

City of Gosnells

FINANCIAL REPORT
for the year ended 30 June 2025

Financial Report

for the year ended 30 June 2025

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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 2025


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

STATEMENT BY CEO

This 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 2025 and the financial position as at 30 June 2025

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

Signed on the 4th day of December 2025



Ian Cowie PSM

Chief Executive Officer

Statement of comprehensive income

for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	25	82,644,499	82,782,977	78,324,616
Grants, subsidies and contributions	2a	6,847,917	7,226,457	7,529,191
Fees and charges	2a	30,911,229	30,430,139	28,424,645
Interest revenue	2a	8,452,108	5,691,041	7,795,155
Other revenue	2a	411,750	2,000	537,105
		<u>129,267,503</u>	<u>126,132,614</u>	<u>122,610,712</u>
Expenses				
Employee costs		60,214,865	59,984,579	56,810,744
Materials and contracts	2b	44,058,086	45,672,419	40,607,278
Utility charges		4,942,054	5,238,970	5,007,332
Depreciation	9a	31,726,725	30,614,786	31,394,588
Finance Costs	2b	165,616	137,782	107,481
Insurance expenses		1,256,362	1,308,558	1,144,537
Other Expenditure	2b	5,401,715	1,489,834	7,455,388
		<u>147,765,423</u>	<u>144,446,928</u>	<u>142,527,348</u>
Capital grants, subsidies and contributions	2a	27,339,111	17,031,828	21,478,236
Profit on asset disposals	9d	514,124	519,170	723,840
Loss on asset disposals	9d	(1,879,995)	(104,165)	(1,195,720)
Fair value adjustments to financial assets at fair value through profit or loss	4b	(8,098)	–	(1,521)
Public Open Space - Cash-in-Lieu contributions		2,234,134	2,290,376	1,122,042
Impairment reversal		71,732	–	–
		<u>28,271,008</u>	<u>19,737,209</u>	<u>22,126,877</u>
Net result for the period	24b	<u>9,773,088</u>	<u>1,422,895</u>	<u>2,210,241</u>
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	16	33,911,281	–	–
Total comprehensive income for the period		<u>43,684,369</u>	<u>1,422,895</u>	<u>2,210,241</u>



Statement of financial position

as at 30 June 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	3	25,359,697	46,473,335
Trade and other receivables	5	14,225,749	13,404,329
Other financial assets	4a	118,000,000	99,000,000
Inventories	6	325,094	463,103
Total current assets		157,910,540	159,340,767
Non-current assets			
Trade and other receivables	5	1,921,827	1,836,187
Other financial assets	4b	307,312	315,410
Inventories	6	1,277,377	1,206,977
Property, plant and equipment	7	342,364,759	288,836,150
Infrastructure	8	1,107,986,505	1,100,618,339
Right of use assets	10a	826,998	–
Intangible assets	11	160,045	543,447
Total non-current assets		1,454,844,823	1,393,356,510
Total assets	24c	1,612,755,363	1,552,697,277
Liabilities			
Current liabilities			
Trade and other payables	12	20,660,305	20,387,341
Contract, grant and contribution liabilities	13	493,793	104,253
Capital grant/contributions liabilities	13	4,682,376	2,516,566
Lease liabilities	10b	183,073	–
Current portion of long term borrowings	14	27,055,367	15,387,863
Employee related provisions	15	12,408,536	11,903,469
Total current liabilities		65,483,450	50,299,492
Non-current liabilities			
Contract, grant and contribution liabilities	13	42,000	42,000
Capital grant/contributions liabilities	13	23,453,403	24,313,164
Lease liabilities	10b	614,583	–
Long term borrowings	14	6,481,883	5,189,191
Employee related provisions	15	789,406	647,161
Total non-current liabilities		31,381,275	30,191,516
Total liabilities		96,864,725	80,491,008
Net assets		1,515,890,638	1,472,206,269
Equity			
Retained surplus		425,666,378	408,520,753
Cash-backed reserves	28	121,950,218	126,785,775
Revaluation surplus	16	968,274,042	936,899,741
Total equity		1,515,890,638	1,472,206,269

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



Statement of changes in equity

for the year ended 30 June 2025

	Note	Retained surplus \$	Reserves Cash Backed \$	Revaluation surplus \$	Total Equity \$
Balance as at 1 July 2023		413,004,516	118,551,588	938,439,924	1,469,996,028
Restated balance as at 1 July		413,004,516	118,551,588	938,439,924	1,469,996,028
Comprehensive income for the period					
Net result for the period		2,210,241	–	–	2,210,241
Changes on revaluation of Non-current Assets	16	–	–	–	–
Other comprehensive income for the period		–	–	–	–
Total comprehensive income		2,210,241	–	–	2,210,241
Revaluation write back on disposals	16	1,540,183	–	(1,540,183)	–
Transfers to reserve accounts	28	(25,166,016)	25,166,016	–	–
Transfers from reserve accounts	28	16,931,829	(16,931,829)	–	–
Balance as at 30 June 2024		408,520,753	126,785,775	936,899,741	1,472,206,269
Balance as at 1 July 2024		408,520,753	126,785,775	936,899,741	1,472,206,269
Comprehensive income for the period					
Net result for the period		9,773,088	–	–	9,773,088
Changes on revaluation of Non-current Assets	16	–	–	33,911,281	33,911,281
Total comprehensive income		9,773,088	–	33,911,281	43,684,369
Revaluation write back on disposals	16	2,536,980	–	(2,536,980)	–
Transfers to reserve accounts	28	(22,432,378)	20,432,378	–	(2,000,000)
Transfers from reserve accounts	28	27,267,935	(25,267,935)	–	2,000,000
Balance as at 30 June 2025		425,666,378	121,950,218	968,274,042	1,515,890,638

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



Statement of cash flows

for the year ended 30 June 2025

	Note	2025 Actual \$	2024 Actual \$
Cash flows from operating activities			
Receipts			
Rates		83,007,772	78,573,109
Grants, subsidies and contributions		7,169,348	7,587,603
Fees and charges		30,931,811	29,228,417
Interest earnings		8,415,679	6,753,166
Goods and services tax		10,619,596	7,937,728
Other revenue		1,330,268	537,105
		<u>141,474,474</u>	<u>130,617,128</u>
Payments			
Employee costs		(59,369,178)	(56,731,408)
Materials and contracts		(44,782,375)	(41,200,623)
Utility charges		(4,942,054)	(5,007,332)
Finance costs		277,898	(53,117)
Insurance paid		(1,256,362)	(1,144,537)
Goods and services tax paid		(10,564,710)	(8,039,617)
Other expenditure		(5,401,491)	(7,455,388)
		<u>(126,038,272)</u>	<u>(119,632,022)</u>
Net cash provided by operating activities	17b	<u>15,436,202</u>	<u>10,985,106</u>
Cash flows from investing activities			
Payments			
Payments for construction of infrastructure	8a	(26,902,112)	(16,374,134)
Payments for financial assets at amortised cost		(175,000,000)	(133,000,000)
Payments for purchase of property, plant & equipment	7a	(22,100,496)	(22,672,140)
Receipts			
Proceeds from capital grants, subsidies and contributions		17,985,727	19,598,927
Proceeds from matured term deposits		156,000,000	122,000,000
Proceeds from assets disposals		566,605	1,127,359
Net cash (used in) investment activities		<u>(49,450,276)</u>	<u>(29,319,988)</u>
Cash flows from financing activities			
Payments			
Repayment of loan facilities	27a	(991,519)	(976,618)
Repayment of lease liabilities	27d	(59,760)	(1,204)
Receipts			
Proceeds from loan facilities	27a	13,951,715	14,396,344
Net cash provided by financing activities		<u>12,900,436</u>	<u>13,418,522</u>
Net (decrease) in cash held		<u>(21,113,638)</u>	<u>(4,916,360)</u>
Cash at beginning of year		46,473,335	51,389,695
Cash and cash equivalents at the end of the year	3	<u>25,359,697</u>	<u>46,473,335</u>

Statement of financial activity

for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	82,239,038	82,395,144	77,878,763
Rates excluding general rates	25	405,461	387,833	445,853
Grants, subsidies and contributions		6,847,917	7,226,457	7,529,191
Fees and charges		30,911,229	30,430,139	28,424,645
Interest revenue		8,452,108	5,691,041	7,795,155
Other revenue		411,750	2,000	537,105
Profit on asset disposals		514,124	519,170	723,840
Fair value adjustments to financial assets at fair value through profit or loss	4b	780	–	4,204
		129,782,407	126,651,784	123,338,756
Expenditure from operating activities				
Employee costs		60,214,865	59,984,579	56,810,744
Materials and contracts		44,058,086	45,672,419	40,607,278
Utility charges		4,942,054	5,238,970	5,007,332
Amortisation and depreciation		31,726,725	30,614,786	31,394,588
Interest expenses		165,616	137,782	107,481
Insurance expenses		1,256,362	1,308,558	1,144,537
Other expenses		5,401,715	1,492,139	7,455,388
Loss on asset disposals		1,879,995	104,165	1,195,720
Loss on revaluation of non-current assets		8,878	–	5,725
		149,654,296	144,553,398	143,728,793
Non-cash amounts excluded from operating activities				
Non-cash amounts excluded from operating activities	26	33,995,444	30,441,426	35,926,465
Amount attributable to operating activities		14,123,555	12,539,812	15,536,428
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		27,339,111	17,031,828	21,478,236
Proceeds from asset disposals		580,686	2,549,000	1,127,359
Public Open Space Cash-in-Lieu contributions		2,234,134	2,290,376	1,122,042
		30,153,931	21,871,204	23,727,637
Outflows from investing activities				
Acquisition of property, plant and equipment	7a	(33,520,865)	(35,910,395)	(24,463,147)
Acquisition of infrastructure	8a	(26,902,112)	(28,086,340)	(23,956,078)
Right of use assets received - non cash	10a	(857,418)	–	–
		(61,280,395)	(63,996,735)	(48,419,225)
Non-cash amounts excluded from investing activities	26	857,418	–	265,885
Amount attributable to investing activities		(30,269,046)	(42,125,531)	(24,425,703)

Statement of financial activity (continued)

for the year ended 30 June 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from loan facilities	27a	13,951,715	10,882,320	14,396,344
Transfers from reserve accounts	28	25,267,935	29,088,797	16,931,829
Proceeds from new leases - non cash	27d	857,418	–	–
		40,077,068	39,971,117	31,328,173
Outflows from financing activities				
Repayment of loan facilities	27a	(991,519)	(991,519)	(976,618)
Payments for principal portion of lease liabilities	27d	(59,758)	–	(1,204)
Transfers to reserve accounts	28	(20,432,378)	(9,814,804)	(25,166,016)
		(21,483,655)	(10,806,323)	(26,143,838)
Non-cash amounts excluded from financing activities		(857,418)	–	–
Amount attributable to financing activities		17,735,995	29,164,794	5,184,335
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26	(2,207,290)	420,925	1,497,650
Amount attributable to operating activities		14,123,555	12,539,812	15,536,428
Amount attributable to investing activities		(30,269,046)	(42,125,531)	(24,425,703)
Amount attributable to financing activities		17,735,995	29,164,794	5,184,335
Surplus/(deficit) after imposition of general rates	26	(616,786)	–	(2,207,290)

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

Notes to the Financial Report

for the year ended 30 June 2025

Notes to and forming part of the financial report

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Notes to the Financial Report

for the year ended 30 June 2025

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 7
 - Infrastructure - note 8
 - Expected credit losses on financial assets - note 5
 - Assets held for sale - note 7
 - Impairment losses of non-financial assets - note 8 and 9
 - Estimated useful life of intangible assets - note 11
 - Measurement of employee benefits - note 15

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.

New accounting standards for application in future years

Notes to the Financial Report

for the year ended 30 June 2025

Note 1. Basis of preparation (continued)

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*

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

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

The following 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 2025

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 is recognised on an accruals basis taking into account interest rates applicable to the financial assets. Interest on the 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 in lieu of the provision of public open space. 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 2025

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

Revenue Recognition

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

The table below shows the revenue recognised during the year.

Nature	Contracts with customers	Capital grant/ contributions	Statutory requirements	Other	Total
For the year ended 30 June 2025					
Rates	–	–	82,644,499	–	82,644,499
Grants, subsidies and contributions	814,824	–	–	6,033,093	6,847,917
Fees and charges	6,834,550	–	24,076,716	(37)	30,911,229
Interest revenue	–	–	–	8,452,108	8,452,108
Other revenue	–	–	–	411,750	411,750
POS - CIL Contributions	–	2,234,134	–	–	2,234,134
Capital grants, subsidies and contributions	–	26,997,905	–	341,206	27,339,111
Total	7,649,374	29,232,039	106,721,215	15,238,120	158,840,748
For the year ended 30 June 2024					
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
Total	7,062,068	22,600,278	100,268,638	15,280,006	145,210,990
			2025 Actual	2025 Budget	2024 Actual
			\$	\$	\$

Assets and services acquired below fair value

Contributed assets	18,517,367	–	7,058,481
	18,517,367	–	7,058,481

Interest revenue

Reserve funds	6,511,195	3,750,041	6,264,257
Other funds	1,048,212	1,355,000	970,242
Rates instalment and penalty interest	892,701	586,000	560,656
Total interest earnings	8,452,108	5,691,041	7,795,155

Notes to the Financial Report

for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

Service charges

The City did not impose any service charges in 2024/25.

	2025 Actual \$	2025 Budget \$	2024 Actual \$
Other revenue			
Discount received	5,017	–	122
Others	406,733	2,000	536,983
	<u>411,750</u>	<u>2,000</u>	<u>537,105</u>

Notes to the Financial Report

for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(b) Expenses

	2025 Actual \$	2025 Budget \$	2024 Actual \$
Materials and contracts			
Auditors remuneration			
- Audit of the annual financial report	123,296	162,000	125,200
- Audit of grant acquittals	4,757	3,000	1,100
Total Auditors remuneration	128,053	165,000	126,300
Other			
Materials	9,655,740	5,711,095	7,094,027
Other	34,274,293	39,796,324	33,386,951
Total	44,058,086	45,672,419	40,607,278
Employee costs			
Employee benefit costs	198,712	201,985	224,195
Wages and salaries	42,976,569	43,468,944	40,108,186
Employee leave entitlements	6,970,755	6,531,201	6,979,090
Superannuation	7,070,693	7,091,487	6,479,166
Workers' compensation insurance	542,811	559,696	542,429
Overtime	1,283,947	816,699	1,315,488
Protective clothing and uniforms	167,135	156,764	179,760
Recruitment costs	35,643	29,000	32,394
Training costs (other than salaries and wages)	406,055	617,380	435,159
Other employee costs	562,545	511,423	514,877
Total employee costs	60,214,865	59,984,579	56,810,744
Finance costs			
Operating - Interest on loan facilities	142,000	128,259	107,421
Operating - Interest on lease liabilities	23,616	9,523	60
Total	165,616	137,782	107,481
Capital interest on loan facilities	1,115,263	807,379	-

During the year, borrowing costs incurred in relation to the Southern River Business Park development were capitalised in accordance with AASB 123 Borrowing Costs. The amount capitalised represents finance costs on borrowings specifically drawn to fund the capital works.

Notes to the Financial Report

for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(b) Expenses (continued)

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Other expenditure				
Elected Members remuneration	20a	636,420	650,650	613,728
Election expenditure		–	–	404,416
Community sponsorship and donations		458,732	537,077	555,297
Rate waivers		85,306	82,826	83,011
Refund of fees and charges		11,346	7,765	26,143
ESL council properties		81,135	96,010	78,904
Developer contribution reimbursements		3,974,816	–	5,615,256
Other		153,960	115,506	78,633
Total other expenses		5,401,715	1,489,834	7,455,388

Notes to the Financial Report

for the year ended 30 June 2025

Note 3. Cash and cash equivalents

	Note	2025 \$	2024 \$
Cash on hand		5,850	5,800
Cash at bank		18,316,826	37,430,514
Term deposits		7,037,021	9,037,021
Total cash and cash equivalents	17	25,359,697	46,473,335
Held as			
- Unrestricted cash and cash equivalents		9,901,210	16,216,086
- Restricted cash and cash equivalents	17a	15,458,487	30,257,249
Total		25,359,697	46,473,335

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	2025 \$	2024 \$
(a) Current assets			
Financial assets at fair value through profit or loss		8,000,000	—
Financial assets at fair value through profit or loss			
Managed funds		8,000,000	—
		8,000,000	—
Financial assets at amortised cost			
Term deposits		110,000,000	99,000,000
		110,000,000	99,000,000
Held as			
- Unrestricted other financial assets at amortised cost		8,000,000	—
- Restricted other financial assets at amortised cost	17a	110,000,000	99,000,000
Total		118,000,000	99,000,000

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

Units in Local Government House Trust		199,049	207,927
Share in Rivers Regional Council		108,263	107,483
		307,312	315,410

Notes to the Financial Report

for the year ended 30 June 2025

Note 4. Other financial assets (continued)

	2025	2024
	\$	\$

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.

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 2024 as the audited financial statements as at 30 June 2025 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 2025 are unlikely to be material.

The City's investment in Rivers Regional Council (the "Council") represents a 30.79% share in Net Assets of \$353,424. 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 2024 as the audited financial statements as at 30 June 2025 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 2025 are unlikely to be material.

Financial assets at fair value through profit or loss

Opening balance	315,410	316,931
Share in River Regional Council	780	4,204
Units in Local Government House Trust	(8,878)	(5,725)
Closing balance	307,312	315,410

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 2025

Note 5. Trade and other receivables

	2025 \$	2024 \$
Current		
Rates receivables	7,257,699	7,406,385
Sundry receivables	1,546,288	1,144,694
Allowance for impairment of receivables	(9,814)	(9,814)
GST receivables	739,154	794,040
Accrued revenue	1,056,923	159,310
Accrued interest on term deposits	3,123,452	3,369,635
Prepayments	485,995	465,882
Capital grant receivables	26,052	74,197
	14,225,749	13,404,329
Non-current		
Pensioner's rates and ESL deferred	1,921,827	1,836,187
Sundry Receivables	–	–
	1,921,827	1,836,187

Disclosure of opening and closing balances related to contracts with customers

Information about receivables from contracts with customers is:

	30 June 2025 Actual \$	30 June 2024 Actual \$	1 July 2023 Actual \$
Trade and other receivables from contracts with customers	643,157	586,026	558,686
Contract Assets	26,052	74,197	–
Allowance for credit losses of trade receivables	(1,873)	(1,873)	(1,873)
Total trade and other receivables from contracts with customers	667,336	658,350	556,813

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 2025

Note 5. Trade and other receivables (continued)

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 2025

Note 6. Inventories

	2025	2024
	\$	\$
Current		
Fuel and materials	325,094	463,103
Total current inventories	325,094	463,103
Non-current		
Land under development and developed land - cost		
- Acquisition cost	1,277,377	1,206,977
Total non-current inventories	1,277,377	1,206,977

The following movements in inventories occurred during the year:

Carrying amount at 1 July	1,670,080	1,578,053
Inventories expensed during the year	(1,676,793)	(1,845,742)
Reclassification	70,401	(23,791)
Stock adjustments during the year	(82,978)	(48,452)
Additions to fuel and materials	1,621,761	1,986,221
Sale/disposals of inventory	-	23,791
Carrying amount at 30 June	1,602,471	1,670,080

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 2025

Note 7a. 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	Works in Progress - Land	Land	Buildings non-specialised	Furniture and equipment	Plant and equipment	
		\$	\$	\$	\$	\$	\$	\$	\$
Measurement basis									
Balance at 1 July 2023		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
Disposals	10d	(22,837)	(118,346)	–	(22,837)	(118,346)	–	(492,713)	(633,896)
Depreciation	10a	–	(5,148,084)	–	–	(5,148,084)	(1,207,227)	(2,559,470)	(8,914,781)
Additions - Works in Progress		–	1,012,104	16,696,808	16,696,808	1,012,104	278,151	–	17,987,063
Carrying amount at 30 June 2024		142,545,137	115,958,685	16,696,808	159,241,945	115,958,685	3,401,293	10,234,227	288,836,150
Comprises:									
Gross carrying amount at 30 June 2024		142,545,137	219,615,984	16,696,808	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)
Carrying amount at 30 June 2024	8b	142,545,137	115,958,685	16,696,808	159,241,945	115,958,685	3,401,293	10,234,227	288,836,150
					–	–	–		
Measurement basis									
Balance at 1 July 2024		142,545,137	115,958,685	16,696,808	159,241,945	115,958,685	3,401,293	10,234,227	288,836,150
Additions - Completed Works		2,843,151	3,146,647	–	2,843,151	3,146,647	552,130	3,598,616	10,140,544
Disposals	10d	(12,072)	(52,975)	–	(12,072)	(52,975)	–	(73,625)	(138,672)
Revaluation increments transferred to revaluation surplus	19	33,911,281	–	–	33,911,281	–	–	–	33,911,281
Depreciation	10a	–	(5,102,721)	–	–	(5,102,721)	(802,764)	(2,683,476)	(8,588,961)
Additions - Works in Progress		–	6,841,276	11,311,304	11,311,304	6,841,276	51,837	–	18,204,417
Carrying amount at 30 June 2025		179,287,497	120,790,912	28,008,112	207,295,609	120,790,912	3,202,496	11,075,742	342,364,759
Comprises:									
Gross carrying amount at 30 June 2025		179,287,497	227,954,486	28,008,112	207,295,609	227,954,486	18,616,730	25,629,366	479,496,191
Less: Accumulated depreciation at 30 June 2025		–	(107,163,574)	–	–	(107,163,574)	(15,414,234)	(14,553,624)	(137,131,432)
Carrying amount at 30 June 2025	8b	179,287,497	120,790,912	28,008,112	207,295,609	120,790,912	3,202,496	11,075,742	342,364,759

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

Notes to the Financial Report
for the year ended 30 June 2025

Note 7b. Carrying Amount Measurements

Asset class	Note	Carrying amount 2025 \$	Carrying amount 2024 \$	Fair value hierachy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date								
Land and buildings								
Land		170,027,497	132,784,137	2 & 3	Market Approach	Independent Valuation	30 June 2025	Price per square metre
Land		9,260,000	9,761,000	3	Income Approach	Independent Valuation	30 June 2025	Price per square metre
Total land	8a	<u>179,287,497</u>	<u>142,545,137</u>					
Buildings		120,790,912	115,958,685	3	Cost Approach	Independent 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.
Total buildings	8a	<u>120,790,912</u>	<u>115,958,685</u>					

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 local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

Asset class	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(ii) Cost				
Furniture and equipment	Cost approach	Not applicable	Not applicable	Not applicable
Plant and equipment	Cost approach	Not applicable	Not applicable	Not applicable
Land - Work in Progress	Cost approach	Not applicable	Not applicable	Not applicable

Notes to the Financial Report for the year ended 30 June 2025

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 \$
Measurement basis							–
Balance as at 1 July 2023		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
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)
Carrying amount at 30 June 2024		648,821,960	46,327,066	269,250,857	113,325,034	22,893,422	1,100,618,339
Comprises:							
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)
Carrying amount at 30 June 2024		648,821,960	46,327,066	269,250,857	113,325,034	22,893,422	1,100,618,339
Balance as at 1 July 2024		648,821,960	46,327,066	269,250,857	113,325,034	22,893,422	1,100,618,339
Additions - Completed Works		2,756,735	–	759,415	2,112,478	1,230,462	6,859,090
Additions - Developer Contributed Assets		7,249,135	–	3,453,655	7,814,577	–	18,517,367
Additions - Works in Progress		3,694,515	1,002,519	489,938	1,142,790	373,130	6,702,892
Disposals	9d	–	–	–	(1,807,885)	–	(1,807,885)
Depreciation	9a	(10,154,339)	(976,385)	(4,108,697)	(7,018,526)	(645,351)	(22,903,298)
Carrying amount at 30 June 2025		652,368,006	46,353,200	269,845,168	115,568,468	23,851,663	1,107,986,505
Comprises:							
Gross carrying amount at 30 June 2025		779,015,245	82,101,395	396,730,369	163,399,689	32,074,635	1,453,321,333
Accumulated depreciation at 30 June 2025		(126,647,239)	(35,748,195)	(126,885,201)	(47,831,221)	(8,222,972)	(345,334,828)
Carrying amount at 30 June 2025		652,368,006	46,353,200	269,845,168	115,568,468	23,851,663	1,107,986,505

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

Notes to the Financial Report
for the year ended 30 June 2025

Note 8. Infrastructure (continued)

(b) Carrying Amount
Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
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 2025

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 2025

Note 9. Fixed Assets

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
(a) Amortisation and depreciation				
Buildings	7a	5,102,721	4,913,555	5,148,084
Furniture and equipment	7a	802,764	748,572	1,207,227
Plant and equipment	7a	2,504,119	2,137,466	2,293,585
Drainage	8a	4,108,697	4,072,104	4,060,830
Park development	8a	7,018,526	6,620,772	6,904,561
Other infrastructure	8a	645,351	539,553	541,762
Bridges (Road)	8a	976,385	1,276,492	976,400
Roads, footpaths and kerbs	8a	10,154,339	9,921,812	9,875,274
Right of use assets	10a	30,420	–	1,049
Intangible assets	11	383,403	384,460	385,816
Total depreciation		31,726,725	30,614,786	31,394,588
Depreciation Capitalised				
Plant and equipment	7a	179,358	241,645	265,885
Total depreciation and amortisation		32,085,441	30,856,431	31,660,473

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 2025

Note 9. Fixed 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 2025.

(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.

	2025	2024
	Actual	Actual
	\$	\$
Furniture and equipment	11,902,316	11,185,344
Plant and equipment	6,337,395	5,742,582
Intangible Assets	797,000	797,000
Other Infrastructure	422,956	129,998
Buildings	337,200	1,701,500
Park Development	129,633	44,860
	<u>19,926,500</u>	<u>19,601,284</u>

Notes to the Financial Report
for the year ended 30 June 2025

Note 9. Fixed Assets (continued)

(d) Disposal of assets

The following assets were disposed of during the year.

	Note	Net book value			Sales proceeds			Profit			(loss)		
		2025 Actual	2025 Budget	2024 Actual	2025 Actual	2025 Budget	2024 Actual	2025 Actual	2025 Budget	2024 Actual	2025 Actual	2025 Budget	2024 Actual
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
By asset class													
<i>Property, plant and equipment</i>													
	7a												
Land held for resale		-	-	(23,791)	-	-	-	-	-	-	-	-	23,791
Land		12,072	18,000	22,837	110,000	(148,480)	-	97,928	-	-	-	-	(22,837)
Buildings		52,975	-	118,346	-	-	-	-	-	-	(52,975)	-	(118,346)
Plant and equipment		73,625	(185,000)	492,713	457,886	(589,000)	1,127,359	403,396	519,170	723,840	(19,135)	(104,165)	(89,194)
Furniture & Fittings		-	-	-	12,800	-	-	12,800	-	-	-	-	-
<i>Infrastructure</i>													
	8a												
Park development		1,807,885	-	922,040	-	-	-	-	-	-	(1,807,885)	-	(922,040)
Other infrastructure		-	271,164	67,093	-	218,309	-	-	-	-	-	-	(67,094)
Total by asset class		1,946,557	104,164	1,599,238	580,686	(519,171)	1,127,359	514,124	519,170	723,840	(1,879,995)	(104,165)	(1,195,720)

Notes to the Financial Report

for the year ended 30 June 2025

Note 9. Fixed 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 2025

Note 9. Fixed Assets (continued)

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 2025

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	Computers & Tablets \$	Gym Equipment \$	Colour printer copier machines \$	Total \$
2024					
Balance at 1 July 2023		–	–	1,049	1,049
Depreciation	9a	–	–	(1,049)	(1,049)
Carrying amount at 30 June 2024		–	–	–	–
Gross balance amount at 30 June 2024		–	–	108,923	108,923
Accumulated depreciation at 30 June 2024		–	–	(108,923)	(108,923)
Balance at 30 June 2024		–	–	–	–
2025					
Balance at 1 July 2024		–	–	–	–
Additions *		332,643	341,245	183,530	857,418
Depreciation	9a	–	–	(30,420)	(30,420)
Carrying amount at 30 June 2025		332,643	341,245	153,110	826,998
Gross balance amount at 30 June 2025		332,643	341,245	183,530	857,418
Accumulated depreciation at 30 June 2025		–	–	(30,420)	(30,420)
Balance at 30 June 2025		332,643	341,245	153,110	826,998

(*) Right of use asset additions are non-cash additions. Refer to note 20(b).

	Note	2025 Actual \$	2024 Actual \$
Cash outflow from leases			
Finance charge on lease liabilities		23,616	60
Lease liabilities principal repayments	27d	59,760	1,204
Short-term lease payments recognised as expense		–	–
Total cash outflow from leases		83,376	1,264
Other expenses relating to leases			
Depreciation		30,420	1,049
(b) Lease liabilities			
Current		183,073	–
Non-current		614,583	–
Total lease liabilities	27d	797,656	–

The City has three leases relating to plant & equipment. The leases relate to printercopiers, laptops and gym equipment and

Notes to the Financial Report

for the year ended 30 June 2025

Note 10. Leases (continued)

the lease terms range from 4-5 years. The measurement of lease liabilities does not include variable lease payments and any future cash outflows associated with leases not yet commenced to which the City is committed.

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 2025

Note 10. Leases (continued)

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 7 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 2025

Note 11. Intangible assets

Intangible assets are as follows:

	Note	2025 Actual \$	2024 Actual \$
Computer Software			
Non-current			
Gross carrying amount at 30 June		4,641,591	4,641,591
Accumulated amortisation at 30 June		(4,481,546)	(4,098,144)
Carrying amount at 30 June		160,045	543,447
Movement in the carrying amount of Intangible assets between the beginning and the end of the year:			
Balance at 1 July		543,448	929,264
Amortisation expense	9(a)	(383,403)	(385,816)
Carrying amount at 30 June		160,045	543,448

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.

Notes to the Financial Report

for the year ended 30 June 2025

Note 12. Trade and other payables

	2025	2024
	\$	\$
Current		
Trade creditors	4,289,284	3,738,740
Bonds and deposits	3,759,373	3,584,263
Income in advance	8,114,086	7,817,397
Accrued expenditure	3,671,602	4,890,749
Other	825,960	356,192
Total current trade and other payables	20,660,305	20,387,341

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.

Statutory liabilities

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability. Statutory liabilities are included as Trade creditors.

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 2025

Note 13. Contract, grant and contribution liabilities

	Note	2025 \$	2024 \$
Current			
Contract liabilities			
Liabilities from contract with customers	13(a)	493,793	104,253
		<u>493,793</u>	<u>104,253</u>
Capital grant/contributions liabilities			
Developer Contribution Plan liabilities	13(c)	1,667,900	149,345
Capital grant liabilities	13(b)	3,014,476	2,367,221
		<u>4,682,376</u>	<u>2,516,566</u>
		<u>5,176,169</u>	<u>2,620,819</u>
Non-current			
Contract liabilities			
Deposits received in advance of services provided		42,000	42,000
		<u>42,000</u>	<u>42,000</u>
Capital grant/contributions liabilities			
Developer Contribution Plan liabilities	13(c)	23,453,403	24,313,164
		<u>23,453,403</u>	<u>24,313,164</u>
		<u>23,495,403</u>	<u>24,355,164</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.

	2025 \$	2024 \$
13(a) Reconciliation of changes in contract liabilities		
Opening balance	104,253	235,062
Additions	493,793	104,253
Revenue from contracts with customers included as a contract liability at the start of the period	(104,253)	(235,062)
	<u>493,793</u>	<u>104,253</u>
13(b) Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	2,367,221	1,393,044
Additions	2,576,701	2,152,187
Revenue from capital grant/contributions held as a liability at the start of the period	(1,929,446)	(1,178,010)
	<u>3,014,476</u>	<u>2,367,221</u>

Notes to the Financial Report

for the year ended 30 June 2025

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

	2025	2024
	\$	\$
13(c) Reconciliation of changes in Developer Contribution Plan liabilities		
Opening balance	24,462,509	21,158,219
Additions	2,625,517	8,194,682
Revenue from developer contributions held as a liability at start of period	(1,966,723)	(4,890,392)
	25,121,303	24,462,509

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.

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 2025

Note 14. Borrowings

Note	2025			2024		
	Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Secured						
Other loans	27,055,367	6,481,883	33,537,250	15,387,863	5,189,191	20,577,054
Total secured borrowings	27a 27,055,367	6,481,883	33,537,250	15,387,863	5,189,191	20,577,054

The City has complied with the financial obligations of its borrowing facilities during the 2025 and 2024 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 2025

Note 15. Employee related provisions

	2025	2024
	\$	\$
(a) Employee related provisions		
Current provisions		
Employee benefit provisions		
Annual leave	4,222,372	4,256,743
Long service leave	5,946,970	5,451,067
Other employee leave provisions	647,471	485,847
	<u>10,816,813</u>	<u>10,193,657</u>
Employee related other provisions		
Employment on-costs	1,591,723	1,709,812
	<u>1,591,723</u>	<u>1,709,812</u>
Total current employee related provisions	<u>12,408,536</u>	<u>11,903,469</u>
Non-current provisions		
Employee benefit provisions		
Long service leave	407,217	546,230
	<u>407,217</u>	<u>546,230</u>
Employee related other provisions		
Employment on-costs	382,189	100,931
	<u>382,189</u>	<u>100,931</u>
Total non-current employee related provisions	<u>789,406</u>	<u>647,161</u>
Total employee related provisions	<u>13,197,942</u>	<u>12,550,630</u>

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.

	2025	2024
	\$	\$
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	2,986,720	2,913,918
More than 12 months after the end of the reporting period	1,235,652	1,342,825
Total annual leave liabilities	<u>4,222,372</u>	<u>4,256,743</u>

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:

Notes to the Financial Report

for the year ended 30 June 2025

Note 15. Employee related provisions (continued)

	2025	2024
	\$	\$
Within 12 months of the end of the reporting period	4,775,250	4,778,981
More than 12 months after the end of the reporting period	1,578,937	1,184,775
Total long service leave liabilities	6,354,187	5,963,756

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 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.

Deferred salaries

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	148,517	155,361
More than 12 months after the end of the reporting period	119,060	95,618
Total deferred salaries	267,577	250,979

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.

Notes to the Financial Report

for the year ended 30 June 2025

Note 15. Employee related provisions (continued)

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 2025

Note 16. Revaluation surplus

		2025	2025	2025	2025	2024	2024	2024	2024
	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	168,664,345	33,911,281	(10,926)	202,564,700	168,717,291	–	(52,946)	168,664,345
Plant and equipment		560,321	–	(110,582)	449,739	849,576	–	(289,255)	560,321
Furniture and equipment		2,785,860	–	(225,291)	2,560,569	2,785,860	–	–	2,785,860
Roads, footpaths and kerbs	8a	431,973,828	–	–	431,973,828	431,973,828	–	–	431,973,828
Bridges (Road)	8a	23,922,639	–	–	23,922,639	23,922,639	–	–	23,922,639
Drainage	8a	222,077,584	–	–	222,077,584	222,077,584	–	–	222,077,584
Other infrastructure	8a	15,041,507	–	–	15,041,507	15,213,135	–	(171,628)	15,041,507
Intangible assets		2,728,056	–	–	2,728,056	2,728,056	–	–	2,728,056
Parks developments	8a	69,145,601	–	(2,190,181)	66,955,420	70,171,955	–	(1,026,354)	69,145,601
		936,899,741	33,911,281	(2,536,980)	968,274,042	938,439,924	–	(1,540,183)	936,899,741
		936,899,741	33,911,281	(2,536,980)	968,274,042	938,439,924	–	(1,540,183)	936,899,741

Notes to the Financial Report

for the year ended 30 June 2025

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	2025 Actual \$	2024 Actual \$
Cash and cash equivalents	3	<u>25,359,697</u>	<u>46,473,335</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	15,458,487	30,257,249
- Financial assets at amortised cost	4	110,000,000	99,000,000
		<u>125,458,487</u>	<u>129,257,249</u>

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

Reserves - cash backed	28	121,950,218	126,785,775
Contract liabilities from transfers for recognisable non-financial assets	13	3,014,476	2,367,221
Contract liabilities from contracts with customers	13	493,793	104,253
Total restricted financial assets		<u>125,458,487</u>	<u>129,257,249</u>

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

Net result		9,773,088	2,210,241
Non-cash items:			
Depreciation/amortisation		31,726,725	31,394,588
Adjustments to fair value of financial assets at fair value through profit or loss		8,098	1,521
(Profit)/loss on sale of asset		1,365,871	471,880
Public Open Space Cash-in-Lieu contributions		(2,234,134)	(1,122,042)
Reversal Impairment of assets		(71,732)	–
Changes in assets and liabilities:			
(Increase) in trade and other receivables		(886,947)	(1,360,074)
Decrease/(Increase) in inventories		138,009	(92,027)
Increase in trade and other payables		2,124,579	905,371
Increase in employee related provisions		647,312	176,411
Increase/(decrease) in other liabilities		259,962	(122,527)
Capital grants, subsidies and contributions		(27,414,629)	(21,478,236)
Net cash provided by operating activities		<u>15,436,202</u>	<u>10,985,106</u>

Notes to the Financial Report
for the year ended 30 June 2025

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

	Note	2025 Actual \$	2024 Actual \$
(c) Undrawn borrowing facilities credit standby arrangements			
Credit card limit		300,000	300,000
Credit card balance at balance date		(25,306)	(99,639)
Total amount of credit unused		<u>274,694</u>	<u>200,361</u>
The city does not have an overdraft facility during the financial year.			
Loan facilities			
Loan facilities - current	14	27,055,367	15,387,863
Loan facilities - non-current	14	6,481,883	5,189,191
Total facilities in use at balance date		<u>33,537,250</u>	<u>20,577,054</u>

Notes to the Financial Report
for the year ended 30 June 2025

Note 18. Contingent liabilities

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

Note 19. Capital commitments

	2025	2024
	\$	\$
(a) Capital expenditure commitments		
Contracted for:		
- capital expenditure projects *	11,571,736	10,031,396
- plant & equipment purchases *	1,640,307	1,860,308
	13,212,043	11,891,704
Payable:		
- not later than one year	13,212,043	11,891,704

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 2025

Note 20. Related party transactions

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
(a) Council Member Remuneration				
Fees, expenses and allowances to be paid or reimbursed to elected council members.				
Mayor's annual allowance		97,115	97,115	93,380
Mayor's meeting attendance fees		51,412	51,412	49,435
Mayor's annual allowance for ICT expenses		3,500	3,500	3,500
Mayor's travel and accommodation expenses		–	1,616	1,322
Total		152,027	153,643	147,637
Deputy Mayor's annual allowance		23,707	24,279	23,089
Deputy Mayor's meeting attendance fees		34,278	34,278	32,599
Deputy Mayor's annual allowance for ICT expenses		3,500	3,500	3,500
Deputy Mayor's travel and accommodation expenses		2,122	1,616	1,445
Total		63,607	63,673	60,633
All other council member's meeting attendance fees		377,058	377,058	356,950
All other council member's annual allowance for ICT expenses		38,500	38,500	39,066
All other council members' travel and accommodation expenses		5,228	17,776	9,442
Total		420,786	433,334	405,458
Total	20b	636,420	650,650	613,728

	Note	2025 Actual \$	2024 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		1,617,718	1,541,932
Post-employment benefits		177,690	160,774
Employee - other long-term benefits		149,372	144,184
Council member costs	20a	636,420	613,728
Total		2,581,200	2,460,618

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 2025

Note 20. Related party transactions (continued)

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.

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 2025

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 \$
2025					
Cash and cash equivalents	4.55%	25,359,697	–	25,353,847	5,850
Financial assets at amortised cost - term deposits	4.86%	110,000,000	110,000,000	–	–
Financial assets at amortised cost - Managed Fund	3.93%	8,000,000	–	–	8,000,000
2024					
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	–	–

Notes to the Financial Report

for the year ended 30 June 2025

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.

	2025	2024
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity *	253,538	464,675

(*) 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 2024 or 1 July 2025 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 2025.

The loss allowance as at 30 June 2025 and 30 June 2024 for receivables was determined as follows:

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	\$	\$	\$	\$	\$
30 June 2025					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	4.52%	
Gross carrying amount	677,286	31,868	(900)	217,248	925,502
Loss allowance	–	–	–	9,814	9,814
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	367,476	14,981	54,037	184,293	620,787
Loss allowance	–	–	–	–	–

Notes to the Financial Report

for the year ended 30 June 2025

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 \$
30 June 2024					
Trade receivables					
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
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	257,227	–	–	–	257,227
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 \$
2025					
Trade and other payables	12,546,219	–	–	12,546,219	12,546,219
Borrowings	27,055,367	6,481,883	–	33,537,250	33,537,250
Lease Liability	183,073	614,583	–	797,656	797,656
	39,784,659	7,096,466	–	46,881,125	46,881,125
2024					
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
Lease Liability	–	–	–	–	–
	28,790,899	4,326,851	1,081,713	34,199,463	33,146,998

Notes to the Financial Report

for the year ended 30 June 2025

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

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 2025

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 2025

Note 23. Other Material Accounting Policies (continued)

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 2025

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 2025

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 2025

Note 24. Function and activity (continued)

(b) Income and expenses

	2025 Actual \$	2024 Actual \$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	–	1,500
General purpose funding	92,000,876	86,637,741
Law, order, public safety	447,201	462,101
Health	401,512	372,419
Education and welfare	133,096	119,951
Community amenities	21,712,875	19,831,276
Recreation and culture	6,831,713	4,505,312
Transport	1,158,299	1,113,452
Economic services	2,498,491	2,182,829
Other property and services	55,514	582,982
	<u>125,239,577</u>	<u>115,809,563</u>
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	183,136	138,220
General purpose funding	3,960,292	5,416,387
Law, order, public safety	369,509	536,187
Health	13,643	13,060
Education and welfare	80,426	27,836
Community amenities	5,334,121	5,474,819
Recreation and culture	7,087,168	5,319,690
Transport	16,417,994	12,717,422
Economic services	24,925	7,323
Other property and services	715,813	478,524
	<u>34,187,027</u>	<u>30,129,468</u>
Total income	<u>159,426,604</u>	<u>145,939,031</u>
Expenses		
Governance	(3,042,283)	(2,958,778)
General purpose funding	(1,136,482)	(1,688,965)
Law, order, public safety	(3,585,990)	(4,234,154)
Health	(1,238,515)	(1,589,317)
Education and welfare	(3,962,421)	(4,851,428)
Community amenities	(26,799,152)	(29,114,704)
Recreation and culture	(50,902,515)	(51,990,818)
Transport	(31,747,100)	(31,901,353)
Economic services	(1,786,129)	(2,244,783)
Other property and services	(25,452,929)	(13,154,490)
	<u>(149,653,516)</u>	<u>(143,728,790)</u>
Net result for the period	<u>9,773,088</u>	<u>2,210,241</u>

Notes to the Financial Report

for the year ended 30 June 2025

Note 24. Function and activity (continued)

(c) Assets

	2025	2024
	Actual	Actual
	\$	\$
Governance	8,881,593	9,391,549
General purpose funding	122,305,303	111,614,534
Law, order, public safety	3,988,490	4,374,771
Health	536,795	585,180
Education and welfare	5,006,587	5,336,991
Community amenities	4,151,595	4,688,893
Recreation and culture	182,792,917	173,177,461
Transport	992,253,878	987,003,692
Economic services	972,615	612,535
Other property and services	257,396,832	208,328,886
Unallocated	34,468,758	47,582,785
Total assets	<u>1,612,755,363</u>	<u>1,552,697,277</u>

Notes to the Financial Statements

for the year ended 30 June 2025

Note 25. Rating information

Rate Type	2025 Actual					2025 Budget			2024 Actual	
	Rate in cents	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Total Revenue \$
General Rates										
Gross Rental Value (GRV)										
Extractive Industry	13.4050	3	355,000	47,588	-	47,588	47,588	-	47,588	45,756
General GRV	7.0550	37,448	758,331,297	53,500,291	688,925	54,189,216	53,500,273	816,000	54,316,273	64,554,072
Commercial	7.196	1,237	197,797,135	14,233,482	-	14,233,482	14,230,425	-	14,230,425	-
Rural GRV	8.466	823	21,641,420	1,832,163	(21,046)	1,811,117	1,832,163	-	1,832,163	1,767,050
Tenancy Agreements	7.575	52	2,466,595	186,845	(3,860)	182,984	186,845	-	186,845	181,267
Town Centre	8.113	61	8,141,095	660,487	(7,199)	653,288	660,487	-	660,487	635,087
Commercial										
Unimproved Value (UV)										
Rural UV	0.3116	25	37,730,000	117,567	0	117,567	117,567	-	117,567	106,396
Rural UV Agricultural Concession	0.2493	5	64,650,000	161,172	0	161,172	161,172	-	161,172	154,355
Total general rates		39,654	1,091,112,542	70,739,594	656,820	71,396,414	70,736,520	816,000	71,552,520	67,443,982
Minimum Payment										
Gross Rental Value (GRV)										
General GRV	1,086	9,741	127,980,027	10,578,726	-	10,578,726	10,578,726	-	10,578,726	10,395,108
Commercial GRV	1,086	206	2,218,579	223,716	-	223,716	223,716	-	223,716	0
Rural GRV	1,086	16	155,953	17,376	-	17,376	17,376	-	17,376	17,748
Tenancy Agreements	1,086	10	59,800	10,860	-	10,860	10,860	-	10,860	10,440
Town Centre	1,086	9	82,560	9,774	-	9,774	9,774	-	9,774	9,396
Unimproved Value (UV)										
Rural UV	1,044	2	399,000	2,172	-	2,172	2,172	-	2,172	2088
Total minimum payments		9,984	130,895,919	10,842,624	-	10,842,624	10,842,624	-	10,842,624	10,434,780
Total general rates and minimum payments		49,638	1,222,008,461	81,582,218	656,820	82,239,038	81,579,144	816,000	82,395,144	77,878,762
Specified Area Rate										
Gross Rental Value (GRV)										
Bletchley Park	0.3343	1,635	39,046,770	130,525	2,627	133,151	130,524	-	130,524	154,892
Brookland Greens	0.2502	562	16,575,670	41,469	6	41,475	41,468	-	41,468	48,911
Sanctuary Waters	0.2674	691	17,884,895	47,821	65	47,887	47,823	-	47,823	56,270
The Avenues	0.2812	498	11,693,160	32,879	33	32,911	32,886	-	32,886	38,698
The Boardwalk	0.204	627	19,286,133	39,340	5	39,345	39,352	-	39,352	46,301
The Reserve	0.1391	361	9,909,500	13,782	2	13,784	13,780	-	13,780	16,264
Total specified area rates		4,374	114,396,128	305,816	2,738	308,553	305,833	-	305,833	361,336
Ex-gratia rates						96,908			82,000	84,518
Total amount raised from rates						82,644,499			82,782,977	78,324,616

Notes to the Financial Statements

for the year ended 30 June 2025

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

	2024/25	2023/24	2022/23
	Actual	Budget	Actual
	\$	\$	\$
Waivers	85,306	88,373	83,011
Write Offs	302	-	26
Rates instalment interest	411,527	374,000	209,969
Rates overdue interest	481,174	374,000	350,687
Rates instalment administration fee	232,992	255,500	256,947

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 2025

Note 26. Determination of surplus or deficit

		2024/25	2024/25	2023/24
		30 June 2025	Budget	30 June 2024
		Carried Forward	30 June 2025	Carried Forward
	Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals		(514,124)	(519,170)	(723,840)
Less: Fair value adjustments to financial assets at fair value through profit or loss		8,098	–	1,521
Add: Loss on disposal of assets		1,879,995	104,165	1,195,720
Add: Depreciation	9a	31,906,083	30,614,786	31,394,588
Non-cash movements in assets and liabilities:				
Pensioner deferred rates		(85,640)	–	(87,360)
Employee benefit provisions		142,245	–	–
Movement in non current developer contribution plan liability		(859,761)	–	5,474,762
Movement in current developer contribution plan liability		1,518,548	–	(2,128,389)
Movement in non-current receivables		–	–	799,463
Non-cash amounts excluded from operating activities		33,995,444	30,199,781	35,926,465
(b) Non-cash amounts excluded from investing activities				
Adjustments to investing activities				
Infrastructure assets received for substantially less than fair value	8a	–	–	(7,068,481)
Non cash Capital grants, subsidies and contributions		–	–	7,068,481
Right of use assets received - non cash	10a	857,418	–	–
Plant and Equipment depreciation capitalised	9a	–	–	265,885
Non-cash amounts excluded from investing activities		857,418	–	265,885
Non cash proceeds from new leases	27d	(857,418)	–	–
Non-cash amounts excluded from financing activities		(857,418)	–	–

Notes to the Financial Report

for the year ended 30 June 2025

Note 26. Determination of surplus or deficit (continued)

		2024/25	2024/25	2023/24
		30 June 2025	Budget 30 June 2025	30 June 2024
	Note	Carried Forward	Carried Forward	Carried Forward
		\$	\$	\$
(c) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserve accounts	28	(121,950,218)	(101,724,084)	(126,785,775)
Developer contribution plan liabilities	13	1,667,900	–	149,347
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	27,055,367	1,006,648	15,387,863
- Current portion of lease liabilities	10b	183,073	–	–
Total adjustments to net current assets		(93,043,878)	(100,717,436)	(111,248,565)
Net current assets used in the Statement of Financial Activity				
Total current assets		157,910,540	138,915,640	159,340,767
Less: Total current liabilities		(65,483,450)	(38,198,204)	(50,299,492)
Less: Total adjustments to net current assets		(93,043,878)	(100,717,436)	(111,248,565)
Surplus or deficit after imposition of general rates		(616,788)	–	(2,207,290)

City of Gosnells

Notes to the Financial Report

for the year ended 30 June 2025

Note 27. Borrowing and lease liabilities

(a) Borrowings

Purpose	Note	Actual						Budget				
		Actual Principal at 1 July 2023	New loans during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New loans During 2024-25	Principal repayments During 2024-25	Principal at 30 June 2025
Central Maddington ODP Infrastructure		7,157,328	–	(976,618)	6,180,710	–	(991,519)	5,189,191	6,180,711	–	(991,519)	5,189,192
Southern River Business Park Development		–	14,396,344	–	14,396,344	11,133,414	–	25,529,758	14,396,344	10,882,320	–	25,278,664
MKSEA SAR		–	–	–	–	2,818,301	–	2,818,301	–	2,818,301	–	2,818,301
Total		7,157,328	14,396,344	(976,618)	20,577,054	13,951,715	(991,519)	33,537,250	20,577,055	13,700,621	(991,519)	33,286,157
Total Borrowings	16	7,157,328	14,396,344	(976,618)	20,577,054	13,951,715	(991,519)	33,537,250	20,577,055	13,700,621	(991,519)	33,286,157

All loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Institution	Interest rate	Function and activity	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
Central Maddington ODP Infrastructure	WA Treasury Corporation	1.52%	Community Amenities	01/04/2030	(142,000)	(128,259)	(107,421)
Southern River Business Park Development	WA Treasury Corporation	4.40%	Other Property and Services	16/06/2025	(1,115,262)	(807,379)	–
Maddington Kenwick Strategic Employment Area Specified Area Rate (MKSEA SAR)	WA Treasury Corporation	4.09%	Other Property and Services	20/05/2030	–	–	–
Total Finance Cost Payments					(1,257,262)	(935,638)	(107,421)

Notes to the Financial Report

for the year ended 30 June 2025

Note 27. Borrowing and lease liabilities (continued)

(b) New Borrowings - 2024/25

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					Actual	Budget	Actual	Budget		
				%	\$	\$	\$	\$	\$	\$
MKSEA SAR	WA Treasury Corporation	Long-term	5	4.09%	2,818,301	–	2,818,301	–	20,927	–
Sothorn River Business Park Development	WA Treasury Corporation	Short-term	1	4.58%	11,133,344	–	11,133,344	–	3,840,984	–

Notes to the Financial Report

for the year ended 30 June 2025

Note 27. Borrowing and lease liabilities (continued)

(c) Unspent Borrowings

The City did not have any unspent loan funds as at 30 June 2025.

Notes to the Financial Report
for the year ended 30 June 2025

Note 27. Borrowing and lease liabilities (continued)

(d) Lease liabilities

Purpose	Note	Actual						Budget				
		Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Laptops & Tablets		-	-	-	-	332,643	(38,804)	293,839	-	-	-	-
Colour printer copier machines		-	-	-	-	183,530	(20,956)	162,574	-	-	-	-
Gym Equipment		-	-	-	-	341,245	-	341,245	-	-	-	-
Total lease liabilities	10b	-	-	-	-	857,418	(59,760)	797,658	-	-	-	-

Purpose	Institution	Lease interest rate	Function and activity	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024	Lease term
					\$	\$	\$	
Colour printer copier machines	Kyocera Documents Solutions Pty Ltd	0.90%	Other Properties and Services	30/06/2030	20,956	-	-	48 Months
Laptops & Tablets	HP	0.97%	Other Properties and Services	31/12/2028	38,804	-	-	48 months
Gym Equipment	CHG - Meridan Australia	1.16%	Recreation & Culture	29/02/2030	-	-	-	60 months
Total Finance Cost Payments					59,760	-	-	

Notes to the Financial Statements

for the year ended 30 June 2025

Note 28. Reserve accounts

(a) Movements in reserve accounts

	2024/25 Actual	2024/25 Budget	2023/24 Actual
	\$	\$	\$
Restricted by Council			
(a) Asset Management			
Opening Balance	184,918	178,812	110,505
Amount used / Transfer from reserve	(40,239)	(70,000)	(9,766)
Amount set aside / Transfer to reserve	88,330	80,504	84,179
Transfer between reserves - equity	0	0	0
	<u>233,009</u>	<u>189,316</u>	<u>184,918</u>
(b) Central Maddington City Funded Common Infrastructure Works			
Opening Balance	1,448,541	1,437,975	1,377,640
Amount used / Transfer from reserve	0	0	0
Amount set aside / Transfer to reserve	75,155	44,259	70,902
	<u>1,523,696</u>	<u>1,482,234</u>	<u>1,448,541</u>
(c) Community Infrastructure			
Opening Balance	15,794,948	15,233,039	16,539,902
Amount used / Transfer from reserve	(9,412,660)	(10,927,804)	(2,348,801)
Amount set aside / Transfer to reserve	1,050,630	862,621	1,071,902
Transfer between reserves - equity	91,399	13,796	531,945
	<u>7,524,316</u>	<u>5,181,652</u>	<u>15,794,948</u>
(d) Gosnells and Beckeham Laneways			
Opening Balance	269,234	246,474	853,301
Amount used / Transfer from reserve	0	0	2,799
Amount set aside / Transfer to reserve	47,081	87,117	42,092
Transfer between reserves - equity	0	0	(628,958)
	<u>316,315</u>	<u>333,591</u>	<u>269,234</u>
(e) Gosnells Oval Redevelopment			
Opening Balance	268,778	258,905	305,290
Amount used / Transfer from reserve	(182,262)	(250,000)	(90,870)
Amount set aside / Transfer to reserve	4,881	4,891	54,358
Transfer between reserves - equity	(91,398)	(13,796)	0
	<u>0</u>	<u>0</u>	<u>268,778</u>
(f) Gosnells Town Centre Revitalisation			
Opening Balance	5,499,750	5,391,353	5,368,250
Amount used / Transfer from reserve	(193,998)	(405,387)	(240,507)
Amount set aside / Transfer to reserve	177,126	165,937	372,007
Transfer between reserves – equity	(2,000,000)	(2,000,000)	0
	<u>3,482,880</u>	<u>3,151,903</u>	<u>5,499,750</u>
Total Restricted by Council C/Fwd	<u>13,080,215</u>	<u>10,338,697</u>	<u>23,466,170</u>

Notes to the Financial Statements

for the year ended 30 June 2025

Note 28. Reserve accounts (continued)

(a) Movements in reserve accounts (continued)

	2024/25 Actual	2024/25 Budget	2023/24 Actual
	\$	\$	\$
Total Restricted by Council B/Fwd	13,080,215	10,338,697	23,466,170
(g) Heritage Condition Reward Scheme			
Opening Balance	20,558	26,634	25,528
Amount used / Transfer from reserve	(7,860)	(7,260)	(6,260)
Amount set aside / Transfer to reserve	994	820	1,290
	<u>13,692</u>	<u>20,194</u>	<u>20,558</u>
(h) Insurance			
Opening Balance	706,333	700,427	671,760
Amount set aside / Transfer to reserve	102	21,558	34,573
Transfer between reserves - equity	(706,434)	(721,985)	
	<u>0</u>	<u>0</u>	<u>706,333</u>
(i) Local Government Elections			
Opening Balance	70,429	69,543	221,819
Amount used / Transfer from reserve	0	0	(404,416)
Amount set aside / Transfer to reserve	256,119	242,140	253,026
	<u>326,548</u>	<u>311,683</u>	<u>70,429</u>
(j) Local Open Space Strategy			
Opening Balance	1,266,659	675,328	2,129,560
Amount used / Transfer from reserve	(1,250,043)	(670,795)	(1,014,131)
Amount set aside / Transfer to reserve	84,223	97,363	125,799
Transfer between reserves - equity			25,431
	<u>100,839</u>	<u>101,896</u>	<u>1,266,659</u>
(k) Maddington/Kenwick Revitalisation			
Opening Balance	1,823,437	1,806,017	1,907,919
Amount used / Transfer from reserve	(218,865)	(540,000)	(179,609)
Amount set aside / Transfer to reserve	86,803	55,586	95,126
	<u>1,691,375</u>	<u>1,321,603</u>	<u>1,823,437</u>
(l) Operations Centre and Waste Transfer Facility			
Opening Balance	24,449,022	24,230,810	23,399,828
Amount used / Transfer from reserve	(113,119)	(303,654)	(150,982)
Amount set aside / Transfer to reserve	1,267,626	745,786	1,200,175
	<u>25,603,529</u>	<u>24,672,942</u>	<u>24,449,022</u>
Total Restricted by Council C/Fwd	40,816,200	36,767,014	51,802,608

Notes to the Financial Statements

for the year ended 30 June 2025

Note 28. Reserve accounts (continued)

(a) Movements in reserve accounts (continued)

	2024/25 Actual	2024/25 Budget	2023/24 Actual
	\$	\$	\$
Total Restricted by Council B/Fwd	<u>40,816,200</u>	<u>36,767,014</u>	<u>51,802,608</u>
(m) Plant and Equipment			
Opening Balance	2,563,759	2,786,667	2,327,020
Amount used / Transfer from reserve	(1,869,888)	(2,677,190)	(2,961,392)
Amount set aside / Transfer to reserve	857,633	656,009	3,198,130
Transfer between reserves - equity	1,000,000	1,000,000	0
	<u>2,551,502</u>	<u>1,765,486</u>	<u>2,563,759</u>
(n) Public Art Contribution			
Opening Balance	252,369	199,259	149,582
Amount set aside / Transfer to reserve	291,698	86,133	102,786
	<u>544,067</u>	<u>285,392</u>	<u>252,369</u>
(o) Rate Revaluation			
Opening Balance	461,999	458,449	319,383
Amount set aside / Transfer to reserve	108,146	94,110	142,616
	<u>570,145</u>	<u>552,559</u>	<u>461,999</u>
(p) Refuse Disposal Site Rehabilitation			
Opening Balance	537,028	481,359	610,838
Amount used / Transfer from reserve	(172,972)	(215,318)	(132,347)
Amount set aside / Transfer to reserve	49,297	51,666	58,537
	<u>413,353</u>	<u>317,707</u>	<u>537,028</u>
(q) Strategic Capital Development (previously Strategic Capital Acquisition)			
Opening Balance	668,359	1,145,580	608,869
Amount used / Transfer from reserve	(633,583)	(60,000)	(609,453)
Amount set aside / Transfer to reserve	745,537	861,509	668,943
	<u>780,313</u>	<u>1,947,089</u>	<u>668,359</u>
(r) Streetscape Levy			
Opening Balance	268,699	233,832	217,228
Amount used / Transfer from reserve	(87,434)	(66,030)	(53,900)
Amount set aside / Transfer to reserve	322,592	7,197	105,371
	<u>503,857</u>	<u>174,999</u>	<u>268,699</u>
(s) Sutherlands Park			
Opening Balance	571,699	864,527	786,368
Amount used / Transfer from reserve	0	0	(332,049)
Amount set aside / Transfer to reserve	27,183	26,609	117,379
Transfer between reserves - equity	(598,882)	(891,136)	0
	<u>0</u>	<u>0</u>	<u>571,699</u>
Total Restricted by Council	<u>46,179,437</u>	<u>41,810,246</u>	<u>57,126,518</u>

Notes to the Financial Statements

for the year ended 30 June 2025

Note 28. Reserve accounts (continued)

(a) Movements in reserve accounts (continued)

	2024/25 Actual	2024/25 Budget	2023/24 Actual
	\$	\$	\$
Total Restricted by Council B/Fwd	<u>46,179,437</u>	<u>41,810,246</u>	<u>57,126,518</u>
(t) Sutherlands Park Leisure Aquatic Sports Hub (SPLASH)			
Opening Balance	10,624,946	10,627,066	10,349,123
Amount used / Transfer from reserve	(1,664,535)	(5,043,485)	(252,917)
Amount set aside / Transfer to reserve	2,166,366	1,867,569	528,740
Transfer between reserves - equity	706,434	721,985	0
	<u>11,833,212</u>	<u>8,173,135</u>	<u>10,624,946</u>
(u) Synthetic Surfaces Renewal			
Opening Balance	130,096	129,051	123,728
Amount used / Transfer from reserve	0	0	0
Amount set aside / Transfer to reserve	6,755	3,972	6,368
	<u>136,851</u>	<u>133,023</u>	<u>130,096</u>
(v) Waste Reserve			
Opening Balance	2,411,773	2,340,043	2,715,411
Amount used / Transfer from reserve	(1,774,950)	(1,580,000)	(469,402)
Amount set aside / Transfer to reserve	839,268	722,023	165,764
Transfer between reserves - equity	1,000,000	1,000,000	0
	<u>2,476,091</u>	<u>2,482,066</u>	<u>2,411,773</u>
(w) Community Waste Transfer and Recycle Facility			
Opening Balance	1,960,960	1,950,019	518,224
Amount used / Transfer from reserve	(81,220)	(250,000)	(120,205)
Amount set aside / Transfer to reserve	1,150,763	1,060,019	1,562,940
	<u>3,030,502</u>	<u>2,760,038</u>	<u>1,960,960</u>
(x) Capital Works in Progress			
Opening Balance	2,615,092	2,643,346	1,703,679
Amount used / Transfer from reserve	(1,908,247)	(1,581,939)	(737,821)
Amount set aside / Transfer to reserve	2,382,496	81,358	1,649,234
Transfer between reserves - equity	32,000	0	0
	<u>3,121,341</u>	<u>1,142,765</u>	<u>2,615,092</u>
(y) Sutherlands Park Master Plan Implementation			
Opening Balance	3,867,133	3,736,103	3,162,022
Amount used / Transfer from reserve	(1,391,083)	(1,864,718)	(655,255)
Amount set aside / Transfer to reserve	936,422	564,991	1,360,366
Transfer between reserves - equity	598,882	891,136	0
	<u>4,011,354</u>	<u>3,327,512</u>	<u>3,867,133</u>
Total Restricted by Council	<u>70,778,789</u>	<u>59,828,786</u>	<u>78,736,518</u>

Notes to the Financial Statements

for the year ended 30 June 2025

Note 28. Reserve accounts (continued)

(a) Movements in reserve accounts (continued)

	2024/25 Actual	2024/25 Budget	2023/24 Actual
	\$	\$	\$
Restricted by legislation			
(z) ODP - Canning Vale			
Opening Balance	5,259,639	5,220,196	4,487,634
Amount used / Transfer from reserve	(146,484)	(64,029)	(18,399)
Amount set aside / Transfer to reserve	522,641	160,669	790,404
	<u>5,635,796</u>	<u>5,316,836</u>	<u>5,259,639</u>
(aa) ODP - Central Maddington Precinct 1			
Opening Balance	657,758	498,472	899
Amount used / Transfer from reserve	(12,398)	(56,175)	(35,695)
Amount set aside / Transfer to reserve	612,307	15,342	692,554
	<u>1,257,667</u>	<u>457,639</u>	<u>657,758</u>
(ab) ODP - Central Maddington Precinct 2			
Opening Balance	1,756,882	1,751,614	1,711,121
Amount used / Transfer from reserve	(3,372)	(2,854)	(2,365)
Amount set aside / Transfer to reserve	58,043	53,912	48,126
	<u>1,811,553</u>	<u>1,802,672</u>	<u>1,756,882</u>
(ac) ODP - Homestead Road			
Opening Balance	931,484	911,521	901,043
Amount used / Transfer from reserve	(941,909)	(19,029)	(347,621)
Amount set aside / Transfer to reserve	47,267	28,055	378,062
	<u>36,842</u>	<u>920,547</u>	<u>931,484</u>
(ad) ODP - Maddington Road A			
Opening Balance			
Amount used / Transfer from reserve	(8,789)	0	0
Amount set aside / Transfer to reserve	136,353	0	0
Transfer between reserves - equity	1,310,349	0	0
	<u>1,437,913</u>	<u>0</u>	<u>0</u>
(ae) ODP - Maddington Road B			
Opening Balance			
Amount used / Transfer from reserve	(6,875)	0	0
Amount set aside / Transfer to reserve	37,438	0	0
Transfer between reserves - equity	731,373	0	0
	<u>761,936</u>	<u>0</u>	<u>0</u>
(af) ODP - Maddington Road A and B			
Opening Balance	2,071,304	2,020,482	1,960,858
Amount used / Transfer from reserve	(29,581)	(19,029)	(21,098)
Amount set aside / Transfer to reserve	0	62,187	101,962
Transfer between reserves - equity	(2,041,722)	0	29,581
	<u>0</u>	<u>2,063,640</u>	<u>2,071,304</u>
Total Restricted by legislation C/Fwd	<u>10,941,708</u>	<u>10,561,334</u>	<u>10,677,067</u>

Notes to the Financial Statements

for the year ended 30 June 2025

Note 28. Reserve accounts (continued)

(a) Movements in reserve accounts (continued)

	2024/25 Actual	2024/25 Budget	2023/24 Actual
	\$	\$	\$
Total Restricted by legislation B/Fwd	10,941,708	10,561,334	10,677,067
(ag) ODP - Southern River Precinct 1			
Opening Balance	1,679,724	1,663,187	1,579,167
Amount used / Transfer from reserve	(13,812)	(19,029)	(13,977)
Amount set aside / Transfer to reserve	86,733	50,205	82,534
Transfer between reserves - equity	(32,000)	0	32,000
	<u>1,720,645</u>	<u>1,694,363</u>	<u>1,679,724</u>
(ah) ODP - Southern River Precinct 2			
Opening Balance	8,588,067	7,641,699	7,329,027
Amount used / Transfer from reserve	(17,514)	(19,029)	(19,299)
Amount set aside / Transfer to reserve	1,248,254	235,200	1,278,339
	<u>9,818,807</u>	<u>7,857,870</u>	<u>8,588,067</u>
(ii) ODP - Southern River Precinct 3			
Opening Balance	12,663,600	11,465,783	8,120,193
Amount used / Transfer from reserve	(2,268,621)	(17,126)	(1,644,073)
Amount set aside / Transfer to reserve	2,150,405	381,205	6,187,480
Transfer between reserves - equity	0	0	0
	<u>12,545,384</u>	<u>11,829,862</u>	<u>12,663,600</u>
(aj) ODP - Southern River Precinct 3D			
Opening Balance	(1,450)	(1,340)	(1,180)
Amount used / Transfer from reserve	(267)	(380)	(270)
	<u>(1,717)</u>	<u>(1,720)</u>	<u>(1,450)</u>
))(ak) ODP - Southern River Precinct 3E			
Opening Balance	1,436,040	1,427,428	1,307,337
Amount used / Transfer from reserve	(68,665)	(190)	(217,414)
Amount set aside / Transfer to reserve	72,526	43,936	346,118
Transfer between reserves - equity	0	0	0
	<u>1,439,901</u>	<u>1,471,174</u>	<u>1,436,040</u>
(al) ODP - Southern River Precinct 3A North			
Opening Balance	3,902,612	3,862,487	6,162,339
Amount used / Transfer from reserve	(704,542)	(1,145)	(3,590,708)
Amount set aside / Transfer to reserve	181,428	86,564	1,330,981
Transfer between reserves - equity	0	0	0
	<u>3,379,498</u>	<u>3,947,906</u>	<u>3,902,612</u>
Total Restricted by legislation C/Fwd	39,844,226	37,360,788	38,945,660

Notes to the Financial Statements

for the year ended 30 June 2025

Note 28. Reserve accounts (continued)

(a) Movements in reserve accounts (continued)

	2024/25 Actual	2024/25 Budget	2023/24 Actual
	\$	\$	\$
Total Restricted by legislation B/Fwd	39,844,226	37,360,788	38,945,660
(am) ODP - Southern River Precinct 3A South			
Opening Balance	46,607	39,312	(349)
Amount used / Transfer from reserve	(147)	(190)	(135)
Amount set aside / Transfer to reserve	9,337	1,210	47,092
	<u>55,798</u>	<u>40,332</u>	<u>46,607</u>
(an) ODP - West Canning Vale			
Opening Balance	0	0	162,306
Amount used / Transfer from reserve	0	0	(172,306)
Amount set aside / Transfer to reserve	0	0	0
Transfer between reserves – equity	0	0	10,000
	<u>0</u>	<u>0</u>	<u>0</u>
(ao) Public Open Space - Cash in Lieu			
Opening Balance	1,552,626	971,975	1,210,595
Amount used / Transfer from reserve	(1)	0	0
Amount set aside / Transfer to reserve	1,623,414	29,916	342,031
Transfer between reserves - equity	0	0	0
	<u>3,176,039</u>	<u>1,001,891</u>	<u>1,552,626</u>
(ap) TPS - 9A			
Opening Balance	2,842,840	2,798,250	2,740,300
Amount used / Transfer from reserve	(14,141)	(2,198,954)	(37,623)
Amount set aside / Transfer to reserve	147,266	86,126	140,163
	<u>2,975,965</u>	<u>685,422</u>	<u>2,842,840</u>
(aq) TPS – 15			
Opening Balance	1,854,566	1,673,554	1,692,163
Amount used / Transfer from reserve	(13,862)	(19,029)	(27,313)
Amount set aside / Transfer to reserve	334,647	51,509	189,716
	<u>2,175,351</u>	<u>1,706,034</u>	<u>1,854,566</u>
(ar) TPS – 17			
Opening Balance	2,337,951	736,732	2,239,391
Amount used / Transfer from reserve	(13,998)	(139,029)	(16,249)
Amount set aside / Transfer to reserve	120,851	22,675	114,809
	<u>2,444,804</u>	<u>620,378</u>	<u>2,337,951</u>
Total Restricted by legislation C/Fwd	50,672,183	41,414,845	47,580,250

Notes to the Financial Statements

for the year ended 30 June 2025

Note 28. Reserve accounts (continued)

(a) Movements in reserve accounts (continued)

	2024/25	2024/25	2023/24
	Actual	Budget	Actual
	\$	\$	\$
Total Restricted by legislation B/Fwd	<u>50,672,183</u>	<u>41,414,845</u>	<u>47,580,250</u>
(as) TPS – 20			
Opening Balance	469,007	466,108	445,965
Amount used / Transfer from reserve	0	0	0
Amount set aside / Transfer to reserve	20,242	14,346	23,042
	<u>489,249</u>	<u>480,454</u>	<u>469,007</u>
Total Restricted by legislation	<u>51,161,432</u>	<u>41,895,299</u>	<u>48,049,258</u>
Total Reserves	<u>121,950,218</u>	<u>101,724,085</u>	<u>126,785,776</u>
Summary of reserves			
Opening Balance	126,785,775	120,998,078	118,551,586
Amount used / Transfer from reserve	(25,267,935)	(29,088,797)	(16,931,828)
Amount set aside / Transfer to reserve	20,432,378	9,814,804	25,166,017
	<u>121,950,218</u>	<u>101,724,085</u>	<u>126,785,775</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 Statements

for the year ended 30 June 2025

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
Restricted by Council		
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 Statements

for the year ended 30 June 2025

Note 28. Reserve accounts (continued)

(b) Purpose of reserve accounts (continued)

Name of Reserve	Anticipated date of use	Purpose of the Reserve
Restricted by Council (continued)		
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 Contribution	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.
Waste Reserve	Ongoing	To fund costs associated with the delivery of the City's waste services.

Notes to the Financial Statements

for the year ended 30 June 2025

Note 28. Reserve accounts (continued)

(b) Purpose of reserve accounts (continued)

Name of Reserve	Anticipated date of use	Purpose of the Reserve		
Restricted by legislation				
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	Ongoing	To fund expenditure on infrastructure and administrative items within the ODP areas with contributions from developers.		
ODP - Southern River Precinct 3				
ODP - Southern River Precinct 3A (North)				
ODP - Southern River Precinct 3A (South)				
ODP - Southern River Precinct 3D				
ODP - Southern River Precinct 3E				
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 Statements

for the year ended 30 June 2025

Note 28. Reserve accounts (continued)

(b) Purpose of reserve accounts (continued)

Name of Reserve	Anticipated date of use	Purpose of the Reserve
Restricted by legislation (continued)		
PS-9A	Ongoing	To fund expenditure on infrastructure and administrative items within the TPS areas with contributions from developers.
TPS -15	Ongoing	
TPS - 17	Ongoing	
TPS - 20	Ongoing	

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 2025

Note 29. Trust funds

	1-Jul-2024	Amounts received	Amounts paid	30 June 2025
	\$	\$	\$	\$
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:				
Unclaimed Monies	42,498	20,634	(5,174)	57,958
Construction Training Fund	33,630	245,786	(214,418)	64,998
Building Commission	76,406	662,574	(578,045)	160,935
Development Applications	188	47,115	(29,581)	17,722
Public Open Space - Cash In Lieu	4,808,752	-	(2,234,134)	2,574,618
	<u>4,961,474</u>	<u>976,109</u>	<u>(3,061,352)</u>	<u>2,876,231</u>



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

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 2025, 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 2025 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 2025, but not the financial report and my auditor's report.

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

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

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

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

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of Gosnells for the year ended 30 June 2025 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.

Efthalia Samaras
Acting Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
5 December 2025