Carrying amount at 30 June 2024</b>		<b>159,241,945</b>	<b>115,958,685</b>	<b>159,241,945</b>	<b>115,958,685</b>	<b>3,401,293</b>	<b>10,234,227</b>	<b>288,836,150</b>
<b>Comprises:</b>								
Gross carrying amount at 30 June 2024		159,241,945	219,615,984	159,241,945	219,615,984	18,539,763	23,506,045	420,903,737
Less: Accumulated depreciation at 30 June 2024		–	(103,657,299)	–	(103,657,299)	(15,138,470)	(13,271,818)	(132,067,587)
<b>Carrying amount at 30 June 2024</b>		<b>159,241,945</b>	<b>115,958,685</b>	<b>159,241,945</b>	<b>115,958,685</b>	<b>3,401,293</b>	<b>10,234,227</b>	<b>288,836,150</b>

The City has not received assets at substantially less than fair value.

Notes to the Financial Report  
for the year ended 30 June 2024

Note 7. Property, plant and equipment (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
<b>(i) Fair Value - as determined at the last valuation date</b>					
Land	2	Market Approach	Management Valuation	30 June 2020	Price per square metre
Land	3	Income Approach	Management Valuation	30 June 2020	Price per square metre
Buildings	3	Cost Approach	Management Valuation	30 June 2022	Estimates of useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.

The timing of valuation(s) complies with the statutory requirement of regulation 17A (4) of the *Local Government (Financial Management) Regulations 1996*; which requires specific asset classes to be revalued by a specific date.

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

During the period there were no changes in the valuation techniques used by the City to determine the fair value of the above asset classes using either level 2 or level 3 inputs.

Cost approach is using current replacement cost.

Asset class	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
<b>(ii) Cost</b>				
Furniture and equipment	Cost approach	Not applicable	Not applicable	Not applicable
Plant and equipment	Cost approach	Not applicable	Not applicable	Not applicable

## Notes to the Financial Report for the year ended 30 June 2024

### Note 8. Infrastructure

#### (a) Movements in balances

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

	Note	Roads, footpaths and kerbs \$	Bridges (Road) \$	Drainage \$	Park Development \$	Others \$	Total \$
<b>Balance as at 1 July 2022</b>		618,192,417	35,922,836	262,226,745	83,505,627	19,566,843	1,019,414,468
Additions - Completed Works		1,745,785	276,216	1,218,685	6,482,857	623,433	10,346,976
Additions - Developer Contributed Assets		3,935,502	-	1,914,316	412,864	135,588	6,398,270
Additions - Works in Progress		6,083,053	-	424,903	634,421	1,201,009	8,343,386
Reclassification		-	(13,547)	-	(292,279)	314,975	9,149
Disposals	9d	-	-	(23,165)	(1,928,327)	(408,148)	(2,359,640)
Revaluation increments transferred to revaluation surplus	16	25,776,187	11,658,765	7,350,580	30,484,975	1,925,824	77,196,331
Correction of prior year error	2a	-	314,422	-	856,936	-	1,171,358
Depreciation	9a	(9,204,530)	(855,226)	(3,815,760)	(5,064,886)	(580,540)	(19,520,942)
<b>Carrying amount at 30 June 2023</b>		<b>646,528,414</b>	<b>47,303,466</b>	<b>269,296,304</b>	<b>115,092,188</b>	<b>22,778,984</b>	<b>1,100,999,356</b>
<b>Comprises:</b>							
Gross carrying amount at 30 June 2023		753,146,041	81,098,876	388,011,977	151,747,854	30,129,708	1,404,134,456
Accumulated depreciation at 30 June 2023		(106,617,627)	(33,795,410)	(118,715,673)	(36,655,666)	(7,350,724)	(303,135,100)
<b>Carrying amount at 30 June 2023</b>		<b>646,528,414</b>	<b>47,303,466</b>	<b>269,296,304</b>	<b>115,092,188</b>	<b>22,778,984</b>	<b>1,100,999,356</b>
<b>Balance as at 1 July 2023</b>		646,528,414	47,303,466	269,296,304	115,092,188	22,778,984	1,100,999,356
Additions - Completed Works		3,472,319	-	1,867,278	3,795,365	88,749	9,223,711
Additions - Developer Contributed Assets		4,225,911	-	2,048,381	776,487	17,702	7,068,481
Additions - Works in Progress		4,470,590	-	99,724	1,487,595	616,842	6,674,751
Reclassification		-	-	-	-	-	-
Disposals	9d	-	-	-	(922,040)	(67,093)	(989,133)
Depreciation	9a	(9,875,274)	(976,400)	(4,060,830)	(6,904,561)	(541,762)	(22,358,827)
<b>Carrying amount at 30 June 2024</b>		<b>648,821,960</b>	<b>46,327,066</b>	<b>269,250,857</b>	<b>113,325,034</b>	<b>22,893,422</b>	<b>1,100,618,339</b>
<b>Comprises:</b>							
Gross carrying amount at 30 June 2024		765,314,861	81,098,876	392,027,361	156,196,938	30,471,042	1,425,109,078
Accumulated depreciation at 30 June 2024		(116,492,901)	(34,771,810)	(122,776,504)	(42,871,904)	(7,577,620)	(324,490,739)
<b>Carrying amount at 30 June 2024</b>		<b>648,821,960</b>	<b>46,327,066</b>	<b>269,250,857</b>	<b>113,325,034</b>	<b>22,893,422</b>	<b>1,100,618,339</b>

(\*) Developer contributed assets received at substantially less than fair value

(\*\*) \$1.171m related to infrastructure assets either donated or expensed in previous years but were recognized as infrastructure assets in 22-23. This is prior year error. As the amount is not material, no restatement is processed. Instead the amount is adjusted in current year by increasing capital grants and infrastructure cost. Please also refer to note 2a for detail.



Notes to the Financial Report  
for the year ended 30 June 2024

Note 8. Infrastructure (continued)

(b) Carrying Amount  
Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
<b>(i) Fair Value - as determined at the last valuation date</b>					
Roads, Footpaths and Kerbs	3	Cost Approach using current replacement cost	Management Valuation	30 June 2023	Determination of current replacement cost for each component, after adjusting for the differences in service potential between the existing asset and a modern equivalent. Estimates of useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Bridges (Road)	3	Cost Approach using current replacement cost	Independent Valuation	30 June 2023	Determination of current replacement cost for each component, after adjusting for the differences in service potential between the existing asset and a modern equivalent. Estimates of useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Drainage	3	Cost Approach using current replacement cost	Management Valuation	30 April 2023	Determination of current replacement cost for each component, after adjusting for the differences in service potential between the existing asset and a modern equivalent. Estimates of useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Park Development	3	Cost Approach using current replacement cost	Management Valuation	30 April 2023	Determination of current replacement cost for each component, after adjusting for the differences in service potential between the existing asset and a modern equivalent. Estimates of useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.

## Notes to the Financial Report for the year ended 30 June 2024

### Note 8. Infrastructure (continued)

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
Other Infrastructure	3	Cost Approach using current replacement cost	Management Valuation	31 May 2023	Determination of current replacement cost for each component, after adjusting for the differences in service potential between the existing asset and a modern equivalent. Estimates of useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.

The timing of valuation(s) complies with the statutory requirement of regulation 17A (4) of the *Local Government (Financial Management) Regulations 1996*; which requires specific asset classes to be revalued by a specific date.

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

During the period there were no changes in the valuation techniques used by the City to determine the fair value of the above asset classes using either level 2 or level 3 inputs except below.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 9. Property, Plant and Equipment, Infrastructure and Intangible Assets

	Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>(a) Amortisation and depreciation</b>				
Buildings	7a	5,148,084	4,807,679	4,785,627
Furniture and equipment	7a	1,207,227	1,001,502	1,328,963
Plant and equipment	7a	2,293,585	1,759,894	2,310,395
Drainage	8a	4,060,830	3,776,164	3,815,760
Park development	8a	6,904,561	4,370,170	5,064,886
Other infrastructure	8a	541,762	452,915	580,540
Bridges (Road)	9a	976,400	1,110,479	855,226
Roads, footpaths and kerbs	9a	9,875,274	9,162,409	9,204,530
Right of use assets	10a	1,049	1,046	14,400
Intangible assets	11	385,816	395,790	412,237
<b>Total depreciation</b>		<b>31,394,588</b>	<b>26,838,048</b>	<b>28,372,564</b>
<b>Depreciation Capitalised</b>				
Plant and equipment	7a	265,885	189,575	248,306
<b>Total depreciation and amortisation</b>		<b>31,660,473</b>	<b>27,027,623</b>	<b>28,620,870</b>

## Depreciation and Amortisation Rates

Major estimated useful lives for each asset class for the current and prior years are:

Asset Class	Years
Bridges - roads	60 to 100
Buildings	8 to 80
Drainage	
Unlined open drain	100
Other drainage assets	15 to 100
Furniture and equipment	1 to 75
Intangible assets	1 to 25
Other infrastructure	
Streetscape	8 to 50
Car park	10 to 80
Formation and Earthworks	Infinite
Park development	
Formation and Earthworks	Infinite
Other park assets	5 to 60
Plant and equipment	2 to 36
Right of use assets	Based on the remaining lease
Roads, Kerbing and Paths	
Subgrade	Infinite
Access roads - Formation and Earthworks	Infinite
Distributor roads - Pavement	54 to 75
Surface	5 to 30
Kerbs	36 to 80
Paths	30 to 80
Land	Infinite

Notes to the Financial Report

for the year ended 30 June 2024

Note 9. Property, Plant and Equipment, Infrastructure and Intangible Assets (continued)

(b) Temporarily Idle or retired from use assets

The City did not have any temporarily idle or retired from use assets as at 30 June 2024.

(c) Fully depreciated assets in use

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

	<b>2024</b>	<b>2023</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Furniture and equipment	11,185,344	6,204,722
Plant and equipment	5,742,582	4,708,732
Intangible Assets	797,000	755,000
Other Infrastructure	129,998	120,535
Buildings	1,701,500	–
Park Development	44,860	–
	<b>19,601,284</b>	<b>11,788,989</b>

Notes to the Financial Report  
for the year ended 30 June 2024

Note 9. Property, Plant and Equipment, Infrastructure and Intangible Assets (continued)

(d) Disposal of assets

The following assets were disposed of during the year.

	Note	Net book value			Sales proceeds			Profit			(loss)		
		2024 Actual	2024 Budget	2023 Actual	2024 Actual	2024 Budget	2023 Actual	2024 Actual	2024 Budget	2023 Actual	2024 Actual	2024 Budget	2023 Actual
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>By asset class</b>													
<i>Property, plant and equipment</i>													
	7a												
Land held for resale		(23,791)	–	–	–	–	–	–	–	–	23,791	–	–
Land		22,837	–	530,010	–	–	431,212	–	–	–	(22,837)	–	(98,798)
Buildings		118,346	–	41,199	–	–	–	–	–	–	(118,346)	–	(41,199)
Plant and equipment		492,713	736,192	324,455	1,127,359	1,408,800	975,886	723,840	781,427	681,154	(89,194)	(108,819)	(29,723)
Land under development and developed land		–	–	168,985	–	–	843,264	–	–	674,279	–	–	–
<i>Infrastructure</i>													
	8a												
Drainage		–	–	23,165	–	–	–	–	–	–	–	–	(23,165)
Park development		922,040	–	1,928,327	–	–	–	–	–	–	(922,040)	–	(1,928,327)
Other infrastructure		67,093	–	408,148	–	–	–	–	–	–	(67,094)	–	(408,148)
<i>Intangible Assets</i>													
	11												
Intangible assets		–	–	69,945	–	–	–	–	–	–	–	–	(69,945)
<b>Total by asset class</b>		<b>1,599,238</b>	<b>736,192</b>	<b>3,494,234</b>	<b>1,127,359</b>	<b>1,408,800</b>	<b>2,250,362</b>	<b>723,840</b>	<b>781,427</b>	<b>1,355,433</b>	<b>(1,195,720)</b>	<b>(108,819)</b>	<b>(2,599,305)</b>

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 9. Property, Plant and Equipment, Infrastructure and Intangible Assets (continued)

## MATERIAL ACCOUNTING POLICIES

**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.

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

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000 in accordance with *Local Government (Financial Management) Regulation 17A (5)*. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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

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

Individual assets that are land, buildings and infrastructure acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the Financial Management Regulation 17A(4).

**Revaluation**

In accordance with the regulatory framework the fair value of land, buildings and infrastructure is determined within a period of five years. This includes buildings and infrastructure items where pre-existing improvements exist on vested land acquired by the City. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)*

which requires land, buildings, infrastructure, and vested improvements to be shown at fair value.

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

**Depreciation and amortisation**

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset component's useful life from the time the asset is held ready for use or depreciated over its remaining useful life once revalued. 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 and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

**Depreciation on revaluation**

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

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

**Impairment**

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the City is not required to comply with *AASB136 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

## Notes to the Financial Report

for the year ended 30 June 2024

### Note 9. Property, Plant and Equipment, Infrastructure and Intangible Assets (continued)

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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 the Financial Report

for the year ended 30 June 2024

## Note 10. Leases

## (a) Right of use assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

	Note	Colour printer copier machines \$	Total \$
<b>2023</b>			
<b>Balance at 1 July 2022</b>		15,449	15,449
Depreciation	9a	(14,400)	(14,400)
<b>Carrying amount at 30 June 2023</b>		1,049	1,049
Gross balance amount at 30 June 2023		108,923	108,923
Accumulated depreciation at 30 June 2023		(107,874)	(107,874)
<b>Balance at 30 June 2023</b>		1,049	1,049
<b>2024</b>			
<b>Balance at 1 July 2023</b>		1,049	1,049
Depreciation	9a	(1,049)	(1,049)
<b>Carrying amount at 30 June 2024</b>		–	–
Gross balance amount at 30 June 2024		108,923	108,923
Accumulated depreciation at 30 June 2024		(108,923)	(108,923)
<b>Balance at 30 June 2024</b>		–	–

	Note	2024 Actual \$	2023 Actual \$
<b>Cash outflow from leases</b>			
Finance charge on lease liabilities	27d	60	589
Lease liabilities principal repayments	27d	1,204	16,403
Short-term lease payments recognised as expense		–	19,575
<b>Total cash outflow from leases</b>		1,264	36,567
<b>Other expenses relating to leases</b>			
Depreciation		1,049	14,400

## (b) Lease liabilities

Current		–	1,204
<b>Total lease liabilities</b>	27d	–	1,204

The City has a lease relating to plant and equipment, specifically a colour printer copier machine. The lease term for this lease is 4 years. Potential exposure to future cash flows is not reflected in the measurement of lease liabilities.

**Secured liabilities and assets pledged as security**

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.



## Notes to the Financial Report

for the year ended 30 June 2024

### Note 10. Leases (continued)

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#### **MATERIAL ACCOUNTING POLICIES**

##### **Leases**

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

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

##### **Right of use assets and Lease liability**

At the commencement date, a right of use (ROU) asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease.

ROU assets are subsequently measured under the cost model and are not revalued. All ROU assets (other than vested improvements) under zero cost concessionary leases (peppercorn leases) are measured at zero cost (i.e. not included in the statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value. Refer to Note 9 that details the significant accounting policies applying to vested improvements.

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

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 11. Intangible assets

Intangible assets are as follows:

	<b>2024</b>	<b>2023</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Computer Software</b>		
<b>Non-current</b>		
Gross carrying amount at 30 June	4,641,591	4,641,591
Accumulated amortisation at 30 June	(4,098,144)	(3,712,327)
<b>Carrying amount at 30 June</b>	<b>543,447</b>	<b>929,264</b>

Movement in the carrying amount of Intangible assets between the beginning and the end of the year:

<b>Balance at 1 July</b>	<b>929,264</b>	<b>1,441,249</b>
Additions - Work in progress	–	35,072
Expensed during the year	–	(64,875)
Amortisation expense	(385,817)	(412,237)
Disposals	–	(69,945)
<b>Carrying amount at 30 June</b>	<b>543,447</b>	<b>929,264</b>

**MATERIAL ACCOUNTING POLICIES****Computer software**

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the the City are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

**Amortisation**

Similarly, intangible assets are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Information on useful life can be found in Note 9.

Amortisation is included within depreciation in the Statement of Comprehensive Income

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

**Carrying Value Measurement**

## Notes to the Financial Report

for the year ended 30 June 2024

### Note 11. Intangible assets (continued)

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Intangible assets were revalued in 2019 based on estimation of useful life, pattern of consumption and asset obsolescence to assess level of remaining service potential of the depreciable amount.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 12. Trade and other payables

	2024	2023
	\$	\$
<b>Current</b>		
Trade creditors	3,738,740	3,268,028
Bonds and deposits	3,584,263	3,210,566
Other	356,192	36,972
Income in advance	7,817,397	7,419,555
Accrued expenditure	4,890,749	3,753,317
<b>Total current trade and other payables</b>	<b>20,387,341</b>	<b>17,688,438</b>

**MATERIAL ACCOUNTING POLICIES****Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liabilities and are normally paid within 14 days of recognition. The carrying amount of trade and other payables are considered to be the same as their fair value, due to their short- term nature.

**Bonds and deposits**

Bonds and deposits represent bonds received from customers mainly for planning and infrastructure work applications. The City has an obligation to return the bonds once customers satisfy the regulatory requirements related to the applications.

**Income in advance**

Income in advance represent liabilities arising from payments received by the City prior to satisfying its obligation to provide goods or render service. Current year income in advance mainly comprises 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 income for the prepaid rates that have not been refunded.

**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.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 13. Contract, grant and contribution liabilities

	2024 \$	2023 \$
<b>Current</b>		
Liabilities from contract with customers	104,253	235,062
Capital grant liabilities	2,367,221	1,393,044
Developer Contribution Plan liabilities	149,345	2,277,734
	<u>2,620,819</u>	<u>3,905,840</u>
<b>Non-current</b>		
Deposits received in advance of services provided	42,000	–
Developer Contribution Plan liabilities	24,313,164	18,880,485
	<u>24,355,164</u>	<u>18,880,485</u>

**Expected satisfaction of capital grant/contribution liabilities**

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.

Performance obligations in relation to capital grant/contribution liabilities classified as current liabilities are expected to satisfy within one year. The non-current Developer Contribution plan liabilities relates to payments to developers for construction of common infrastructure works in accordance with the developer contribution arrangements. As payments are dependent on developers constructing the infrastructure and submitting a claim, the City is unable to reliably estimate the satisfaction of these performance obligations.

	2024 \$	2023 \$
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	235,062	179,922
Additions	104,253	235,062
Revenue from contracts with customers included as a contract liability at the start of the period	(235,062)	(179,922)
	<u>104,253</u>	<u>235,062</u>
<b>Reconciliation of changes in capital grant/contribution liabilities</b>		
Opening balance	1,393,044	3,940,137
Additions	2,152,187	828,252
Revenue from capital grant/contributions held as a liability at the start of the period	(1,178,010)	(3,375,345)
	<u>2,367,221</u>	<u>1,393,044</u>
<b>Reconciliation of changes in Developer Contribution Plan liabilities</b>		
Opening balance	21,158,219	23,948,051
Additions	8,194,682	1,618,789
Revenue from developer contributions held as a liability at start of period	(4,890,392)	(4,408,621)
	<u>24,462,509</u>	<u>21,158,219</u>

**MATERIAL ACCOUNTING POLICIES****Contract liabilities**

Contract liabilities represent the City's obligation to transfer goods or services to customers for which the City has received consideration from customers.

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

## Notes to the Financial Report

for the year ended 30 June 2024

### Note 13. Contract, grant and contribution liabilities (continued)

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**Capital grant liabilities**

Capital grant liabilities are recognised for transfers received to acquire or construct non-financial assets that are to be controlled by the City where the City has yet to perform the obligations under the transfers.

Capital grant liabilities are recognised as revenue when the obligations under the transfers are performed.

**Developer Contribution Plan liability**

The City receives contributions from landowners as required under developer contribution arrangements. In accordance with State Planning Policy 3.6 "Infrastructure Contributions", the contributions are recognised in the City's cash-backed reserves (refer to Note 28). Developer contribution plan liabilities represent the unspent contributions from the developer contribution plans relating to construction and/or acquisition of assets that will be controlled by the City.

Developer Contributions are recognised as revenue when the performance obligations in the arrangement are satisfied, i.e. when the arrangement reimburses the City or developer for the construction and/or acquisition of assets.

Notes to the Financial Report  
for the year ended 30 June 2024

Note 14. Borrowings

Note	2024			2023			
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$	
<b>Secured</b>							
Other loans	15,387,863	5,189,191	20,577,054	976,618	6,180,711	7,157,329	
<b>Total secured borrowings</b>	27a	15,387,863	5,189,191	20,577,054	976,618	6,180,711	7,157,329

The City has complied with the financial obligations of its borrowing facilities during the 2024 and 2023 years.

**MATERIAL ACCOUNTING POLICIES**

**Borrowing costs**

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

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.

**Risk exposure**

Information regarding exposure to risk can be found at Note 21.

Details of individual borrowings required by regulations are provided in Note 27.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 15. Employee related provisions

	2024	2023
	\$	\$
<b>(a) Employee related provisions</b>		
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	4,256,743	4,307,273
Long service leave	5,451,067	5,269,523
Provision for On-costs	1,709,812	1,585,467
Provision for Deferred Salaries	250,979	223,300
Provision for Rostered Day Off	65,420	35,293
Provision from Time Owed In Lieu	169,448	306,285
<b>Total current employee related provisions</b>	<b>11,903,469</b>	<b>11,727,141</b>
<b>Non-current provisions</b>		
Long service leave	546,230	540,235
Provision for On-costs	100,931	106,843
<b>Total non-current employee related provisions</b>	<b>647,161</b>	<b>647,078</b>
<b>Total employee related provisions</b>	<b>12,550,630</b>	<b>12,374,219</b>

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

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

The settlement of annual leave and long service liabilities give rise to the payment of employment on costs including workers' compensation insurance. The provision for on-cost is the present value of expected future payments.

	2024	2023
	\$	\$

**Amounts are expected to be settled on the following basis:****Annual leave liabilities**

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:

Within 12 months of the end of the reporting period	2,913,918	2,830,744
More than 12 months after the end of the reporting period	1,342,825	1,476,529
<b>Total annual leave liabilities</b>	<b>4,256,743</b>	<b>4,307,273</b>

**Long service leave liabilities**

Unconditional long service leave provisions are classified as current liabilities as the City does not have an unconditional right to defer settlement of the liability until the employee has completed requisite years of service. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Within 12 months of the end of the reporting period	4,778,981	4,469,688
More than 12 months after the end of the reporting period	1,184,775	1,340,070
<b>Total long service leave liabilities</b>	<b>5,963,756</b>	<b>5,809,758</b>

The provision for long service leave is calculated at the present value as the City does not expect to wholly settle the amounts within 12 months. The present value is measured taking into account the present value of expected future payments to be made in relation to services provided by employees up to the reporting date. These payments are estimated using the remuneration



## Notes to the Financial Report

for the year ended 30 June 2024

## Note 15. Employee related provisions (continued)

	2024	2023
	\$	\$
rate expected to apply at the time of settlement, and discounted using market yields at the end of the reporting period on government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.		
<b>Deferred salaries</b>		
Deferred salary arrangement allows employees to reduce their salary by 20% over four years and take paid leave in the fifth year at 80% of their salary.		
Deferred salary 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:		
Within 12 months of the end of the reporting period	155,361	36,736
More than 12 months after the end of the reporting period	95,618	186,564
<b>Total deferred salaries</b>	<u>250,979</u>	<u>223,300</u>

**MATERIAL ACCOUNTING POLICIES****Employee benefits**

The City's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as 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 (other than termination benefits) 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, accrued rostered day off and time owed in lieu. 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 and salaries 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 benefit provisions 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 remeasurement for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

**Provisions**

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

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

Notes to the Financial Report  
for the year ended 30 June 2024

Note 16. Revaluation surplus

		2024	2024	2024	2024	2023	2023	2023	2023
	Note	Opening Balance	Revaluation Increment	Revaluation Write back on Disposals	Closing Balance	Opening Balance	Revaluation Increment	Revaluation Write back on Disposals	Closing Balance
		\$	\$	\$	\$	\$	\$	\$	\$
Land and buildings	7a	168,717,291	–	(52,946)	168,664,345	169,003,969	–	(286,678)	168,717,291
Plant and equipment		849,576	–	(289,255)	560,321	1,260,888	–	(411,312)	849,576
Furniture and equipment		2,785,860	–	–	2,785,860	2,785,860	–	–	2,785,860
Roads, footpaths and kerbs	8a	431,973,828	–	–	431,973,828	406,197,641	25,776,187	–	431,973,828
Bridges (Road)	8a	23,922,639	–	–	23,922,639	12,263,874	11,658,765	–	23,922,639
Drainage	8a	222,077,584	–	–	222,077,584	214,703,646	7,350,580	23,358	222,077,584
Other infrastructure	8a	15,213,135	–	(171,628)	15,041,507	13,279,800	1,925,824	7,511	15,213,135
Intangible assets		2,728,056	–	–	2,728,056	2,729,029	–	(973)	2,728,056
Parks developments	8a	70,171,955	–	(1,026,354)	69,145,601	41,055,935	30,484,975	(1,368,955)	70,171,955
		<b>938,439,924</b>	<b>–</b>	<b>(1,540,183)</b>	<b>936,899,741</b>	<b>863,280,642</b>	<b>77,196,331</b>	<b>(2,037,049)</b>	<b>938,439,924</b>
		<b>938,439,924</b>	<b>–</b>	<b>(1,540,183)</b>	<b>936,899,741</b>	<b>863,280,642</b>	<b>77,196,331</b>	<b>(2,037,049)</b>	<b>938,439,924</b>

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 17. Notes to the statement of cash flows

**(a) Reconciliation of cash**

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

	Note	2024 Actual \$	2023 Actual \$
<b>Cash and cash equivalents</b>	3	<u>46,473,335</u>	<u>51,389,695</u>

**Restrictions**

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	30,257,249	32,179,694
- Financial assets at amortised cost	4	99,000,000	88,000,000
		<u>129,257,249</u>	<u>120,179,694</u>

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash backed	28	126,785,775	118,551,588
Contract liabilities from transfers for recognisable non-financial assets	13	2,367,221	1,393,044
Contract liabilities from contracts with customers	13	104,253	235,062
<b>Total restricted financial assets</b>		<u>129,257,249</u>	<u>120,179,694</u>

**(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities**

Net result		2,210,241	5,808,902
Non-cash items:			
Depreciation/amortisation		31,394,588	28,372,564
Adjustments to fair value of financial assets at fair value through profit or loss		1,521	(14,827)
(Profit)/loss on sale of asset		471,880	1,243,872
Public Open Space Cash-in-Lieu contributions		(1,122,042)	(1,703,109)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(1,360,074)	(1,435,596)
(Increase)/decrease in inventories		(92,027)	(26,719)
Increase/(decrease) in trade and other payables		905,371	3,580
Increase/(decrease) in employee related provisions		176,411	129,293
Increase/(decrease) in other liabilities		(122,527)	54,615
Capital grants, subsidies and contributions		(21,478,236)	(29,680,768)
<b>Net cash provided by/(used in) operating activities</b>		<u>10,985,106</u>	<u>2,751,807</u>

Notes to the Financial Report

for the year ended 30 June 2024

Note 17. Notes to the statement of cash flows (continued)

	<b>2024</b>	<b>2023</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Undrawn borrowing facilities credit standby arrangements</b>		
Credit card limit	300,000	300,000
Credit card balance at balance date	(99,639)	(5,877)
<b>Total amount of credit unused</b>	<b>200,361</b>	<b>294,123</b>

The city does not have an overdraft facility during the financial year.

		<b>2024</b>	<b>2023</b>
	Note	<b>\$</b>	<b>\$</b>
<b>Loan facilities</b>			
Loan facilities - current	14	15,387,863	976,618
Loan facilities - non-current	14	5,189,191	6,180,711
<b>Total facilities in use at balance date</b>		<b>20,577,054</b>	<b>7,157,329</b>

There were no unused loan facilities as at 30 June 2023. Unused loan facilities as at 30 June 2022 was \$983,656

Notes to the Financial Report  
for the year ended 30 June 2024

Note 18. Contingent liabilities

The City did not have any contingent liabilities at the reporting date.

Note 19. Capital commitments

	2024	2023
	\$	\$
<b>(a) Capital expenditure commitments</b>		
<b>Contracted for:</b>		
- capital expenditure projects *	10,031,396	1,340,015
- plant & equipment purchases *	1,860,308	1,388,906
	<u>11,891,704</u>	<u>2,728,921</u>
<b>Payable:</b>		
- not later than one year	11,891,704	2,728,921

The capital expenditure projects outstanding at the end of the reporting periods are related to the facilities, engineering and environmental capital projects and plant and equipment purchases.

(\*) Commitments greater than \$100,000

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 20. Related party transactions

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>(a) Council Member Remuneration</b>			
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	49,435	49,435	48,704
Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Mayor's travel and accommodation expenses	1,322	2,904	6,876
<b>Total</b>	<b>147,637</b>	<b>149,219</b>	<b>151,077</b>
Deputy Mayor's annual allowance	23,089	23,345	22,999
Deputy Mayor's meeting attendance fees	32,599	32,960	32,470
Deputy Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Deputy Mayor's travel and accommodation expenses	1,445	2,904	2,111
<b>Total</b>	<b>60,633</b>	<b>62,709</b>	<b>61,080</b>
All other council member's meeting attendance fees	356,950	352,356	324,520
All other council member's annual allowance for ICT expenses	39,066	37,416	35,000
All other council members' travel and accommodation expenses	9,442	31,950	8,793
<b>Total</b>	<b>405,458</b>	<b>421,722</b>	<b>368,313</b>
<b>Total</b>	<b>613,728</b>	<b>633,650</b>	<b>580,470</b>
20b			

Note	2024 Actual \$	2023 Actual \$
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**(b) Key management personnel****Key Management Personnel (KMP) Compensation**

The total of compensation paid to KMP of the City during the year are as follows:

Short-term employee benefits	1,541,932	1,476,486
Post-employment benefits	160,774	147,348
Employee - other long-term benefits	144,184	134,743
Council member costs	613,728	580,470
<b>Total</b>	<b>2,460,618</b>	<b>2,339,047</b>

*Short-term employee benefits*

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

*Post-employment benefits*

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

*Other long-term benefits*

## Notes to the Financial Report

for the year ended 30 June 2024

### Note 20. Related party transactions (continued)

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

#### *Council member costs*

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

### (c) Transactions with related parties

There were no transactions with related parties that have occurred during the year.

#### **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 20(a) and 20(b).

##### *ii. Other Related Parties*

There is no other related parties requiring disclosure during the current or previous year.

Short-term employee benefits related to an associate person of the CEO who was employed by the City under normal employment terms and conditions.

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 the Financial Report

for the year ended 30 June 2024

## Note 21. Financial risk management

## Financial risk management

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	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 other than low value purchases on corporate purchase cards and is therefore not subject to foreign currency risk.

Financial risk management is carried out by the finance department under policies approved by the Council. The finance department identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council has 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 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted average interest rate %	Carrying amounts \$	Fixed interest rate \$	Variable interest rate \$	Non interest bearing \$
<b>2024</b>					
Cash and cash equivalents	1.52%	46,473,335	–	46,467,535	5,800
Financial assets at amortised cost - term deposits	5.29%	99,000,000	99,000,000	–	–
<b>2023</b>					
Cash and cash equivalents	2.88%	51,389,695	–	51,382,920	6,775
Financial assets at amortised cost - term deposits	4.49%	88,000,000	88,000,000	–	–



## Notes to the Financial Report

for the year ended 30 June 2024

## Note 21. Financial risk management (continued)

**Sensitivity**

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

	2024	2023
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity *	464,675	513,829

(\*) Holding all other variables constant

**Borrowings**

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 27(a).

**(b) Credit risk****Trade and Other Receivables**

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2023 or 1 July 2024 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There has been no material movement in the loss allowance as at the 30 June 2024.

The loss allowance as at 30 June 2024 and 30 June 2023 for rates receivable was determined as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$	\$	\$	\$	\$
<b>30 June 2024</b>					
<b>Trade receivables</b>					
Expected credit loss	0.00%	0.00%	0.00%	11.02%	
Gross carrying amount	434,446	90,255	273,718	89,049	887,468
Loss allowance	–	–	–	9,814	9,814
<b>Other receivables</b>					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	257,227	–	–	–	257,227
Loss allowance	–	–	–	–	–

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 21. Financial risk management (continued)

	Current \$	More than 30 days past due \$	More than 60 days past due \$	More than 90 days past due \$	Total \$
<b>30 June 2023</b>					
<b>Trade receivables</b>					
Expected credit loss	0.08%	0.02%	1.27%	11.04%	
Gross carrying amount	286,178	82,903	11,603	85,397	466,081
Loss allowance	229	13	147	9,425	9,814
<b>Other receivables</b>					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	156,232	18,238	40,884	813,036	1,028,390
Loss allowance	–	–	–	–	–

## (c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<b>2024</b>					
Trade and other payables	12,569,944	–	–	12,569,944	12,569,944
Borrowings	16,220,955	4,326,851	1,081,713	21,629,519	20,577,054
	<b>28,790,899</b>	<b>4,326,851</b>	<b>1,081,713</b>	<b>34,199,463</b>	<b>33,146,998</b>
<b>2023</b>					
Trade and other payables	10,268,883	–	–	10,268,883	10,268,883
Borrowings	1,081,713	4,326,850	2,163,425	7,571,988	7,157,329
	<b>11,350,596</b>	<b>4,326,850</b>	<b>2,163,425</b>	<b>17,840,871</b>	<b>17,426,212</b>

## Notes to the Financial Report

for the year ended 30 June 2024

### Note 22. Events occurring after the end of the reporting period

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There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the City, the results of those operations, or the state of affairs of the City in future financial years.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 23. 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 or non-current based on the City's intentions to release for sale.

**c) Rounding off figures**

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

**d) Comparative figures**

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

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

**e) Budget comparative figures**

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

**f) Superannuation**

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

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

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

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

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

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

**h) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**Valuation techniques**

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

## Notes to the Financial Report

for the year ended 30 June 2024

### Note 23. Other Material Accounting Policies (continued)

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selected by the City are consistent with one or more of the following valuation approaches:

*Market approach*

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

*Income approach*

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

*Cost approach*

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

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

#### **i) Impairment of assets**

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

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

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

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 24. Function and activity

**(a) Service objectives and descriptions**

City operations as disclosed in these financial statements encompass the following service orientated functions and activities.

**OBJECTIVES****DESCRIPTION****GOVERNANCE**

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

The administration and operation of facilities and services to the elected Members of Council. This program also includes other costs that relate to Elected Members and ratepayers which are not covered under other programs such as citizen ceremonies, civic receptions and elections.

**GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

Revenue from rates including differential rates and interim rates, interest and fees on instalment arrangements and interest on arrears. Amounts receivable from the Western Australian Local Government Grants Commission for untied grants such as the Financial Assistance Grants. Interest revenue received on municipal and reserve investments is allocated to this program.

**LAW, ORDER, PUBLIC SAFETY**

To provide services to ensure a safer community.

Administration and operation of funds received from the Department of Fire and Emergency Services for the Gosnells Bush Fire Brigade and State Emergency Service. Provision of community safety programs and Ranger services including registering and impounding of cats and dogs. Revenue allocated to this program includes cat and dog registrations, infringements and prosecutions.

**HEALTH**

To provide an operational framework for good community health.

Administration, inspection and operation of programs concerned with the general health of the community. Revenues and expenses relating to regulation and monitoring of food premises including food sample analysis and noise complaints.

**EDUCATION AND WELFARE**

To assist in meeting the education needs of the community.

Administration, support and operation of services for youth and families, seniors and persons with a disability. Operation of Addie Mills Centre. Provision of Community Development programs and events such as NAIDOC Week and Harmony Week.

**COMMUNITY AMENITIES**

To provide services required by the community.

Administration and operation of the refuse collection and disposal services. Provision of programs for the management and protection of the environment including the Switch Your Thinking program. The administration of town planning schemes, planning applications and associated land issues. This program also includes administration and operations relating to bus shelters, the Kenwick Cemetery and graffiti management.

Notes to the Financial Report

for the year ended 30 June 2024

Note 24. Function and activity (continued)

**OBJECTIVES**

**DESCRIPTION**

**RECREATION AND CULTURE**

To establish and manage facilities for the well-being of the community.

Administration and operation of the Civic Centre, community halls, recreation centres, parks, sporting facilities, Leisure World, Don Russell Performing Arts Centre, Libraries and Wilkinson Homestead Museum. Provision of heritage and community programs and events, Arts and Culture programs, Sponsorship and Funding programs.

**TRANSPORT**

To provide effective infrastructure to the community in the most efficient way.

Administration, maintenance and construction of roads, drainage, footpaths, bridges, including road verges, streetscapes, crossovers, road signs, street trees, street signage and street lighting. This program also includes the City's car parking facilities and road plant purchases.

**ECONOMIC SERVICES**

To promote the City and improve its economic base.

The development, promotion, support and research of economic development issues and progression of urban development projects. Provision of building control and swimming pool inspection services. Revenue allocated to this program includes royalties from the Boral quarry and telephone tower leases.

**OTHER PROPERTY AND SERVICES**

To provide services required by the community.

Private works carried out on property or services not under the care, control and management of the City. Works also include reinstatement work on the City's infrastructure as a result of damage from development. Plant operations, administration and public works overheads are allocated to the above programs. This program also includes any unclassified activities such as sale of land for the City's land subdivision projects and miscellaneous reserve transfers.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 24. Function and activity (continued)

## (b) Income and expenses

	2024 Actual \$	2023 Actual \$
<b>Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
Governance	1,500	–
General purpose funding	86,637,741	80,219,402
Law, order, public safety	462,101	599,268
Health	372,419	631,858
Education and welfare	119,951	113,652
Community amenities	19,831,276	18,197,731
Recreation and culture	4,505,312	5,838,136
Transport	1,113,452	1,115,084
Economic services	2,182,829	2,066,432
Other property and services	582,982	913,725
	<u>115,809,563</u>	<u>109,695,288</u>
<b>Grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
Governance	138,220	10,513
General purpose funding	5,416,387	6,771,720
Law, order, public safety	536,187	630,990
Health	13,060	10,418
Education and welfare	27,836	69,202
Community amenities	5,474,819	12,082,942
Recreation and culture	5,319,690	3,377,770
Transport	12,717,422	15,467,360
Economic services	7,323	3,665
Other property and services	478,524	348,095
	<u>30,129,468</u>	<u>38,772,675</u>
<b>Total income</b>	<u>145,939,031</u>	<u>148,467,963</u>
<b>Expenses</b>		
Governance	(2,958,778)	(1,979,074)
General purpose funding	(1,688,965)	(1,381,389)
Law, order, public safety	(4,234,154)	(3,400,190)
Health	(1,589,317)	(1,124,830)
Education and welfare	(4,851,428)	(3,765,069)
Community amenities	(29,114,704)	(30,497,233)
Recreation and culture	(51,990,818)	(45,679,348)
Transport	(31,901,353)	(31,176,940)
Economic services	(2,244,783)	(2,041,112)
Other property and services	(13,154,490)	(21,613,876)
	<u>(143,728,790)</u>	<u>(142,659,061)</u>
<b>Net result for the period</b>	<u>2,210,241</u>	<u>5,808,902</u>



Notes to the Financial Report

for the year ended 30 June 2024

Note 24. Function and activity (continued)

(c) Total assets

	<b>2024</b>	<b>2023</b>
	<b>Actual</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>
Governance	9,391,549	9,928,439
General purpose funding	111,614,534	99,520,809
Law, order, public safety	4,374,771	4,355,321
Health	585,180	587,960
Education and welfare	5,336,991	5,402,329
Community amenities	4,688,893	5,863,849
Recreation and culture	173,177,461	175,953,275
Transport	987,003,692	984,580,355
Economic services	612,535	162,412
Other property and services	208,328,886	191,250,017
Unallocated	47,582,785	52,398,778
<b>Total assets</b>	<b><u>1,552,697,277</u></b>	<b><u>1,530,003,544</u></b>

Notes to the Financial Report  
for the year ended 30 June 2024

Note 25. Rating information

Rate Type	2024 Actual					2024 Budget			2023 Actual	
	Rate in cents	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Total Revenue \$
<b>General Rates</b>										
<b>Gross Rental Value (GRV)</b>										
Extractive Industry	12.8890	3	355,000	45,756	-	45,756	45,756	-	45,756	55,734
General GRV	6.7840	38,285	940,123,130	63,777,945	776,127	64,554,072	63,784,048	770,000	64,554,048	56,322,252
Rural GRV	8.1410	829	21,439,346	1,745,378	21,673	1,767,050	1,745,377	-	1,745,377	1,677,386
Tenancy Agreements	7.2840	52	2,442,465	177,909	3,358	181,267	176,755	-	176,755	202,246
Town Centre	7.8010	61	8,126,475	633,946	1,141	635,087	633,946	-	633,946	664,635
<b>Unimproved Value (UV)</b>										
Rural UV	0.2996	24	34,895,000	104,545	1850	106,396	104,545	-	104,545	87,300
Rural UV Agricultural Concession	0.2397	5	64,450,000	154,487	(132)	154,355	154,487	-	154,487	159,613
<b>Total general rates</b>		<b>39,259</b>	<b>1,071,831,416</b>	<b>66,639,966</b>	<b>804,017</b>	<b>67,443,982</b>	<b>66,644,914</b>	<b>770,000</b>	<b>67,414,914</b>	<b>59,169,165</b>
<b>Minimum Payment</b>										
<b>\$</b>										
<b>Gross Rental Value (GRV)</b>										
General GRV	1,044	9,957	130,353,831	10,395,108	-	10,395,108	10,396,152	-	10,396,152	14,411,547
Rural GRV	1,044	17	155,983	17,748	-	17,748	17,748	-	17,748	30,270
Tenancy Agreements	1,044	10	61,650	10,440	-	10,440	10,440	-	10,440	10,090
Town Centre	1,044	9	82,560	9,396	-	9,396	9,396	-	9,396	6,054
<b>Unimproved Value (UV)</b>										
Rural UV	1,044	2	337,000	2,088	-	2,088	2,088	-	2,088	2,018
<b>Total minimum payments</b>		<b>9,995</b>	<b>130,991,024</b>	<b>10,434,780</b>	<b>-</b>	<b>10,434,780</b>	<b>10,435,824</b>	<b>-</b>	<b>10,435,824</b>	<b>14,459,979</b>
<b>Total general rates and minimum payments</b>		<b>49,254</b>	<b>1,202,822,440</b>	<b>77,074,746</b>	<b>804,017</b>	<b>77,878,762</b>	<b>77,080,738</b>	<b>770,000</b>	<b>77,850,738</b>	<b>73,629,144</b>
<b>Specified Area Rate</b>										
<b>Gross Rental Value (GRV)</b>										
Bletchley Park	0.3980	1,635	38,587,360	153,570	1,321	154,892	153,570	-	153,578	140,146
Brookland Greens	0.2973	562	16,411,610	48,789	122	48,911	48,789	-	48,792	40,160
Sanctuary Waters	0.3147	691	17,880,475	56,266	3	56,270	56,266	-	56,270	50,858
The Avenues	0.3311	498	11,686,920	38,693	6	38,698	38,693	-	38,695	33,188
The Boardwalk	0.2401	627	19,284,313	46,299	3	46,301	46,299	-	46,302	34,924
The Reserve	0.1644	361	9,862,480	16,212	53	16,264	16,212	-	16,214	12,223
<b>Total specified area rates</b>		<b>4,374</b>	<b>113,713,138</b>	<b>359,828</b>	<b>1,508</b>	<b>361,336</b>	<b>359,828</b>	<b>-</b>	<b>359,851</b>	<b>311,499</b>
Ex-gratia rates						<u>84,518</u>			<u>58,500</u>	<u>78,765</u>
<b>Total amount raised from rates</b>						<b>78,324,616</b>			<b>78,269,089</b>	<b>74,019,408</b>

## Notes to the Financial Report

for the year ended 30 June 2024

### Note 25. Rating information (continued)

**Purpose for the rate and proposed application of proceeds:**

To recover in each Specified Area up to 17.5% of the park and environmental cost incurred by the City as they are maintained to a higher standard.

**Description of the areas in which rates are applied:**

Bletchley Park and surrounds	Housing development generally known as “Bletchley Park”
Brookland Greens and surrounds	Housing development generally known as “Brookland Greens”
Sanctuary Waters and surrounds	Housing development generally known as “Sanctuary Waters”
The Avenues and surrounds	Housing development generally known as “The Avenues”
The Boardwalk and surrounds	Housing development generally known as “The Boardwalk”
The Reserve and surrounds	Housing development generally known as “The Reserve”

**Additional Rates Information**

	<b>2023/24</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Waivers	83,011	88,373	100,890
Write Offs	26	-	28
Rates instalment interest	209,969	213,748	200,912
Rates overdue interest	350,687	330,000	357,027
Rates instalment administration fee	256,947	254,500	231,587

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 the Financial Report

for the year ended 30 June 2024

## Note 26. Determination of surplus or deficit

	2023/24	2023/24	2022/23
	30 June 2024	Budget 30 June 2024	30 June 2023
Note	Carried Forward	Carried Forward	Carried Forward
	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
<b>Adjustments to operating activities</b>			
Less: Profit on asset disposals	(723,840)	(781,427)	(1,355,433)
Less: Fair value adjustments to financial assets at fair value through profit or loss	1,521	–	(14,827)
Add: Loss on disposal of assets	1,195,720	108,819	2,599,305
Add: Depreciation	9a 31,394,588	26,838,048	28,372,564
Non-cash movements in assets and liabilities:			
Pensioner deferred rates	(87,360)	–	(77,081)
Employee benefit provisions	–	–	(14,857)
Movement in non current developer contribution plan liability	5,474,762	–	–
Movement in current developer contribution plan liability	(2,128,389)	–	(4,003,362)
Movement in non-current receivables	799,463	–	(799,463)
<b>Non-cash amounts excluded from operating activities</b>	<b>35,926,465</b>	<b>26,165,440</b>	<b>24,706,846</b>
<b>(b) Non-cash amounts excluded from investing activities</b>			
<b>Adjustments to investing activities</b>			
Movement in non-current capital grant/contribution liability	–	–	1,213,533
Infrastructure assets received for substantially less than fair value	8a (7,068,481)	–	(7,569,628)
Non cash Capital grants, subsidies and contributions	7,068,481	–	7,569,628
Plant and Equipment depreciation capitalised	9a 265,885	–	248,306
<b>Non-cash amounts excluded from investing activities</b>	<b>265,885</b>	<b>–</b>	<b>1,461,839</b>

**(c) Non-cash amounts excluded from financing activities****Adjustments to financing activities**

Notes to the Financial Report

for the year ended 30 June 2024

Note 26. Determination of surplus or deficit (continued)

		2023/24	2023/24	2022/23
	Note	30 June 2024 Carried Forward	Budget 30 June 2024 Carried Forward	30 June 2023 Carried Forward
		\$	\$	\$
<b>(d) Surplus/(deficit) after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	28	(126,785,775)	(107,668,558)	(118,551,588)
Developer contribution plan liabilities	13	149,347	6,281,095	2,277,734
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	15,387,863	984,641	976,618
- Current portion of lease liabilities	10b	-	-	1,204
<b>Total adjustments to net current assets</b>		<u>(111,248,565)</u>	<u>(100,402,822)</u>	<u>(115,296,032)</u>
<b>Net current assets used in the Statement of Financial Activity</b>				
Total current assets		159,340,767	141,468,031	151,092,923
Less: Total current liabilities		(50,299,492)	(41,065,209)	(34,299,241)
Less: Total adjustments to net current assets		<u>(111,248,565)</u>	<u>(100,402,822)</u>	<u>(115,296,032)</u>
<b>Surplus or deficit after imposition of general rates</b>		<u>(2,207,290)</u>	<u>-</u>	<u>1,497,650</u>

Notes to the Financial Report  
for the year ended 30 June 2024

Note 27. Borrowing and lease liabilities

(a) Borrowings

Purpose	Note	Actual Principal at 1 July 2022	New loans During 2022-23	Principal repayments During 2022-23	Actual Principal at 30 June 2023	New loans During 2023-24	Principal repayments During 2023-24	Actual Principal at 30 June 2024	Principal at 1 July 2023	Budget		
										New loans During 2022-23	Principal repayments During 2022-23	Principal at 30 June 2024
Central Maddington ODP Infrastructure		8,119,269	–	(961,941)	7,157,328	–	(976,618)	6,180,710	7,157,329	–	(976,618)	6,180,711
Mills Park Redevelopment		1,554,392	–	(1,554,392)	–	–	–	–	–	–	–	–
Robinson Park Subdivision and Park Development		5,600,000	–	(5,600,000)	–	–	–	–	–	–	–	–
Southern River Business Park Development		–	–	–	–	14,396,344	–	14,396,344	–	2,546,616	–	2,546,616
<b>Total</b>		<b>15,273,661</b>	<b>–</b>	<b>(8,116,333)</b>	<b>7,157,328</b>	<b>14,396,344</b>	<b>(976,618)</b>	<b>20,577,054</b>	<b>7,157,329</b>	<b>2,546,616</b>	<b>(976,618)</b>	<b>8,727,327</b>
<b>Total Borrowings</b>	14	<b>15,273,661</b>	<b>–</b>	<b>(8,116,333)</b>	<b>7,157,328</b>	<b>14,396,344</b>	<b>(976,618)</b>	<b>20,577,054</b>	<b>7,157,329</b>	<b>2,546,616</b>	<b>(976,618)</b>	<b>8,727,327</b>

Purpose	Institution	Interest Rate	Function and activity	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023
Central Maddington ODP Infrastructure	WA Treasury Corporation	1.52%	Community Amenities	01/04/2030	(155,180)	(150,075)	(147,605)
Mills Park Redevelopment	WA Treasury Corporation	2.91%	Recreation and Culture	25/01/2023	–	–	(50,718)
Southern River Business Park Development	WA Treasury Corporation	4.92%	Other Property and Services	16/06/2025	–	(95,513)	–
Robinson Park Subdivision and Park Development	WA Treasury Corporation	1.07%	Other Property and Services	30/12/2022	–	–	(57,260)
<b>Total Finance Cost Payments</b>					<b>(155,180)</b>	<b>(245,588)</b>	<b>(255,583)</b>

Notes to the Financial Report

for the year ended 30 June 2024

Note 27. Borrowing and lease liabilities (continued)

(b) New Borrowings - 2023/24

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Southern River Business Park Development	WA Treasury Corporation	Short-term	1							
				4.92%	14,396,334	15,380,000	14,396,334	2,546,616	149,047	–

(c) Unspent Borrowings

The City did not have any unspent loan funds as at 30 June 2024.

Notes to the Financial Report  
for the year ended 30 June 2024

Note 27. Borrowing and lease liabilities (continued)

(d) Lease liabilities

Purpose	Note	Actual						Budget				
		Principal at 1 July 2022	New leases During 2022-23	Principal repayments During 2022-23	Principal at 30 June 2023	New leases During 2023-24	Principal repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New leases During 2023-24	Principal repayments During 2023-24	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Colour printer copier machines		17,607	–	(16,403)	1,204	–	(1,204)	–	–	–	(3,098)	–
<b>Total lease liabilities</b>	10b	17,607	–	(16,403)	1,204	–	(1,204)	–	–	–	(3,098)	–

Purpose	Lease number	Institution	Lease interest rate	Function and activity	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease term
						\$	\$	\$	
Colour printer copier machines		Ricoh Australia	0.82%	Other Properties and Services	31/05/2024	(60)	(70)	589	48 Months
<b>Total Finance Cost Payments</b>						(60)	(70)	589	



## Notes to the Financial Report

for the year ended 30 June 2024

## Note 28. Reserve accounts

## (a) Movements in reserve accounts

	2023/24 Actual	2023/24 Budget	2022/23 Actual
	\$	\$	\$
<b>Restricted by Council</b>			
<b>(a) Asset Management</b>			
Opening Balance	110,505	42,944	919,811
Amount used / Transfer from reserve	(9,766)	(14,000)	(518,691)
Amount set aside / Transfer to reserve	84,179	87,935	14,533
Transfer between reserves - equity	-	-	(305,148)
	<u>184,918</u>	<u>116,879</u>	<u>110,505</u>
<b>(b) Central Maddington City Funded Common Infrastructure Works</b>			
Opening Balance	1,377,639	1,362,326	1,331,160
Amount set aside / Transfer to reserve	70,902	43,077	46,479
	<u>1,448,541</u>	<u>1,405,403</u>	<u>1,377,639</u>
<b>(c) Community Infrastructure</b>			
Opening Balance	16,539,901	16,678,614	24,814,513
Amount used / Transfer from reserve	(2,348,801)	(4,259,579)	(3,720,552)
Amount set aside / Transfer to reserve	1,071,901	601,576	3,996,647
Transfer between reserves - equity	531,945	476,141	(8,550,707)
	<u>15,794,946</u>	<u>13,496,752</u>	<u>16,539,901</u>
<b>(d) Covid-19 Recovery</b>			
Opening Balance	-	-	1,250,510
Amount used / Transfer from reserve	-	-	(1,079,532)
Amount set aside / Transfer to reserve	-	-	22,697
Transfer between reserves - equity	-	-	(193,675)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(e) Gosnells and Beckenham Laneways (formerly Developer Contributions Infrastructure)</b>			
Opening Balance	853,301	813,137	805,010
Amount used / Transfer from reserve	2,799	-	(91,424)
Amount set aside / Transfer to reserve	42,092	71,402	139,715
Transfer between reserves - equity	(628,958)	(573,154)	-
	<u>269,234</u>	<u>311,385</u>	<u>853,301</u>
<b>(f) Gosnells Oval Redevelopment</b>			
Opening Balance	305,290	347,998	1,162,084
Amount used / Transfer from reserve	(90,870)	(268,100)	(930,757)
Amount set aside / Transfer to reserve	54,358	58,979	73,963
	<u>268,778</u>	<u>138,877</u>	<u>305,290</u>
<b>Total Restricted by Council C/Fwd</b>	<u>17,966,418</u>	<u>15,469,296</u>	<u>19,186,636</u>

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 28. Reserve accounts (continued)

## (a) Movements in reserve accounts (continued)

	2023/24 Actual	2023/24 Budget	2022/23 Actual
	\$	\$	\$
<b>Total Restricted by Council B/Fwd</b>	<u>17,966,418</u>	<u>15,469,296</u>	<u>19,186,636</u>
<b>(g) Gosnells Town Centre Revitalisation</b>			
Opening Balance	5,368,250	5,553,927	5,451,717
Amount used / Transfer from reserve	(240,507)	(305,752)	(362,045)
Amount set aside / Transfer to reserve	<u>372,007</u>	<u>257,694</u>	<u>278,578</u>
	<u>5,499,750</u>	<u>5,505,869</u>	<u>5,368,250</u>
<b>(h) Harmony Fields</b>			
Opening Balance	-	-	144,558
Amount used / Transfer from reserve	-	-	(30,223)
Amount set aside / Transfer to reserve	-	-	61,417
Transfer between reserves - equity	-	-	(175,752)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(i) Heritage Condition Reward Scheme</b>			
Opening Balance	25,528	31,679	31,758
Amount used / Transfer from reserve	(6,260)	(7,260)	(7,260)
Amount set aside / Transfer to reserve	<u>1,290</u>	<u>772</u>	<u>1,030</u>
	<u>20,558</u>	<u>25,191</u>	<u>25,528</u>
<b>(j) Insurance</b>			
Opening Balance	671,760	664,145	649,099
Amount set aside / Transfer to reserve	<u>34,573</u>	<u>21,000</u>	<u>22,661</u>
	<u>706,333</u>	<u>685,145</u>	<u>671,760</u>
<b>(k) Langford Oval Redevelopment</b>			
Opening Balance	-	-	117,851
Amount used / Transfer from reserve	-	-	(65,326)
Amount set aside / Transfer to reserve	-	-	33,416
Transfer between reserves - equity	-	-	(85,941)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(l) Local Government Elections</b>			
Opening Balance	221,819	219,502	49,336
Amount used / Transfer from reserve	(404,416)	(450,000)	-
Amount set aside / Transfer to reserve	<u>253,026</u>	<u>240,300</u>	<u>172,483</u>
	<u>70,429</u>	<u>9,802</u>	<u>221,819</u>
<b>Total Restricted by Council C/Fwd</b>	<u>24,263,488</u>	<u>21,695,304</u>	<u>25,473,993</u>

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 28. Reserve accounts (continued)

## (a) Movements in reserve accounts (continued)

	2023/24 Actual	2023/24 Budget	2022/23 Actual
	\$	\$	\$
<b>Total Restricted by Council B/Fwd</b>	<u>24,263,488</u>	<u>21,695,304</u>	<u>25,473,993</u>
<b>(m) Local Open Space Strategy</b>			
Opening Balance	2,129,560	1,681,397	7,563,868
Amount used / Transfer from reserve	(1,014,131)	(1,565,690)	(6,143,841)
Amount set aside / Transfer to reserve	125,799	49,937	709,533
Transfer between reserves - equity	25,431	25,431	-
	<u>1,266,660</u>	<u>191,075</u>	<u>2,129,560</u>
<b>(n) Maddington/Kenwick Revitalisation</b>			
Opening Balance	1,907,920	2,693,639	2,632,617
Amount used / Transfer from reserve	(179,609)	-	(809,857)
Amount set aside / Transfer to reserve	95,126	61,458	85,160
	<u>1,823,437</u>	<u>2,755,097</u>	<u>1,907,920</u>
<b>(o) Mills Park</b>			
Opening Balance	-	-	400,943
Amount used / Transfer from reserve	-	-	(78,587)
Amount set aside / Transfer to reserve	-	-	73,930
Transfer between reserves - equity	-	-	(396,286)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(p) Operations Centre and Waste Transfer Facility</b>			
Opening Balance	23,399,829	23,609,104	23,122,120
Amount used / Transfer from reserve	(150,982)	(1,212,341)	(519,318)
Amount set aside / Transfer to reserve	1,200,175	700,686	797,027
Transfer between reserves - equity	-	-	-
	<u>24,449,023</u>	<u>23,097,449</u>	<u>23,399,829</u>
<b>(q) Plant and Equipment</b>			
Opening Balance	2,327,021	2,603,737	3,678,814
Amount used / Transfer from reserve	(2,961,392)	(2,831,935)	(3,095,539)
Amount set aside / Transfer to reserve	3,198,130	2,495,165	1,743,746
	<u>2,563,759</u>	<u>2,266,967</u>	<u>2,327,021</u>
<b>(r) Public Art Contribution</b>			
Opening Balance	149,583	109,292	42,173
Amount set aside / Transfer to reserve	102,786	55,037	107,410
	<u>252,370</u>	<u>164,329</u>	<u>149,583</u>
<b>Total Restricted by Council C/Fwd</b>	<u>54,618,736</u>	<u>50,170,221</u>	<u>55,387,906</u>

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 28. Reserve accounts (continued)

## (a) Movements in reserve accounts (continued)

	2023/24 Actual	2023/24 Budget	2022/23 Actual
	\$	\$	\$
<b>Total Restricted by Council B/Fwd</b>	<b>54,618,736</b>	<b>50,170,221</b>	<b>55,387,906</b>
<b>(s) Rate Revaluation</b>			
Opening Balance	319,383	335,424	591,622
Amount used / Transfer from reserve	-	-	(446,098)
Amount set aside / Transfer to reserve	142,616	134,400	173,859
	<u>461,998</u>	<u>469,824</u>	<u>319,383</u>
<b>(t) Refuse Disposal Site Rehabilitation</b>			
Opening Balance	610,838	649,922	621,368
Amount used / Transfer from reserve	(132,347)	(402,523)	(62,349)
Amount set aside / Transfer to reserve	58,537	144,833	51,819
	<u>537,027</u>	<u>392,232</u>	<u>610,838</u>
<b>(u) Strategic Capital Development</b>			
Opening Balance	608,869	347,348	2,162,895
Amount used / Transfer from reserve	(609,453)	(221,268)	(2,619,890)
Amount set aside / Transfer to reserve	668,943	750,016	1,065,864
	<u>668,359</u>	<u>876,096</u>	<u>608,869</u>
<b>(v) Streetscape Levy</b>			
Opening Balance	217,228	145,819	85,125
Amount used / Transfer from reserve	(53,900)	-	-
Amount set aside / Transfer to reserve	105,371	4,611	132,103
	<u>268,699</u>	<u>150,430</u>	<u>217,228</u>
<b>(w) Sutherlands Park</b>			
Opening Balance	786,368	871,246	1,032,002
Amount used / Transfer from reserve	(332,049)	(633,707)	(343,641)
Amount set aside / Transfer to reserve	117,379	83,326	98,007
	<u>571,699</u>	<u>320,865</u>	<u>786,368</u>
<b>(x) Sutherlands Park Leisure Aquatic Sports Hub (SPLASH)</b>			
Opening Balance	10,349,123	10,201,241	-
Amount used / Transfer from reserve	(252,917)	(453,000)	-
Amount set aside / Transfer to reserve	528,740	307,632	349,123
Transfer between reserves - equity	-	-	10,000,000
	<u>10,624,946</u>	<u>10,055,873</u>	<u>10,349,123</u>
<b>Total Restricted by Council C/Fwd</b>	<b>67,751,464</b>	<b>62,435,541</b>	<b>68,279,715</b>

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 28. Reserve accounts (continued)

## (a) Movements in reserve accounts (continued)

	2023/24 Actual	2023/24 Budget	2022/23 Actual
	\$	\$	\$
<b>Total Restricted by Council B/Fwd</b>	<u>67,751,464</u>	<u>62,435,541</u>	<u>68,279,715</u>
<b>(y) Synthetic Surfaces Renewal</b>			
Opening Balance	123,729	119,581	421,416
Amount used / Transfer from reserve	-	-	(308,590)
Amount set aside / Transfer to reserve	6,368	3,781	10,903
	<u>130,097</u>	<u>123,362</u>	<u>123,729</u>
<b>(z) Walter Padbury Park</b>			
Opening Balance	-	-	211,693
Amount used / Transfer from reserve	-	-	(48,912)
Amount set aside / Transfer to reserve	-	-	62,154
Transfer between reserves - equity	-	-	(224,935)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(aa) Waste Reserve</b>			
Opening Balance	2,715,411	2,613,761	2,520,503
Amount used / Transfer from reserve	(469,402)	(1,726,142)	(190,798)
Amount set aside / Transfer to reserve	165,764	65,911	385,706
	<u>2,411,772</u>	<u>953,530</u>	<u>2,715,411</u>
<b>(ab) Community Waste Transfer and Recycle Facility</b>			
Opening Balance	518,224	509,859	-
Amount used / Transfer from reserve	(120,205)	(276,172)	-
Amount set aside / Transfer to reserve	1,562,940	1,517,681	518,224
	<u>1,960,960</u>	<u>1,751,368</u>	<u>518,224</u>
<b>(ac) Capital Works in Progress</b>			
Opening Balance	1,703,682	1,558,326	-
Amount used / Transfer from reserve	(737,821)	(1,413,756)	-
Amount set aside / Transfer to reserve	1,649,234	3,325	1,703,682
	<u>2,615,095</u>	<u>147,895</u>	<u>1,703,682</u>
<b>(ad) Sutherlands Park Master Plan Implementation</b>			
Opening Balance	3,162,022	3,324,655	-
Amount used / Transfer from reserve	(655,255)	(1,156,129)	(217,185)
Amount set aside / Transfer to reserve	1,360,366	1,100,188	3,308,186
Transfer between reserves - equity	-	-	71,021
	<u>3,867,132</u>	<u>3,268,714</u>	<u>3,162,022</u>
<b>Total Restricted by Council</b>	<u>78,736,521</u>	<u>68,680,410</u>	<u>76,502,783</u>

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 28. Reserve accounts (continued)

## (a) Movements in reserve accounts (continued)

	2023/24 Actual	2023/24 Budget	2022/23 Actual
	\$	\$	\$
<b>Restricted by legislation</b>			
<b>(ae) ODP - Canning Vale</b>			
Opening Balance	4,487,634	4,353,860	4,251,471
Amount used / Transfer from reserve	(18,399)	(23,407)	(116,840)
Amount set aside / Transfer to reserve	790,404	136,929	270,330
Transfer between reserves - equity	-	-	82,673
	<u>5,259,640</u>	<u>4,467,382</u>	<u>4,487,634</u>
<b>(af) ODP - Central Maddington Precinct 1</b>			
Opening Balance	899	(20,511)	(163,048)
Amount used / Transfer from reserve	(35,695)	(19,896)	(14,440)
Amount set aside / Transfer to reserve	692,554	-	178,387
	<u>657,758</u>	<u>(40,407)</u>	<u>899</u>
<b>(ag) ODP - Central Maddington Precinct 2</b>			
Opening Balance	1,711,121	1,709,831	1,684,937
Amount used / Transfer from reserve	(2,365)	(3,511)	(1,822)
Amount set aside / Transfer to reserve	48,126	52,990	28,006
	<u>1,756,882</u>	<u>1,759,310</u>	<u>1,711,121</u>
<b>(ah) ODP - Homestead Road</b>			
Opening Balance	901,043	893,465	610,618
Amount used / Transfer from reserve	(347,621)	(23,407)	(12,045)
Amount set aside / Transfer to reserve	378,062	27,511	302,470
	<u>931,483</u>	<u>897,569</u>	<u>901,043</u>
<b>(ai) ODP - Maddington Road A and B</b>			
Opening Balance	1,960,858	1,940,548	1,906,609
Amount used / Transfer from reserve	(21,098)	(23,407)	(12,043)
Amount set aside / Transfer to reserve	101,962	61,555	66,292
Transfer between reserves - equity	29,581	29,581	-
	<u>2,071,304</u>	<u>2,008,277</u>	<u>1,960,858</u>
<b>(aj) ODP - Southern River Precinct 1</b>			
Opening Balance	1,579,167	1,566,425	1,538,592
Amount used / Transfer from reserve	(13,977)	(23,407)	(12,399)
Amount set aside / Transfer to reserve	82,534	49,802	52,974
Transfer between reserves - equity	32,000	32,000	-
	<u>1,679,724</u>	<u>1,624,820</u>	<u>1,579,167</u>
<b>Total Restricted by legislation C/Fwd</b>	<u>12,356,790</u>	<u>10,716,951</u>	<u>10,640,722</u>

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 28. Reserve accounts (continued)

## (a) Movements in reserve accounts (continued)

	2023/24 Actual	2023/24 Budget	2022/23 Actual
	\$	\$	\$
<b>Total Restricted by legislation B/Fwd</b>	<u>12,356,790</u>	<u>10,716,951</u>	<u>10,640,722</u>
<b>(ak) ODP - Southern River Precinct 2</b>			
Opening Balance	7,329,026	6,735,619	5,910,501
Amount used / Transfer from reserve	(19,299)	(23,407)	(19,969)
Amount set aside / Transfer to reserve	1,278,339	212,240	1,438,494
	<u>8,588,065</u>	<u>6,924,452</u>	<u>7,329,026</u>
<b>(al) ODP - Southern River Precinct 3</b>			
Opening Balance	8,120,192	7,933,979	13,414,803
Amount used / Transfer from reserve	(1,644,073)	(21,067)	(2,653,890)
Amount set aside / Transfer to reserve*	6,187,480	191,668	(4,142,157)
Transfer between reserves - equity	-	-	1,501,436
	<u>12,663,599</u>	<u>8,104,580</u>	<u>8,120,192</u>
<b>(am) ODP - Southern River Precinct 3A</b>			
Opening Balance	-	-	3,872,689
Amount used / Transfer from reserve*	-	-	4,830,310
Amount set aside / Transfer to reserve*	-	-	(6,212,736)
Transfer between reserves - equity	-	-	(2,490,263)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(an) ODP - Southern River Precinct 3D</b>			
Opening Balance	(1,180)	(796)	(218)
Amount used / Transfer from reserve	(270)	(468)	(962)
	<u>(1,450)</u>	<u>(1,264)</u>	<u>(1,180)</u>
<b>(ao) ODP - Southern River Precinct 3E</b>			
Opening Balance	1,307,336	836,656	72,670
Amount used / Transfer from reserve	(217,414)	(234)	(412,049)
Amount set aside / Transfer to reserve	346,118	26,126	1,638,111
Transfer between reserves - equity	-	-	8,604
	<u>1,436,039</u>	<u>862,548</u>	<u>1,307,336</u>
<b>(ap) ODP - Southern River Precinct 3F</b>			
Opening Balance	-	-	1,298
Amount used / Transfer from reserve	-	-	-
Amount set aside / Transfer to reserve	-	-	1
Transfer between reserves - equity	-	-	(1,299)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Restricted by legislation C/Fwd</b>	<u>35,043,044</u>	<u>26,607,267</u>	<u>27,396,096</u>

\*Transactions for the 30 June 2023 financial year relates to reversal of interim contributions and offsets following the finalisation of the Outline Development Plan for Southern River Precinct 3 and its subprecincts.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 28. Reserve accounts (continued)

## (a) Movements in reserve accounts (continued)

	2023/24 Actual	2023/24 Budget	2022/23 Actual
	\$	\$	\$
<b>Total Restricted by legislation B/Fwd</b>	<b>35,043,044</b>	<b>26,607,267</b>	<b>27,396,096</b>
<b>(aq) ODP - Southern River Precinct 3A North</b>			
Opening Balance	6,162,339	6,151,578	-
Amount used / Transfer from reserve	(3,590,708)	(1,407)	(4,863,176)
Amount set aside / Transfer to reserve	1,330,980	176,302	10,043,884
Transfer between reserves - equity	-	-	981,631
	<u>3,902,611</u>	<u>6,326,473</u>	<u>6,162,339</u>
<b>(ar) ODP - Southern River Precinct 3A South</b>			
Opening Balance	(349)	(253)	-
Amount used / Transfer from reserve	(135)	(234)	(240)
Amount set aside / Transfer to reserve	47,092	-	-
Transfer between reserves – equity	-	-	(109)
	<u>(46,607)</u>	<u>(487)</u>	<u>(349)</u>
<b>(as) ODP - Southern River Precinct 5</b>			
Opening Balance	-	-	70,602
Amount set aside / Transfer to reserve	-	-	419
Transfer between reserves - equity	-	-	(71,021)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(at) ODP - West Canning Vale</b>			
Opening Balance	162,305	-	4,577,612
Amount used / Transfer from reserve	(172,305)	-	(4,398,459)
Amount set aside / Transfer to reserve	-	-	66,928
Transfer between reserves – equity	10,000	10,000	(83,776)
	<u>-</u>	<u>10,000</u>	<u>162,305</u>
<b>(au) Public Open Space - Cash in Lieu</b>			
Opening Balance	1,210,595	1,133,499	811,578
Amount set aside / Transfer to reserve	342,031	35,841	397,914
Transfer between reserves - equity	-	-	1,103
	<u>1,552,626</u>	<u>1,169,340</u>	<u>1,210,595</u>
<b>(av) TPS - 9A</b>			
Opening Balance	2,740,300	2,743,939	2,714,958
Amount used / Transfer from reserve	(37,623)	(538,371)	(68,315)
Amount set aside / Transfer to reserve	140,163	69,740	93,657
	<u>2,842,841</u>	<u>2,275,308</u>	<u>2,740,300</u>
<b>Total Restricted by legislation C/Fwd</b>	<b>43,387,729</b>	<b>36,387,901</b>	<b>37,671,286</b>



## Notes to the Financial Report

for the year ended 30 June 2024

## Note 28. Reserve accounts (continued)

## (a) Movements in reserve accounts (continued)

	2023/24 Actual	2023/24 Budget	2022/23 Actual
	\$	\$	\$
<b>Total Restricted by legislation B/Fwd</b>	<u>43,387,729</u>	<u>36,387,901</u>	<u>37,671,286</u>
<b>(aw) TPS – 10</b>			
Opening Balance	-	-	67,158
Amount set aside / Transfer to reserve	-	-	398
Transfer between reserves - equity	-	-	(67,556)
	<u>-</u>	<u>-</u>	<u>-</u>
<b>(ax) TPS – 15</b>			
Opening Balance	1,692,163	1,659,595	1,593,388
Amount used / Transfer from reserve	(27,313)	(1,564,035)	(12,072)
Amount set aside / Transfer to reserve	189,716	3,022	110,847
	<u>1,854,566</u>	<u>98,582</u>	<u>1,692,163</u>
<b>(ay) TPS – 17</b>			
Opening Balance	2,239,391	2,104,636	2,198,909
Amount used / Transfer from reserve	(16,249)	(143,407)	(35,607)
Amount set aside / Transfer to reserve	114,809	62,014	76,089
	<u>2,337,951</u>	<u>2,023,243</u>	<u>2,239,391</u>
<b>(az) TPS – 20</b>			
Opening Balance	445,965	463,759	693,003
Amount used / Transfer from reserve	-	-	(266,815)
Amount set aside / Transfer to reserve	23,042	14,664	19,777
	<u>469,004</u>	<u>478,423</u>	<u>445,965</u>
<b>Total Restricted by legislation</b>	<u>48,049,253</u>	<u>38,988,149</u>	<u>42,048,805</u>
<b>Total Reserves</b>	<u>126,785,775</u>	<u>107,668,559</u>	<u>118,551,588</u>
<b>Summary of reserves</b>			
Opening Balance	118,551,588	117,294,452	127,642,696
Amount used / Transfer from reserve	(16,931,829)	(19,607,019)	(29,761,248)
Amount set aside / Transfer to reserve	25,166,016	9,981,126	20,670,140
	<u>126,785,775</u>	<u>107,668,559</u>	<u>118,551,588</u>

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as reserve accounts.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 28. Reserve accounts (continued)

## (b) Purpose of reserve accounts

The purposes for which the reserves have been established are as follows:

Name of Reserve	Anticipated date of use	Purpose of the Reserve
<b>Restricted by Council</b>		
Asset Management	Ongoing	To fund costs associated with asset data collection and management, including the acquisition and implementation of an asset management system.
Capital Works in Progress	Ongoing	To hold funds for capital works projects which have been approved and funded but which will not be completed until a future financial year.
Central Maddington City Funded Common Infrastructure Works	Ongoing	To hold the City's contribution towards the Central Maddington Outline Development Plan (CMODP) and fund the provision of strategic common infrastructure works and public open space within the CMODP area.
Community Infrastructure	Ongoing	To fund the improvement and development of recreation and community facilities.
Community Waste Transfer and Recycle Facility	Ongoing	To fund the establishment of a Community Waste Transfer and Recycle Facility.
Gosnells and Beckenham Laneways (formerly Developer Contributions Infrastructure)	Ongoing	Developer contributions paid to the City for road and drainage infrastructure works or non-Town Planning Scheme or Outline Development Plan Projects, including funds received under Local Planning Policy 5.7 Gosnells and Beckenham Laneways.
Gosnells Oval Redevelopment	Ongoing	To fund improvement of recreation and community facilities at Gosnells Oval funded from Telco Tower leases.
Gosnells Town Centre Revitalisation	Ongoing	To fund opportunities for the redevelopment, improvement and maintenance of the Gosnells Town Centre.
Heritage Condition Reward Scheme	Ongoing	To fund the preservation or restoration of the City's significant historic items and to fund payments to owners of properties and trees listed in the City of Gosnells Heritage Inventory through the Condition Reward Scheme.
Insurance	Ongoing	To provide funds in case of calls on Council's participation in the self-insurance scheme.
Local Government Elections	Ongoing	For expenditure associated with holding of local government elections.
Local Open Space Strategy	Ongoing	To fund the implementation of projects (including enhancement, strategic acquisitions and disposals) identified in the Public Open Space Strategy, whereby alternative financial sources such as Public Open Space Cash In Lieu and Development Contribution Funds are not available or identified in the Strategy.
Maddington/Kenwick Revitalisation	Ongoing	To fund the cost of urban renewal in Maddington/Kenwick.

## Notes to the Financial Report

for the year ended 30 June 2024

## Note 28. Reserve accounts (continued)

## (b) Purpose of reserve accounts (continued)

Name of Reserve	Anticipated date of use	Purpose of the Reserve
<b>Restricted by Council (continued)</b>		
Operations Centre and Waste Transfer Facility	Ongoing	To fund expenditure relating to the development of a new Operations Centre, Waste Transfer Facility, Animal Pound and Impound Yard.
Plant and Equipment	Ongoing	To fund replacement or new acquisition of plant and associated equipment.
Public Art	Ongoing	To hold funds received under Local Planning Policy 6.0 – Public Art for the provision of public art.
Rate Revaluation	Ongoing	For expenditure associated with the revaluation of properties on which Council raises rates.
Refuse Disposal Site Rehabilitation	Ongoing	To fund site rehabilitation and POS development at the former Kelvin Road Waste Disposal site.
Strategic Capital Development	Ongoing	Royalties received from quarry set aside for investing in profit generating assets.
Streetscape Levy	Ongoing	To hold funds received under Local Planning Policy 4.7 - Planning and Development of Public Open Space and Streetscapes for the planting of trees in the development area.
Sutherlands Park	Ongoing	To fund improvement of recreation and community facilities at Sutherlands Park funded from Telco Tower leases.
Sutherlands Park Leisure Aquatic Sports Hub (SPLASH)	Ongoing	To fund the development of a recreation and aquatic centre at Sutherlands Park.
Sutherlands Park Master Plan Implementation	Ongoing	To fund costs associated with the implementation of Sutherlands Park Master Plan.
Synthetic Surface Renewal	Ongoing	To fund renewal of specialised sports surfaces and replacement of rubber softfall at playgrounds.
Waste Reserve	Ongoing	To fund costs associated with the delivery of the City's waste services.

Notes to the Financial Report

for the year ended 30 June 2024

Note 28. Reserve accounts (continued)

(b) Purpose of reserve accounts (continued)

Name of Reserve	Anticipated date of use	Purpose of the Reserve
<b>Restricted by legislation</b>		
ODP - Canning Vale		
ODP - Central Maddington Precinct 1		
ODP - Central Maddington Precinct 2		
ODP - Homestead Road		
ODP - Maddington Road A and B		
ODP - Southern River Precinct 1		
ODP - Southern River Precinct 2		
ODP - Southern River Precinct 3	Ongoing	To fund expenditure on infrastructure and administrative items within the ODP areas with contributions from developers.
ODP - Southern River Precinct 3A (North)		
ODP - Southern River Precinct 3A (South)		
ODP - Southern River Precinct 3D		
ODP - Southern River Precinct 3E		
ODP - Southern River Precinct 3F		
ODP - West Canning Vale		
Public Open Space – Cash in Lieu	Ongoing	To fund Public Open Space expenditure within the locality for which the cash in lieu is provided, and where local areas are seen to benefit. Funds to be used in accordance with Section 154 of the <i>Planning and Development Act 2005</i> .

## Notes to the Financial Report

for the year ended 30 June 2024

### Note 28. Reserve accounts (continued)

#### (b) Purpose of reserve accounts (continued)

##### Restricted by legislation (continued)

PS - 9A		
TPS - 15	Ongoing	To fund expenditure on infrastructure and administrative items within the TPS areas with contributions from developers.
TPS - 17		
TPS - 20		

The timing of expenditure from reserves is varied depending upon the timing of projects.

Notes to the Financial Report

for the year ended 30 June 2024

Note 29. Trust funds

	1-Jul-2023	Amounts received	Amounts paid	30 June 2024
	\$	\$	\$	\$
<b>Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:</b>				
Unclaimed Monies	47,319	5,391	(10,212)	42,498
Construction Training Fund	21,697	226,923	(214,990)	33,630
Building Commission	61,574	481,243	(466,411)	76,406
Development Applications	–	22,072	(21,884)	188
Public Open Space - Cash In Lieu	5,930,794	–	(1,122,042)	4,808,752
	<u>6,061,384</u>	<u>735,629</u>	<u>(1,835,539)</u>	<u>4,961,474</u>



# Auditor General

## INDEPENDENT AUDITOR'S REPORT

2024

City of Gosnells

**To the Council of the City of Gosnells**

### Opinion

I have audited the financial report of the City of Gosnells (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.

### 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](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 Gosnells 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