



# 2021 | 2022

## Financial Statements



# City of Wanneroo

## General Purpose Financial Statements for the year ended 30 June 2022

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### Overview

- (i) These Financial Statements are General Purpose Financial Statements and cover consolidated operations of the City of Wanneroo.
- (ii) All figures in these Financial Statements are presented in Australian Dollars.
- (iii) These Financial Statements were adopted by Council on 16/12/2022.  
Council has the power to amend and reissue the Financial Statements.



## City of Wanneroo

### General Purpose Financial Statements for the year ended 30 June 2022

## Understanding The City of Wanneroo Financial Statements

### Introduction

Each year, individual Local Governments across Western Australia are required to present a set of audited Financial Statements to their Council and Community in accordance with the Australian Accounting Standards (applicable to Local Governments and Not-for-Profit entities), the Local Government Act 1995 (the Act) and the accompanying regulations.

### About the Certification of Financial Statements

The Financial Statements must be certified by the Chief Executive Officer as (i) presenting fairly the financial results of the City of Wanneroo (the City) for the year and (ii) complying with Australian Accounting Standards, the Act and the accompanying regulations.

### What you will find in the Financial Statements

The Financial Statements set out the financial performance, financial position and cash flows of the City for the financial year ended 30 June 2022.

The format of the Financial Statements complies with both the accounting and reporting requirements of Australian Accounting Standards (AAS) and the requirements as set down in the Act and accompanying regulations. If a provision of the AAS is inconsistent with a provision of the Act and the accompanying regulations, the provision of the Act and the regulations prevails to the extent of the inconsistency.

The Financial Statements incorporate five "primary" statements:

#### 1. Statement of Comprehensive Income

A summary of the City's financial performance for the year, listing all income and expenses by their "nature or type". This allows users of the financial statements to identify a break up of revenues and expenses for the year.

#### 2. Statement of Financial Position

A snapshot of the City's financial position at each financial year end listing its assets and liabilities.

#### 3. Statement of Changes in Equity

The overall change of the City's "net wealth" for the year.

#### 4. Statement of Cash Flows

Indicates where the City's cash and cash equivalents were generated from and where they were spent across operating, investing and financing activities.

#### 5. Rate Setting Statement

A Statement showing the amount of Rates raised during the year to fund the City's operations.

### About the Notes to the Financial Statements

The Notes to the Financial Statements provide greater detail and additional information on the five primary statements.

### About the Auditor's Reports

These Financial Statements have been audited by Office of the Auditor General (OAG) by the mandate given on 28 October 2017 under the Local Government Amendment (Auditing) Act 2017.

The OAG provides an opinion on whether the Financial Statements present financial affairs.

### Who uses the Financial Statements?

The Financial Statements are publicly available documents and are used by (but not limited to) Councilors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, the Department of Local Government, Sport and Cultural Industries, and Financiers including Banks and other Financial Institutions.

Under the Act the Financial Statements must be made available at the administration headquarters of the Local Government.



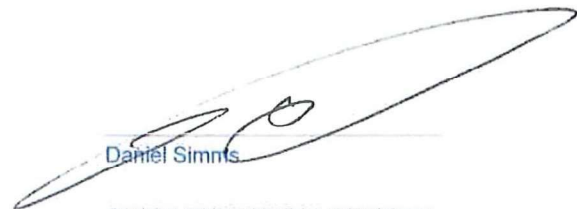
## City of Wanneroo

### General Purpose Financial Statements for the year ended 30 June 2022.

#### Statement by the Chief Executive Officer

The attached Financial Statements of the City of Wanneroo for the financial year ended 30 June 2022 are based on proper accounts and records to present fairly the financial position of the City of Wanneroo as at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 1st day of December 2022



Daniel Simmts

**CHIEF EXECUTIVE OFFICER**



## City of Wanneroo

Statement of Comprehensive Income  
for the year ended 30 June 2022

	Notes	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>Revenue</b>				
Rates	24(a)	139,411,405	141,191,680	136,319,039
Operating Grants, Subsidies & Contributions	28	15,014,025	8,015,370	16,987,093
Fees & Charges	27	49,070,084	50,296,054	48,837,902
Interest Earnings	2(b)	3,105,939	2,283,458	3,895,206
Other Revenue		971,397	725,295	626,614
		<b>207,572,850</b>	<b>202,511,857</b>	<b>206,665,854</b>
<b>Expenses</b>				
Employee Costs	30	(75,928,385)	(77,092,475)	(71,781,346)
Materials & Contracts		(64,721,739)	(73,738,173)	(65,148,221)
Utilities		(8,327,449)	(9,755,555)	(9,253,358)
Depreciation & Amortisation	2(b)	(39,106,802)	(44,411,424)	(43,145,534)
Interest Expenses (Municipal)	2(b)	(4,201,885)	(4,115,430)	(4,128,248)
Insurance		(1,336,700)	(1,285,633)	(605,797)
		<b>(193,622,960)</b>	<b>(210,398,690)</b>	<b>(194,062,504)</b>
		<b>13,949,890</b>	<b>(7,886,833)</b>	<b>12,603,350</b>
<b>Operating Result</b>				
Non-Operating Grants, Subsidies & Contributions	28	23,863,600	31,256,024	39,194,030
Town Planning Scheme & Development Contribution Plan Income		9,484,541	25,630,638	4,686,768
Town Planning Scheme & Development Contribution Plan Expenses		(8,466,558)	(19,907,771)	(3,974,234)
Non-Operating Contracts Expenses		(14,168,717)	(15,000,000)	-
Net Share of Interests in Controlled Entities, Associated Entities & Joint Ventures*	19	11,948,248	-	(583,531)
Profit on Asset Disposals	22	5,592,216	4,918,000	2,833,436
Loss on Asset Disposals	22	(4,467,750)	(986,238)	(98,671,649)
		<b>23,785,580</b>	<b>25,910,653</b>	<b>(56,515,180)</b>
		<b>37,735,470</b>	<b>18,023,820</b>	<b>(43,911,830)</b>
<b>Net Result</b>				
<b>Other Comprehensive Income</b>				
Changes on Revaluation of Non-current Assets	15	3,356,712	-	14,629,823
		<b>3,356,712</b>	<b>-</b>	<b>14,629,823</b>
		<b>41,092,182</b>	<b>18,023,820</b>	<b>(29,282,007)</b>

This statement should be read in conjunction with the accompanying notes.





## City of Wanneroo

Statement of Financial Position  
as at 30 June 2022

	Notes	2022 Actual \$	2021 Actual \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	3	17,076,473	14,613,098
Other Financial Assets	4	430,000,000	400,000,000
Trade & Other Receivables	5	13,997,090	15,892,600
Inventories	6	328,855	304,083
<b>Total Current Assets</b>		<b>461,402,418</b>	<b>430,809,781</b>
<b>Non-Current Assets</b>			
Trade & Other Receivables	5	4,271,618	4,098,119
Inventories	6	17,236,832	21,764,680
Property, Plant & Equipment	7	389,263,904	377,056,228
Infrastructure Assets	8	1,929,848,682	1,922,228,393
Investments in Associate	19	28,520,091	13,175,888
<b>Total Non-Current Assets</b>		<b>2,369,141,127</b>	<b>2,338,323,308</b>
<b>TOTAL ASSETS</b>		<b>2,830,543,545</b>	<b>2,769,133,089</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	11	47,218,485	40,041,908
Contract Liabilities	9	32,817,320	28,103,766
Lease Liability	10	60,670	76,123
Provisions	13	22,982,580	21,644,041
<b>Total Current Liabilities</b>		<b>103,079,055</b>	<b>89,865,838</b>
<b>Non-Current Liabilities</b>			
Contract Liabilities	9	82,811,797	73,380,497
Lease Liability	10	-	56,389
Borrowings	12	74,334,488	74,334,488
Provisions	13	8,008,330	13,814,604
<b>Total Non-Current Liabilities</b>		<b>165,154,615</b>	<b>161,585,978</b>
<b>TOTAL LIABILITIES</b>		<b>268,233,670</b>	<b>251,451,816</b>
<b>Net Assets</b>		<b>2,562,309,875</b>	<b>2,517,681,273</b>
<b>EQUITY</b>			
Retained Surplus		1,232,810,571	1,208,806,571
Reserves - Cash/Investment Backed	14	258,873,372	244,930,312
Reserves - Asset Revaluation	15	1,070,625,932	1,063,944,390
<b>Total Equity</b>		<b>2,562,309,875</b>	<b>2,517,681,273</b>

This statement should be read in conjunction with the accompanying notes.

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## City of Wanneroo

Statement of Changes in Equity  
for the year ended 30 June 2022

	Notes	Retained Surplus \$	Reserves Cash Backed \$	Asset Revaluation Reserve \$	Total Equity \$
<b>Balance as at 1 July 2020</b>		1,261,960,246	233,133,731	1,049,314,567	2,544,408,544
Net Result		(43,911,830)	-		(43,911,830)
Changes on Revaluation of Non-Current Assets (net)	15	-	-	14,629,823	14,629,823
Reserve Transfers	14	(9,241,845)	9,241,845	-	-
Section 154 of the Planning and Development Act Amendment		-	2,554,736	-	2,554,736
<b>Balance as at 30 June 2021</b>		1,208,806,571	244,930,312	1,063,944,390	2,517,681,273
Recognition of Land Previously Wrongly Written off	15	-	-	3,324,830	3,324,830
		1,208,806,571	244,930,312	1,067,269,220	2,521,006,103
Net Result		37,735,470	-	-	37,735,470
Town Planning Schemes Refund		211,590	-	-	211,590
Changes on Revaluation of Non-Current Assets (net)	15	-	-	3,356,712	3,356,712
Reserve Transfers	14	(13,943,060)	13,943,060		
<b>Balance as at 30 June 2022</b>		1,232,810,571	258,873,372	1,070,625,932	2,562,309,875

This statement should be read in conjunction with the accompanying notes.

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## City of Wanneroo

Statement of Cash Flows  
for the year ended 30 June 2022

	Notes	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		142,400,886	140,867,380	138,881,059
Operating Grants, Subsidies & Contributions		15,014,027	8,206,051	16,987,093
Fees & Charges		49,384,493	50,296,054	48,199,690
Interest Earnings		1,806,021	2,283,458	4,972,714
Goods & Services Tax		13,222,500	12,180,860	12,379,629
Other Revenue		2,449,475	725,295	888,759
		224,277,402	214,559,098	222,308,944
<b>Payments</b>				
Employee Costs		(76,321,626)	(76,667,235)	(71,171,900)
Materials & Contracts		(56,739,314)	(79,030,328)	(60,182,925)
Utilities		(8,327,449)	(9,755,555)	(9,253,358)
Insurance		(1,336,700)	(1,285,633)	(605,797)
Interest		(4,245,488)	(4,115,430)	(4,338,182)
Goods & Services Tax		(13,044,470)	(11,873,323)	(12,253,823)
		(160,015,047)	(182,727,504)	(157,805,985)
<b>Net Cash Inflow from Operating Activities</b>	19 (b)	<b>64,262,355</b>	<b>31,831,594</b>	<b>64,502,959</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Non-Operating Grants, Subsidies & Contributions		24,577,300	19,076,024	18,582,237
Proceeds from Land held for Sale	22	8,510,620	7,568,000	5,046,583
Proceeds from Sale of Assets	22	2,755,654	1,072,000	1,141,656
Proceeds from Distributions from Joint Ventures		1,666,666	-	1,500,000
Proceed from Financial Assets at Amortised Cost - Term Deposit		400,000,000	-	355,000,000
Town Planning Scheme & Development Contribution Plan Income		11,555,976	16,399,283	8,260,620
Cash Paid in Lieu of Public Open Space		13,981	-	-
<b>Payments</b>				
Payments for Development of Land Held for Sale		(2,718,731)	-	(2,111,218)
Payments for Purchase of Property, Plant & Equipment		(21,502,208)	(43,920,131)	(26,137,824)
Payments for Construction of Infrastructure		(27,184,874)	(45,495,359)	(24,859,781)
Payments for Financial Assets at Amotised Cost - Term Deposit		(430,000,000)	-	(755,000,000)
Non-Operating Contracts Expenses		(14,168,717)	(15,000,000)	-
Town Planning Scheme & Development Contribution Plan Expenses		(10,487,165)	(19,907,771)	(4,007,487)
Headworks Levy Refund		(3,039,726)	-	(1,861,894)
<b>Movement in Equity Investments</b>				
Equity Contributions - Tamala Park Regional Council		(1,705,912)	-	(2,940,328)
<b>Net Cash (Outflow) from Investing Activities</b>		<b>(61,727,136)</b>	<b>(80,207,954)</b>	<b>(427,387,436)</b>

This statement should be read in conjunction with the accompanying notes.

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## City of Wanneroo

Statement of Cash Flows (continued)  
for the year ended 30 June 2022

	Notes	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds from new Loans		-	15,000,000	-
Transfer from Trust Fund - Cash Paid in Lieu of Public Open Space		-	2,469,079	2,554,736
<b>Payments</b>				
Repayment of Leases		(71,844)	(125,268)	(84,686)
<b>Net Cash (Outflow)/Inflow from Financing Activities</b>		<b>(71,844)</b>	<b>17,343,811</b>	<b>2,470,050</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>2,463,375</b>	<b>(31,032,549)</b>	<b>(360,414,427)</b>
Cash at The Beginning of The Year	3	14,613,098	380,330,658	375,027,525
<b>Cash &amp; Cash Equivalents - End of the Year</b>	16(a)	<b>17,076,473</b>	<b>349,298,109</b>	<b>14,613,098</b>

This statement should be read in conjunction with the accompanying notes.

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## City of Wanneroo

## Rate Setting Statement

for the year ended 30 June 2022

	Notes	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>OPERATING SURPLUS/(DEFICIT)</b>		32,998,793	1,373,000	14,978,791
<b>OPERATING ACTIVITIES</b>				
<b>Revenue (excludes Rates)</b>				
Operating Grants, Subsidies & Contributions		15,014,025	8,015,370	16,987,093
Fees & Charges		49,070,084	50,296,054	48,837,902
Interest Earnings		3,105,939	2,283,458	3,895,206
Profit on Disposal of Assets		5,592,216	4,918,000	2,833,436
Non-Operating Grants, Subsidies & Contributions		14,045,517	19,076,024	18,056,427
Contributions of Physical Assets		9,818,083	12,180,000	21,137,603
TPS & DCP Revenue		9,484,541	25,630,638	4,686,768
Other Revenue		971,397	725,295	626,614
		<b>107,101,802</b>	<b>123,124,839</b>	<b>117,061,049</b>
<b>Expenses</b>				
Employee Costs		(75,928,385)	(77,092,475)	(71,781,346)
Materials & Contracts		(64,721,739)	(73,738,173)	(65,148,221)
Utilities		(8,327,449)	(9,755,555)	(9,253,358)
Depreciation & Amortisation		(39,106,802)	(44,411,424)	(43,145,534)
Interest Expenses		(4,201,885)	(4,115,430)	(4,128,248)
Insurance		(1,336,700)	(1,285,633)	(605,797)
Loss on Disposal of Assets		(4,467,750)	(986,238)	(98,671,649)
Share of Interests in Controlled Entities		11,948,248	-	(583,531)
TPS & DCP Expense		(8,466,558)	(19,907,771)	(3,974,234)
Non-Operating Contract Expenses		(14,168,717)	(15,000,000)	-
		<b>(208,777,737)</b>	<b>(246,292,699)</b>	<b>(297,291,918)</b>
<b>Non-Cash Amounts Excluded</b>				
(Profit)/Loss on Asset Disposal	22	(1,124,466)	(3,931,762)	95,838,213
Movement in Non-Current Deferred Pensioner Rates		(173,499)	-	(385,809)
Movement in Non-Current Employee Benefit Provisions		(68,725)	-	(17,151)
Movement in Self Supporting Loan Debtors		-	-	-
Depreciation & Amortisation on Assets	2(b)	39,106,802	44,411,424	43,145,534
Movement of Non-Current Debtors & Inventories		-	-	-
Movement of Non-Current Creditors & Provisions		-	-	-
Other Non-Cash (Revenue)/Expenditure		-	-	-
Movement in Equity Accounted Investments		(11,987,493)	-	(856,797)
Movement in Non-Current Lease Liability		(56,389)	-	(69,767)
Movement in Non-Current Contract Liabilities		13,374,892	-	103,241
Movement in Current Contract Assets & Liabilities		708,805	-	1,418,036
		<b>39,779,927</b>	<b>40,479,662</b>	<b>139,175,500</b>
<b>Amount Attributable to Operating Activities</b>		<b>(61,896,008)</b>	<b>(82,688,198)</b>	<b>(41,055,369)</b>

This statement should be read in conjunction with the accompanying notes.

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## City of Wanneroo

Rate Setting Statement (continued)  
for the year ended 30 June 2022

	Notes	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>INVESTING ACTIVITIES</b>				
<b>Revenues</b>				
Proceeds from Disposal of Assets		11,266,274	8,640,000	6,188,239
		<u>11,266,274</u>	<u>8,640,000</u>	<u>6,188,239</u>
<b>Expenses</b>				
Purchase of Land Held for Sale		(2,710,228)	-	(2,111,218)
Purchase Land and Buildings		(3,232,324)	(20,471,469)	(5,218,728)
Purchase Plant and Equipment		(6,179,170)	(14,915,626)	(8,208,666)
Purchase Furniture & Fittings		(2,946,552)	(11,311,254)	(3,047,688)
Purchase of Other PP&E		24,035	-	13,755
Infrastructure Assets		(17,290,249)	(35,515,359)	(43,503,836)
Physical Assets Received from Developers		(9,818,083)	(12,180,000)	(21,137,602)
Movement in Works in Progress		(19,071,323)	-	8,981,313
		<u>(61,223,894)</u>	<u>(94,393,708)</u>	<u>(74,232,670)</u>
<b>Amount Attributable to Investing Activities</b>		<b>(49,957,620)</b>	<b>(85,753,708)</b>	<b>(68,044,431)</b>
<b>FINANCING ACTIVITIES</b>				
<b>Revenues</b>				
Transfers from Reserves (Restricted Assets)	14	82,799,574	43,417,469	71,264,810
Transfers from Trust Fund		-	2,469,079	-
Transfers from Restricted Grants, Contributions & Loans		206,608	1,709,434	-
Cash Backed Employee Provisions Transfers		247,423	-	256,129
Contribution from New Loans		-	15,000,000	-
Transfers from Town Planning Schemes (including DCPs)		8,445,493	21,911,423	4,030,852
		<u>91,699,098</u>	<u>84,507,405</u>	<u>75,551,791</u>
<b>Expenses</b>				
Transfers to Reserves (Restricted Assets)	14	(96,728,652)	(39,099,312)	(80,506,655)
Movement in Restricted Grants, Contributions & Unspent Loans		(10,339,151)	-	(213,521)
Transfers to Town Planning Schemes (including DCPs)		(8,445,493)	(21,911,423)	(4,030,852)
		<u>(115,513,297)</u>	<u>(61,010,735)</u>	<u>(84,751,028)</u>
<b>Amount Attributable to Financing Activities</b>		<b>(23,814,199)</b>	<b>23,496,670</b>	<b>(9,199,237)</b>
<b>Surplus/(Deficit) before Imposition of General Rates</b>		<b>(102,669,034)</b>	<b>(143,572,236)</b>	<b>(103,320,246)</b>
<b>Total Amount Raised from General Rates</b>		<b>139,411,405</b>	<b>141,191,680</b>	<b>136,319,039</b>
<b>CLOSING SURPLUS/(DEFICIT)</b>	24(b)	<b>36,742,371</b>	<b>(2,380,556)</b>	<b>32,998,793</b>

This statement should be read in conjunction with the accompanying notes.

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## City of Wanneroo

## Notes to the Financial Statements

for the year ended 30 June 2022

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## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the Financial Statements are set out below.

##### (a) Basis of Preparation

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

##### Local Government Act 1995 Requirements

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

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Accounting policies which have been adopted in the preparation of these Financial Statements have been consistently applied unless stated otherwise.

##### Critical Accounting Estimates

The preparation of these Financial Statements is in conformity with Australian Accounting Standards that requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

##### (b) The Local Government Reporting Entity

All Funds through which the City of Wanneroo ("the City") controls resources to carry on its functions, have been included in the Financial Statements. In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated. All monies held in Trust Funds are excluded from the Financial Statements. A separate statement of those monies appears at Note 20 to these Financial Statements.

##### (c) Goods and Services Tax (GST)

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST.

##### (d) Financial Instruments

###### 1) Recognition and Derecognition

Financial Instruments, financial assets and financial liabilities are recognised when the City becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.





## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 1. Summary of Significant Accounting Policies (continued)

##### Classification and Initial Measurement of Financial Assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

The classification is determined by both:

- the City's business model for managing the financial asset; and
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

##### 2) Subsequent Measurement of Financial Assets

###### Financial Assets at Amortised Cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

This category includes non-derivative financial assets like loans and receivables with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The City's cash and cash equivalents,

trade and most other receivables fall into this category of financial instruments.

###### Financial Assets at Fair Value through Profit or Loss (FVTPL)

Financial assets that are held within a different business model than 'hold to collect' or 'hold to collect and sell', and financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

###### Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

Financial assets are accounted for at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective is hold to collect the associated cash flows and sell; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognised in Other Comprehensive Income will be realised upon derecognition of the asset. This category includes listed securities and debentures.

##### 3) Classification and Measurement of Financial Liabilities

Financial liabilities are initially measured at fair value and where applicable adjusted for transaction costs unless the City designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).



## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 1. Summary of Significant Accounting Policies (continued)

All interest related charges and if applicable changes in an instrument's fair value that are reported in profit or loss, are included within finance costs or finance income.

#### 4) Impairment of Financial Assets

The City considers a broad range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

Measurement of the expected credit losses is determined by a probability weighted estimate of credit losses over the expected life of the financial instrument.

#### (e) Fair Value Estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is determined using various valuation techniques. The City uses valuation methods and makes assumptions that are based on market conditions existing at each Statement of Financial Position date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the City for similar financial instruments.

#### (f) Impairment

In accordance with Australian Accounting Standards the City's assets, other than inventories, are tested annually for impairment. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136

*Impairment of Assets* and appropriate adjustments made. Assets that are subject to depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in the Statement of Comprehensive Income.

For non-cash generating assets of the City such as roads, drains, public buildings and the like, value in use is represented by the asset's written down replacement cost.

#### (g) Superannuation

The City makes statutory contributions to a number of Superannuation Funds on behalf of its employees. It additionally co-contributes up to a maximum of 5% for employees who choose to make personal contributions by salary sacrifice. Effective from 1 July 2022, the maximum co-contribution percentage is 4.5%. All contributions are recognised as an expense as they become payable.

#### (h) Current and Non-Current Classification

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

#### (i) Rounding Off Figures

All figures shown in these Financial Statements, other than a rate in the dollar, are rounded to the nearest dollar.





## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (j) 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 or corrects prior period errors, the City makes a retrospective restatement or reclassifies items in the Financial Statements that have 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 Statements is presented.

##### (k) Budget Comparative Figures

Unless otherwise stated, the budget comparative figures shown in these Financial Statements relate to the Original Budget for the relevant item of disclosure.

##### (l) Investment Property

Investment property, principally comprising freehold buildings, is held for long-term rental yields. Investment property is carried at fair value, representing open-market value determined annually by external users.

##### (m) Intangible Assets

The City has not classified any assets as Intangible.

##### (n) Service Concession Arrangements: Grantors

AASB 1059 applies to arrangements that involve a third-party operator providing public services related to a service concession asset on behalf of a public sector grantor (in this case, local government) for a specified period of time and managing those services. The City has assessed the impact of AASB 1059, and concluded that there was no impact.

##### (o) AASB 2018-7 Definition of Materiality

The City has adopted the amendment to AASB 2018-7. The change includes additional explanation to expand the definition of what information may be considered material in nature and how presentation may also be an influence. Information is material if

omitting or misstating. It could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

##### (p) New Accounting Standards and Interpretations for Application in Future Periods

The following new accounting standards will have application to the City in future years:

- AASB 2020-1 Amendment to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies or Definition of Accounting Estimates.

It is not expected that these standards will have an impact on the Financial Statements.

Australian Accounting Standards and Interpretations that have been issued or amended but are not yet mandatory, will not be early adopted by the City. The City will adopt new Accounting Standards and Interpretations for the accounting periods on or after the effective date of the respective standard.

##### Standards not Applicable to the City

There are no other standards that are "not yet effective" and expected to have a material impact on the City in the current or future reporting periods and on foreseeable future transactions.

##### (q) Disclaimer

Nothing contained within these statements may be taken to be an admission of any liability to any person under any circumstance.

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 2. Operating Revenues and Expenses

## (a). Significant Accounting Policies

## Rates, Grants, Donations and Other Contributions

Revenue recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract or in the case of Rates, when the relevant rateable year commences.

AASB 1058 Income of Not-for-Profit Entities is considered where AASB 15 does not apply to a transaction. The timing of income recognition depends on whether a transaction gives rise to a performance obligation, liability or contribution by owners.

Where the amounts billed to customers are based on the achievement of various milestones established in the contract, the amounts recognised as revenue in a given

period do not necessarily coincide with the amounts billed to or certified by the customer.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed at Note 2(d). That note also discloses the amount of contributions recognised as revenues in a previous reporting period, which were obtained in respect of the City's operation for the current reporting period.

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns /Refunds /Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by Council annually	When event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events & activities, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price if terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the City	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price if terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	On receipt of Funds



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 2. Operating Revenues and Expenses (continued)

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns /Refunds /Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Revenue recognition
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	On payment and issue of the licence, registration or approval
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by Council annually	When taxable event occurs	Not applicable	When rates notice is issued
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	Adopted by Council annually	Based on timing of entry to facility	Not applicable	On entry to facility
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if booking cancelled within 7 days	Adopted by Council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Adopted by Council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by Council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 2. Operating Revenues and Expenses (continued)

	Notes	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
<b>(b) Net Result</b>				
The Result includes:				
<b>(i) Charging as an Expense:</b>				
<b>Auditors Remuneration</b>				
- Audit		109,400	100,000	80,055
<b>Movement in Expected Credit Loss</b>				
Sundry Debtors		360,262	-	(178,262)
<b>Depreciation &amp; Amortisation</b>				
<i>Property, Plant &amp; Equipment</i>				
	7(b)			
- Buildings		3,849,399	6,552,768	6,238,986
- Furniture & Fittings		3,082,510	3,327,936	2,192,917
- Plant & Equipment		2,728,022	2,458,152	2,833,616
- Leasehold Assets		64,202	-	75,257
<i>Infrastructure</i>				
	8(b)			
- Roads		13,590,816	15,949,224	15,848,345
- Reserves		6,524,337	6,401,796	6,175,811
- Drainage		3,458,402	3,586,428	3,467,917
- Other Infrastructure		2,475,910	2,569,980	2,473,019
- Pathways		2,568,222	2,768,484	3,064,681
- Car Parks		764,982	796,656	774,985
		<b>39,106,802</b>	<b>44,411,424</b>	<b>43,145,534</b>
<b>Interest Expenses (Finance Costs)</b>				
Loan Interest	23(a)	4,389,261	4,395,042	4,381,114
Leases Interest		88,624	4,244	10,650
		<b>4,477,885</b>	<b>4,399,286</b>	<b>4,391,764</b>
<b>Interest Expenses (Finance Costs) - by Fund</b>				
Municipal Fund		4,201,885	4,115,430	4,128,248
Developer Contribution Schemes		276,000	283,856	263,516
		<b>4,477,885</b>	<b>4,399,286</b>	<b>4,391,764</b>
<b>(ii) Crediting as Revenue:</b>				
<b>Interest Earnings</b>				
Investments - Reserve Funds		1,365,227	931,291	2,156,947
Investments - Municipal Funds		664,483	465,646	687,253
Other Interest Income	26	1,076,229	886,521	1,051,006
		<b>3,105,939</b>	<b>2,283,458</b>	<b>3,895,206</b>

## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 2. Operating Revenues and Expenses (continued)

##### (c). Statement of Objectives, Reporting Programs and Nature or Type

In order to discharge its responsibilities to the Community, the City has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the City's Vision, and for each of the City's broad activities/programs.

With reference to the City's Strategic Community Plan 2021-31:

##### Vision

A welcoming community, connected through local opportunities.

##### Purpose

To create a strong community with local opportunities to participate, be active, feel secure, contribute and belong.

##### Strategic Goals

Goal 1 - An inclusive and accessible City with places and spaces that embrace all.

Goal 2 - A City that celebrates rich cultural histories, where people can visit and enjoy unique experiences.

Goal 3 - A vibrant, innovative City with exciting local opportunities for work, business and investment.

Goal 4 - A sustainable City that balances the relationship between urban growth and the environment.

Goal 5 - A well planned, safe and resilient City that is easy to travel around and provides a connection between people and places.

Goal 6 - A future focused City that advocates, engages and partners to progress the priorities of the community.

Goal 7 - A well governed and managed City that makes informed decisions, provides strong community leadership and valued customer focused services.

#### REPORTING PROGRAM DESCRIPTIONS

The City's operations that are disclosed encompass the following service orientated activities/programs:

##### GOVERNANCE

Objective: To provide a decision making process for the efficient allocation of scarce resources.

Activities: Includes the activities of members of Council and the administrative support available to the City for the provision of governance to the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific City services.

##### GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services.

Activities: Collection of rates, general purpose government grants, and interest revenue.

##### LAW, ORDER AND PUBLIC SAFETY

Objective: To provide services to help ensure a safer and environmentally conscious Community.

Activities: Supervision and enforcement of various local laws relating to fire prevention, animal control and protection of the environment and other aspects of public safety including emergency services.



## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 2. Operating Revenues and Expenses (continued)

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##### (c). Statement of Objectives, Reporting Programs and Nature or Type (continued)

###### HEALTH

Objective: To provide services to achieve community and environmental health.

Activities: Maternal and infant health facilities, immunisation, meat inspection services, inspection of food outlets, noise control and pest control services.

###### EDUCATION AND WELFARE

Objective: To provide services to children, youth, the elderly and disadvantaged persons.

Activities: Pre-school and other education services, child minding facilities, playgroups and senior citizens centres.

###### COMMUNITY AMENITIES

Objective: To provide services required by the Community.

Activities: Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes and public conveniences.

###### RECREATION AND CULTURE

Objective: To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

Activities: Maintenance of public halls, civic centre, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

###### TRANSPORT

Objective: To provide safe, effective and efficient transport services to the community.

Activities: Construction and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Water transport facilities, cleaning of streets, maintenance of street trees and street lighting.

###### ECONOMIC SERVICES

Objective: To help promote the City and its economic wellbeing.

Activities: Tourism and provision of rural services including weed control, vermin control and standpipes and building control services.

###### OTHER PROPERTY AND SERVICES

Objective: To monitor and control the City's operations.

Activities: Plant repair and various operational services.

## City of Wanneroo

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 2. Operating Revenues and Expenses (continued)

##### (d) Nature or Type Classifications

City of Wanneroo is required by the Australian Accounting Standards to disclose revenue and expenditure according to its nature or type classification. The following nature or type descriptions are also required by the Local Government (Financial Management) Regulations 1996.

##### REVENUE

###### Rates

All Rates levied under the Local Government Act 1995. This includes general, differential, specific area Rates, minimum Rates, interim Rates, back Rates and ex-gratia Rates, less discounts offered. This excludes administration fees, interest on instalments, interest on arrears, service charges and waste service and sewerage fees.

###### Operating Grants, Subsidies and Contributions

This refers to all amounts received as grants, subsidies and contributions that are not classified as non-operating grants.

###### Non-Operating Grants, Subsidies and Contributions

These are amounts received specifically for the acquisition, construction of new or the upgrade of non-current assets. They are included irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

###### Profit on Asset Disposal

Profit on the disposal of non-current assets.

###### Fees and Charges

Revenue (other than service charges) from the use of facilities and charges for services, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

###### Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations identifies the charges which can be raised. These charges are television and radio rebroadcasting, underground electricity, property surveillance and security and water services. This excludes rubbish removal and charges for the provision of waste services. The City has not levied service charges for the years ended 30 June 2021 and 30 June 2022.

###### Interest Earnings

Interest and other items of a similar nature, income received from banks and financial institutions, interest on Rate instalments, interest on Rate arrears and interest on debtors (if any).

###### Other Revenue

Other revenue, which cannot be classified under the above headings. This includes dividends, discounts and rebates (if any).



## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 2. Operating Revenues and Expenses (continued)

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##### (d) Nature or Type Classifications (continued)

##### EXPENDITURE

##### Employee Costs

All costs associated with the employment of persons such as salaries, wages, allowances, benefits, superannuation, employment expenses, relocation expenses, workers' compensation insurance, training costs, conferences, safety expenses, medical examinations, various leave costs, and fringe benefits tax.

##### Material and Contracts

All expenditure on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, memberships, periodicals, publications, hire expenses, rental, leases, postage and freight.

##### Utilities (Gas, Electricity, Water, etc.)

Expenditures made to respective agencies for the provision of power, gas, water or telephones. This excludes expenditure incurred for the re-instatement of services after road works on behalf of these agencies.

##### Depreciation and Amortisation on Non-Current Assets

Depreciation and amortisation expense raised on all classes of assets except land, artwork and artifacts.

##### Loss on Asset Disposal

Loss on the disposal of non-current assets.

##### Interest Expenses

Interest and other costs of finance paid, including costs of finance for loans.

##### Insurance

All insurance other than workers' compensation. Workers' compensation insurance is included as a cost of employment.

##### Other Expenditure

Statutory fees, taxes and provision for bad debts. Donations and subsidies made to community groups and expenditure not otherwise classified.



City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-20	Received <sup>2</sup> 2021	Expended <sup>3</sup> 2021	Refunded <sup>4</sup> 2021	Closing Balance <sup>1</sup> 30-Jun-21	Received <sup>2</sup> 2022	Expended <sup>3</sup> 2022	Refunded <sup>4</sup> 2022	Closing Balance 30-Jun-22
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>(e). Grants, Subsidies &amp; Contributions</b>									
<b>Grant/Subsidy/Contribution</b>									
<b>Economic Development</b>									
Economic Development Initiatives for Two Rocks	92,000	-	-	-	92,000	-	-	-	92,000
Economic Development Initiatives for Marmion Avenue Jindalee	76,800	-	-	-	76,800	-	-	-	76,800
Economic Development Contributions for Somerly	42,200	-	-	-	42,200	-	-	-	42,200
<b>Emergency Services &amp; Environmental Protection</b>									
State Emergency Service	-	26,572	(22,352)	-	4,220	-	(4,220)	-	-
Mitigation Activity Fund 2020/2021	-	302,425	(176,122)	-	126,303	99,708	(226,011)	-	-
Smart Grant	-	80,000	-	-	80,000	-	(71,512)	-	8,488
Better Bins Kerbside Collection Program	916,933	800,000	(1,677,484)	-	39,449	-	(39,449)	-	-
Vermont Gardens Street Trees Contribution	-	21,828	-	-	21,828	-	-	-	21,828
New Tree Planting various location	-	139,793	(138,767)	-	1,026	-	(1,026)	-	-
Waste Sorted Talking My Language	-	41,547	(41,201)	-	346	-	(346)	-	-
Communities Environment Program	18,026	-	(18,026)	-	-	-	-	-	-
<b>Health &amp; Fitness</b>									
Service WA Assistance Grant	-	-	-	-	-	12,000	(2,955)	-	9,045
Every Club Year 2 Payment	5,000	-	(5,000)	-	-	-	-	-	-
Be Connected over 50s	-	10,000	(7,500)	-	2,500	-	(2,500)	-	-
Kidsport Service Delivery Agreement	-	-	-	-	-	20,000	(13,333)	-	6,667
Eco Floodlighting John Moloney Park	3,804	-	(3,804)	-	-	-	-	-	-
Paloma Park South Sports Oval floodlighting	-	123,620	(110,366)	-	13,254	-	(13,254)	-	-
John Moloney Park New Fitness Equipment	-	36,137	(9,334)	-	26,803	-	(26,803)	-	-
Belhaven Park Upgrade Sport Floodlighting	-	131,191	(31,211)	-	99,980	-	(99,980)	-	-
Ridgewood Park Floodlighting	190,000	-	(190,000)	-	-	-	-	-	-

(continued on next page)



City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-20	Received <sup>2</sup> 2021	Expended <sup>3</sup> 2021	Refunded <sup>4</sup> 2021	Closing Balance <sup>1</sup> 30-Jun-21	Received <sup>2</sup> 2022	Expended <sup>3</sup> 2022	Refunded <sup>4</sup> 2022	Closing Balance 30-Jun-22
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>(e). Grants, Subsidies &amp; Contributions (continued)</b>									
<b>Grant/Subsidy/Contribution (continued)</b>									
<b>Buildings</b>									
New Carpark at Edgar Griffiths Park	-	208,967	(205,834)	-	3,133	-	(3,133)	-	500,000
Clarkson Youth Centre Upgrade	-	-	-	-	-	500,000	-	-	44,916
Install New Public Toilets at Splendid Park Netball Courts	-	201,126	(56,261)	-	144,865	-	(99,949)	-	431,753
Warradale Park Sports Amenities Building Upgrade	-	550,000	(9,125)	-	540,875	-	(108,122)	-	36,010
WA Recovery Plan Kingsway Regional Sporting Complex	-	150,000	(2,470)	-	147,530	-	(111,520)	-	19,540
New Accessible Pool Pod at Wanneroo Aquamotion	-	108,778	(108,444)	-	334	-	(334)	-	17,748
Southern Suburbs Library Landsdale New NBN Services	-	19,540	-	-	19,540	-	-	-	-
WA Recovery Plan-Youth Innovation Hub in Landsdale	-	250,000	(66,703)	-	183,297	-	(165,549)	-	-
New Public Carpark Civic Centre Wanneroo	-	89,080	(8,533)	-	80,547	-	(80,547)	-	-
Wanneroo Library Upgrade Adult Changing Facility	-	113,160	(35,593)	-	77,567	-	(77,567)	-	-
Phil Renkin Community Centre Upgrade Ventilation System	-	110,000	(7,639)	-	102,361	-	(102,361)	-	-
Quinns Mindarie Community Centre Upgrade Access	-	48,850	(1,859)	-	46,991	-	(46,991)	-	-
Kingsway Olympic Soccer Club External Building Refurbishment	-	215,093	(94,129)	-	120,964	-	(120,964)	-	-
Hinckley Park New Toilet Block	-	-	-	-	-	135,000	-	-	130,179
Alkimos Aquatic Centre WA Recovery Plan	-	500,000	(548)	-	499,452	-	(85,461)	-	413,991
Addison Park Clubrooms Upgrade Ventilation	-	19,770	(710)	-	19,060	-	(19,060)	-	-
John Moloney Park Clubrooms Upgrade Ventilation	-	13,678	-	-	13,678	-	(13,678)	-	-
Anthony Waring Park Clubrooms Upgrade Ventilation	-	27,356	-	-	27,356	-	(27,356)	-	-
Kingsway Indoor Stadium Upgrade Changerooms & Toilets	-	121,608	-	-	121,608	142,650	(137,237)	-	127,021
Instal Canopy Structures at Wanneroo Showgrounds Clubrooms	-	-	-	-	-	38,500	(2,383)	-	36,117
Installation of Solar Panel Batteries at Wanneroo Showgrounds	-	-	-	-	-	41,000	(2,411)	-	38,589
Margaret Cockman Pavilion Upgrade Flooring	-	39,080	-	-	39,080	-	-	-	39,080
Wanneroo Aquamotion Family Change Area Upgrade	-	449,305	(60,462)	-	388,843	-	(388,843)	-	-
Upgrade Hydrotropool Changerooms Wanneroo Aquamotion	-	39,080	-	-	39,080	-	(39,080)	-	-
New Carpark at Hinckley Park	-	150,000	(135,082)	-	14,918	-	-	-	14,918
Shelvoock Park Carpark Extension	-	75,344	(12,712)	-	62,632	-	(62,632)	-	-

(continued on next page)



City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-20	Received <sup>2</sup> 2021	Expended <sup>3</sup> 2021	Refunded <sup>4</sup> 2021	Closing Balance <sup>1</sup> 30-Jun-21	Received <sup>2</sup> 2022	Expended <sup>3</sup> 2022	Refunded <sup>4</sup> 2022	Closing Balance <sup>1</sup> 30-Jun-22
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>(e). Grants, Subsidies &amp; Contributions (continued)</b>									
<b>Grant/Subsidy/Contribution (continued)</b>									
<b>Recreation &amp; Culture</b>									
Kingsway Soccer Changerooms	-	-	-	-	-	45,454	-	-	45,454
Quinns Rocks Foreshore Changerooms	-	-	-	-	-	45,454	-	-	45,454
Community Garden Roseworth	32,641	-	(32,641)	-	-	-	-	-	-
Wanneroo Festival 2022	-	-	-	-	-	35,000	-	-	35,000
Inspiring WA National Science Week Grant	-	-	-	-	-	4,530	-	-	4,530
Better Beginnings Innovations Grant	-	-	-	-	-	21,779	-	-	21,779
Better Beginnings Micro Grant	-	-	-	-	-	8,930	-	-	8,930
Musica Viva Outer Metro Arts	-	49,314	(12,514)	-	36,800	-	(36,800)	-	-
Age-Friendly Communities Social Connectivity Grant	-	14,450	(5,775)	-	8,675	-	(8,675)	-	-
Girrawheen Multicultural Community Office & Senior Hall	12,419	-	(12,419)	-	-	-	-	-	-
Clarkson Memory Café & Clarkson Library Virtual Reality	10,600	-	(8,996)	-	1,604	-	(1,604)	-	-
Lotterywest Global Beats & Eats	15,905	-	-	(15,905)	-	-	-	-	-
Edgar Griffiths Dog Park Lighting	-	-	-	-	-	80,000	(5,000)	-	75,000
Splendid Skate Park Construction	71,351	212,225	(283,576)	-	-	-	-	-	-
Edgar Griffiths Dog Park	-	-	-	-	-	-	-	-	-
Every Club Grant Scheme	-	7,875	-	-	7,875	7,875	(7,875)	-	7,875
Shorehaven Waterfront Park Play Equipment Contribution	17,818	-	(17,818)	-	-	-	-	-	-
Get Online (Good Things Foundation)	216	-	(216)	-	-	-	-	-	-
Health My Way (Digital Health)	5,000	-	(3,000)	-	2,000	-	(2,000)	-	-
Be Connected Next Stage	-	-	-	-	-	-	-	-	-
Abbeville Park Upgrade	84,764	15,792	(100,556)	-	-	-	-	-	-
Houghton Park BMX Track	-	100,000	(58,928)	-	41,072	-	-	-	41,072
Wanneroo BMX Raceway	-	-	-	-	-	125,000	-	-	125,000
Splendid Park New Cycling Facility	-	-	-	-	-	705,000	-	-	705,000
Splendid Park Ovals Floodlighting	-	-	-	-	-	210,000	-	(10,463)	199,537
Nature Playground Gumblossom	-	-	-	-	-	50,000	-	-	50,000

(continued on next page)





City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 2. Operating Revenues and Expenses (continued)

	Opening Balance		Received		Expended		Refunded		Closing Balance	
	1-Jul-20	2021	2021	2021	2021	2021	2021	2021	30-Jun-21	30-Jun-22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>(e). Grants, Subsidies &amp; Contributions (continued)</b>										
<b>Grant/Subsidy/Contribution (continued)</b>										
Kingsway Dog Park Lighting	-	-	-	-	-	-	-	-	-	80,000
Koondoola Bike Plan	-	-	-	-	-	-	-	-	-	170,000
Installation of Outdoor Fitness Equipment	-	-	-	-	-	-	-	-	-	37,000
Jindinga Park New Play Area	-	84,252	(21,840)	-	-	(62,412)	-	-	-	-
Studmaster Park Footbridge & Tower	-	198,445	(4,700)	-	-	(193,745)	-	-	-	-
Halesworth Park Butler North District Open Space Master Plan	996,088	-	(996,088)	-	-	-	-	-	-	2,283,825
Donnelly Park Upgrade Playground & Access	-	78,160	-	-	-	(78,160)	-	-	-	-
Chesterfield Park Upgrade Playground & Lighting	-	60,400	-	-	-	(60,400)	-	-	-	-
Wonambi Park Construction	-	106,838	(14,248)	-	-	(92,590)	-	-	-	-
Bellport Park New Play Area Installation	-	111,206	(9,553)	-	-	(101,653)	-	-	-	-
Quinns Mindarie Community Centre New Play Area Installation	-	48,850	(8,700)	-	-	(40,150)	-	-	-	-
Breakwater Park Construction & Play Equipment	-	93,792	(15,359)	-	-	(78,433)	-	-	-	-
Dalvik Park Upgrade Senior Recreation Space	-	36,264	(2,922)	-	-	(33,342)	-	-	-	-
Ridgewood Park Structures Upgrades	-	-	-	-	-	(1,191)	-	-	-	118,809
Dishwasher & Chairs for Alexander Heights Community Centre	-	-	-	-	-	-	-	-	-	16,200
Planting Trees for Queen's Jubilee	-	-	-	-	-	-	-	-	-	11,636
Diamond Sports Infrastructure at Gumblossom Park Quinns Rocks	-	-	-	-	-	-	-	-	-	241,865
<b>Roads</b>										
Prindville Road Intersection Upgrade Contribution	83,845	-	(79,862)	-	-	-	-	-	3,983	-
Prindville Road Intersection Upgrade Contribution	64,927	-	(64,927)	-	-	-	-	-	-	-
Prindville Road Intersection Upgrade Contribution	57,555	-	(57,555)	-	-	-	-	-	-	-
Prindville Road Intersection Upgrade Contribution	160,229	-	(160,229)	-	-	-	-	-	-	-
Lot 75 Cooper Street Madeley	10,000	-	-	-	-	-	-	-	10,000	-
Lancaster Industrial Park	76,747	-	-	-	-	-	-	-	76,747	-
Contribution to Madeley Rise	42,216	-	-	-	-	-	-	-	42,216	-
Roundabout Construction at Rosso Meander Woodvale	32,850	-	-	-	-	-	-	-	32,850	-

(continued on next page)



City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1-Jul-20	Received <sup>2</sup> 2021	Expended <sup>3</sup> 2021	Refunded <sup>4</sup> 2021	Closing Balance <sup>1</sup> 30-Jun-21	Received <sup>2</sup> 2022	Expended <sup>3</sup> 2022	Refunded <sup>4</sup> 2022	Closing Balance 30-Jun-22
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>(e). Grants, Subsidies &amp; Contributions (continued)</b>									
<b>Grant/Subsidy/Contribution (continued)</b>									
Woodvale Local Structure Plan Contribution	431,026	-	(431,026)	-	-	-	-	-	-
Geary Ray - Drainage Upgrade- High Road	11,135	-	-	-	11,135	-	-	-	11,135
Roundabout - Driver Road & Waterford Parade Stage 7 Ashdale	18,000	-	-	-	18,000	-	-	-	18,000
Construction of Roundabout Intersection of Librizzi Parade & Contribution for Future Resurfacing of Roundabouts in Ashton	20,265	-	-	-	20,265	-	-	-	20,265
Contribution for Future Resurfacing of Roundabouts in Ashton	25,000	-	(25,000)	-	-	-	-	-	-
Compensation for Road Widening at Lot600 Wattle Ave Neerabup	785,494	-	-	-	785,494	-	-	-	785,494
Contribution for Subdivision of Lot 507 Pederick Road, Neerabup (Road Deed No 2)	2,022,077	-	-	-	2,022,077	-	-	-	2,022,077
Contribution for Subdivision of Lot 507 Pederick Road, Neerabup (Road Deed No 1)	1,503,803	-	-	-	1,503,803	-	-	-	1,503,803
Wanneroo Road/Prindville Drive Intersection	31,427	-	(31,427)	(23,600)	-	-	-	-	-
Install Skid Resistant Treatment Gnaragara Road & Alexander Drive	23,600	-	-	-	-	-	-	-	-
Mirrabooka Ave & Rawlinson Drv Pre-Deflection Black Spot Grant	-	-	-	-	-	156,358	(124,268)	-	32,090
Civic Drive Access to Wanneroo Shopping Centre	-	62,126	(16,108)	-	46,018	-	(46,018)	-	-
Project Management Cost for New Pathways Various Locations	-	384,397	(78,159)	-	306,228	-	(306,228)	-	-
Gumblossom Park Quinns Rocks Pathway	-	78,160	(9,621)	-	68,539	-	(68,539)	-	-
Stockland WA - East Landsdale	85,101	-	-	-	85,101	-	-	-	85,101
Road Improvements Quinns Road Upgrade	-	-	-	-	-	696,088	(696,088)	-	-
Main Roads Western Australia - Agreement Ocean Reef Road	60,190	-	(60,190)	-	-	-	-	-	-
Marmion Avenue Santa Barbara Quinns Intersection Upgrade	-	-	-	-	-	91,733	(5,915)	-	85,818
Wanneroo Road to Old Yanchep Road Neerabup	-	-	-	-	-	8,000,000	(577,048)	-	7,422,952

(continued on next page)



City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup>		Received <sup>2</sup>		Expended <sup>3</sup>		Refunded <sup>4</sup>		Closing Balance	
	1-Jul-20	2021	2021	2021	2021	2021	2021	2021	30-Jun-21	30-Jun-22
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>(e) Grants, Subsidies &amp; Contributions (continued)</b>										
<b>Grant/Subsidy/Contribution (continued)</b>										
Ocean Reef Wangara & Brady/Hartman New Pathway	-	-	-	-	-	288,397	(232,091)	-	-	56,306
Santa Barbara Parade Quinns Upgrade Intersection	-	-	-	-	-	200,000	(7,142)	-	-	192,858
Belvedere Hills Stage 5 Hocking	8,838	-	(8,838)	-	-	-	-	-	-	-
Bus Shelters at Various Locations	-	73,850	(397)	-	-	-	(53,079)	-	73,453	20,374
Lot 33 Lancaster Road Wangara	15,545	-	(15,545)	-	-	-	-	-	-	-
Design Traffic Signal Mast Arms at Ocean Reef Road	8,165	-	-	(8,165)	-	-	-	-	-	-
Garden Park Drive Wanneroo Roads to Recovery	1,043	40,000	(41,043)	-	-	-	-	-	-	-
Bennett Road Quinns Roads to Recovery	2,500	-	(2,500)	-	-	-	-	-	-	-
Road Improvements Lukin Drive to Benenden Avenue	-	-	-	-	-	175,233	(175,233)	-	-	-
Road Rehabilitation Project Beach Road Section B	-	-	-	-	-	473,064	(473,064)	-	-	-
Road Rehabilitation Project Beach Road Section A	-	-	-	-	-	19,383	-	-	-	19,383
Road Rehabilitation Project Civic Drive	-	-	-	-	-	203,272	(203,272)	-	-	-
Road Improvements New Speed Signs Huntington Parkway	-	-	-	-	-	80,000	(69,860)	-	-	10,140
Flynn Drive Upgrade	950,000	-	-	-	-	939,910	-	-	-	939,910
Hartman Drive, Heppburn Ave to Ghangara Road	17,469	600,000	(1,550,000)	-	-	-	-	-	17,469	-
Lot 69 Kingsway Road Future Works	-	-	-	-	-	-	-	-	-	-
<b>Safer WA</b>										
CCTV Upgrade Various Locations	-	241,089	(42,732)	-	-	187,000	(198,357)	-	198,357	-
Wangara CCTV	-	-	-	-	-	-	-	-	-	-
<b>Total Unspent Grants, Subsidies &amp; Contributions</b>	<b>9,140,612</b>	<b>7,910,413</b>	<b>(7,522,289)</b>	<b>(47,670)</b>	<b>17,765,019</b>	<b>(7,206,785)</b>	<b>(10,463)</b>	<b>(10,463)</b>	<b>9,481,066</b>	<b>20,026,627</b>

Notes:

- (1) - Grants/contributions received in a previous reporting period that were not expended at the close of the previous period
- (2) - New grants/contributions received during the reporting period and which had not been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions received throughout the financial year and were fully expended are not disclosed in the above note.
- (4) - Unspent funds returned to grantor.





## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 3. Cash and Cash Equivalents

	Notes	2022 Actual \$	2021 Actual \$
<b>Unrestricted</b>			
Cash - Municipal		17,059,747	14,594,924
Cash on Hand		11,526	12,976
		<u>17,071,273</u>	<u>14,607,900</u>
<b>Restricted</b>			
Town Planning Schemes		5,200	5,198
		<u>5,200</u>	<u>5,198</u>
<b>Total Cash and Cash Equivalents</b>	16(a)	<u>17,076,473</u>	<u>14,613,098</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Town Planning Schemes Cash	5,200	5,198
	<u>5,200</u>	<u>5,198</u>
<b>Total Restricted Cash</b>	<u>5,200</u>	<u>5,198</u>

## SIGNIFICANT ACCOUNTING POLICY

## Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These exclude outstanding bank overdrafts, which are included as short-term borrowings in current liabilities on the Statement of Financial Position.

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 4. Other Financial Assets

	2022 Actual	2021 Actual
	\$	\$
<b>Current Financial Assets</b>		
Financial assets at amortised cost	430,000,000	400,000,000
	<u>430,000,000</u>	<u>400,000,000</u>
<b>Other financial assets at amortised cost</b>		
Term Deposits	430,000,000	400,000,000
	<u>430,000,000</u>	<u>400,000,000</u>
<b>Held as</b>		
<b>Unrestricted</b>		
Term Deposit - Municipal	63,381,577	51,647,764
	<u>63,381,577</u>	<u>51,647,764</u>
<b>Restricted</b>		
Reserves - Cash Backed	236,762,351	226,011,711
Reserves - Development Contribution Plans	22,111,021	18,918,601
Town Planning Schemes	81,251,840	87,267,865
Unspent Grants	20,026,827	9,481,066
Unspent Loans	6,466,384	6,672,993
	<u>366,618,423</u>	<u>348,352,236</u>
<b>Total Other Financial Assets</b>	<u>430,000,000</u>	<u>400,000,000</u>
<b>The following restrictions have been imposed by regulations or other externally imposed requirements:</b>		
Asset Replacement/Enhancement Reserve	67,783,297	63,907,204
Carried Forward Capital Projects Reserve	9,115,915	3,728,681
Cash Paid in Lieu of Public Open Space Prior to 10 April 2006 Reserve	2,568,717	2,554,736
Coastal Infrastructure Management Reserve	15,851,639	15,872,524
Domestic Refuse Reserve	12,556,005	13,156,108
Golf Course Reserve	1,309,161	1,311,425
Strategic Land Reserve	10,969,385	6,029,093
Leave Liability Reserve	15,088,204	15,006,085
Loan Repayment Reserve	47,857,222	56,450,457
Neerabup Development Reserve	4,808,579	4,387,201
Plant Replacement Reserve	15,725,024	16,802,775
Regional Open Space Reserve	24,516,489	18,415,711
Section 152 Reserve	744,440	740,388
Strategic Projects/Initiatives Reserve	336,432	167,516
TPS 20 - District Distributor Road	7,404,919	7,364,620
Yanchep Bus Reserve	126,923	117,187
	<u>236,762,351</u>	<u>226,011,711</u>

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 4. Other Financial Assets (continued)

		2022 Actual	2021 Actual
		\$	\$
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	14(a)	20,247,766	17,399,405
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve	14(r)	1,863,255	1,519,196
<b>Total Development Contribution Plans</b>		<b>22,111,021</b>	<b>18,918,601</b>
Berkley Road Local Structure Plan		3,110,519	3,102,174
East Wanneroo Cell 1		1,917,783	5,062,280
East Wanneroo Cell 2		9,799,725	9,622,522
East Wanneroo Cell 3		650,098	765,813
East Wanneroo Cell 4		11,553,427	11,890,649
East Wanneroo Cell 5		3,966,532	4,900,405
East Wanneroo Cell 6		22,854,421	24,046,349
East Wanneroo Cell 7		2,964,747	2,879,182
East Wanneroo Cell 8		5,000,943	5,003,671
East Wanneroo Cell 9		18,933,770	19,466,587
Town Planning Scheme No 5 - Landsdale		499,875	528,233
<b>Total Town Planning Schemes</b>		<b>81,251,840</b>	<b>87,267,865</b>
Unspent Grants and Contributions	2(e)	20,026,827	9,481,066
Unspent Loans	23	6,466,384	6,672,993
<b>Total Unspent Grants and Loans</b>		<b>26,493,211</b>	<b>16,154,059</b>
<b>Total Restricted Cash</b>		<b>366,618,423</b>	<b>348,352,236</b>

## SIGNIFICANT ACCOUNTING POLICY

## Other Financial Assets at Amortised Cost

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.

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

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

## Financial assets at fair value through profit and loss

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

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the City has not elected to recognise fair value gains and losses through other comprehensive income.

## Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 1.



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 5. Trade and Other Receivables

	2022 Actual	2021 Actual
	\$	\$
<b>Current</b>		
Rates Outstanding (inclusive of Waste and Swimming Pool Inspection Fees)	7,782,343	9,500,496
Sundry Debtors	1,213,602	1,526,899
Accrued Income	1,580,642	1,703,696
Goods & Services Tax Receivable	2,735,727	1,547,479
Prepayments	1,509,706	2,078,698
Less: Expected Credit Loss	(824,930)	(464,668)
<b>Total Current Trade &amp; Other Receivables</b>	<u>13,997,090</u>	<u>15,892,600</u>
<b>Non-Current</b>		
Rates Outstanding - Pensioners	4,271,618	4,098,119
<b>Total Non-Current Trade &amp; Other Receivables</b>	<u>4,271,618</u>	<u>4,098,119</u>

**SIGNIFICANT ACCOUNTING POLICY****Trade and Other Receivables**

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. A loss allowance is recognised by applying the expected credit loss model.



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 6. Inventories

	2022 Actual	2021 Actual
	\$	\$
<b>Current</b>		
Consumables & Materials	328,855	304,083
<b>Total Current Inventories</b>	<u>328,855</u>	<u>304,083</u>

**SIGNIFICANT ACCOUNTING POLICIES****(i) Raw materials and stores, work in progress and finished goods**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost or net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the established selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

**(ii) Land Held for Sale/capitalisation of borrowing costs**

Land held for resale is stated at the lower of cost or net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, development and borrowing costs during development. When development is completed, borrowing costs and other holding charges are expensed as incurred. Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale. Land held for resale is classified as current except where it is held as non-current based on the City's intentions to release for sale.

**(iii) Library books**

All library books are expensed at the point of acquisition either through purchase or inheritance.

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 6. Inventories (continued)

	2022 Actual	2021 Actual
	\$	\$
<b>Non-Current</b>		
Land Held for Sale- Development Costs	17,236,832	21,764,680
<b>Total Non-Current Inventories</b>	<u>17,236,832</u>	<u>21,764,680</u>

Land held for sale includes commercial land on Flynn Drive in Neerabup, commercial land on Opportunity Street in Wangara and one sixth ownership of residential land on Lot 118 Mindarie which is being developed by Tamala Park Regional Council.

**SIGNIFICANT ACCOUNTING POLICIES****Non-Current Assets (or Disposal Groups) "Held for Sale" and Discontinued Operations**

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount, or (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles, which are turned over on a regular basis. Plant and motor vehicles are retained in Non-Current Assets under the classification of Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the Statement of Financial Position.

A Discontinued Operation is a component of the City's operations that has been disposed of or is classified as "held for sale" and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the Statement of Comprehensive Income.



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 7a. Property, Plant and Equipment

	Note	2022 Actual \$	2021 Actual \$
Land - Fair Value		123,307,830	121,763,000
Land - Cost (Additions after Valuation)		21,820	-
		<u>123,329,650</u>	<u>121,763,000</u>
Buildings - Fair Value		206,236,901	206,236,901
Buildings - Cost (Additions after Valuation)		3,210,504	-
Buildings - Less Accumulated Depreciation		(3,849,399)	-
		<u>205,598,006</u>	<u>206,236,901</u>
Furniture & Fittings - Opening Net Book Value		8,889,467	8,034,696
Furniture & Fittings - Cost (Additions)		2,946,552	3,047,688
Furniture & Fittings - Less Accumulated Depreciation		(3,082,510)	(2,192,917)
		<u>8,753,509</u>	<u>8,889,467</u>
Plant & Equipment - Opening Net Book Value (Less Disposals)		20,397,561	16,146,241
Plant & Equipment - Cost (Additions)		6,179,170	8,208,666
Plant & Equipment - Less Accumulated Depreciation		(2,728,022)	(2,833,616)
		<u>23,848,709</u>	<u>21,521,291</u>
Leasehold Assets - Fair Value		276,269	218,747
Leasehold Assets - Less Accumulated Depreciation		(221,015)	(75,257)
		<u>55,254</u>	<u>143,490</u>
Works in Progress - Cost		27,678,776	18,502,079
		<u>27,678,776</u>	<u>18,502,079</u>
<b>Total Property, Plant &amp; Equipment</b>	7(b)	<u><u>389,263,904</u></u>	<u><u>377,056,228</u></u>

The fair value of Land and Building is determined at least every five years in accordance with legislative requirements. At the end of each period the valuation is reviewed and where appropriate the fair values are updated to reflect current market conditions. This process is considered to be in accordance with the *Local Government (Financial Management) Regulation 17A*, which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value. As a result of amendments to the *Local Government (Financial Management) regulation 17A* effective from 1 July 2019, vested land, including land under roads, are treated as right of use assets and measured at zero cost.

Following the change to the *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and fittings) are measured under the cost model.

In accordance with AASB 16, the City recognised right of use asset in relation to leases which had previously been classified as operating leases.

City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 7b. Property, Plant and Equipment (continued)

Movements in Carrying Amounts

	Land	Buildings	Furniture & Fittings	Plant & Equipment	Leasehold Assets	Works in Progress	Total
	\$	\$	\$	\$	\$	\$	\$
Balance as at 1 July 2020	134,236,184	179,845,668	8,034,596	17,320,864	232,502	8,839,337	348,509,251
Additions	-	2,715,394	1,621,797	8,208,666	-	13,624,777	26,170,634
Disposals	-	-	-	(1,174,623)	-	-	(1,174,623)
Adjustments	(32,810)	-	-	-	(13,755)	-	(46,565)
Revaluation - Increments	-	27,378,681	-	-	-	-	27,378,681
Revaluation - (Decrements)	(12,440,374)	-	-	-	-	-	(12,440,374)
Depreciation	-	(6,238,986)	(2,192,917)	(2,833,616)	(75,257)	-	(11,340,776)
Transfers from Works in Progress	-	2,536,144	1,425,891	-	-	(3,962,035)	-
<b>Property, Plant &amp; Equipment at 30 June 2021</b>	<b>121,763,000</b>	<b>206,236,901</b>	<b>8,889,467</b>	<b>21,521,291</b>	<b>143,490</b>	<b>18,502,079</b>	<b>377,056,228</b>
Recognition of Land Previously Wrongly Written off <b>Property, Plant &amp; Equipment After Revaluation</b>	<b>3,324,830</b>	-	-	-	-	-	<b>3,324,830</b>
	<b>125,087,830</b>	<b>206,236,901</b>	<b>8,889,467</b>	<b>21,521,291</b>	<b>143,490</b>	<b>18,502,079</b>	<b>380,381,058</b>
Balance as at 1 July 2021	125,087,830	206,236,901	8,889,467	21,521,291	143,490	18,502,079	380,381,058
Additions	21,820	3,114,236	2,624,012	6,179,170	-	9,591,448	21,530,686
Disposals	(1,780,000)	-	-	(1,123,730)	-	-	(2,903,730)
Adjustments	-	-	4,057	-	(24,034)	-	(19,977)
Depreciation	-	(3,849,399)	(3,082,510)	(2,728,022)	(64,202)	-	(9,724,133)
Transfers from Works in Progress	-	96,268	318,483	-	-	(414,751)	-
<b>Property, Plant &amp; Equipment at 30 June 2022</b>	<b>123,329,650</b>	<b>205,598,006</b>	<b>8,753,509</b>	<b>23,848,709</b>	<b>55,254</b>	<b>27,678,776</b>	<b>389,263,904</b>



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 8a. Infrastructure Assets

	Notes	2022 Actual \$	2021 Actual \$
Roads - Fair Value		1,184,223,932	1,236,959,732
Roads - Movement Current Year		10,744,439	(36,887,455)
Roads - Less Accumulated Depreciation		<u>(13,590,816)</u>	<u>(15,848,345)</u>
		1,181,377,555	1,184,223,932
Drainage - Fair Value		393,528,662	403,380,504
Drainage - Movement Current Year		2,926,938	(6,383,925)
Drainage - Less Accumulated Depreciation		<u>(3,458,402)</u>	<u>(3,467,917)</u>
		392,997,198	393,528,662
Other Infrastructure - Fair Value		55,852,720	58,253,574
Other Infrastructure - Movement Current Year		197,906	72,165
Other Infrastructure - Less Accumulated Depreciation		<u>(2,475,911)</u>	<u>(2,473,019)</u>
		53,574,715	55,852,720
Pathways - Fair Value		87,735,281	89,138,139
Pathways - Movement Current Year		3,316,955	1,661,823
Pathways - Less Accumulated Depreciation		<u>(2,568,222)</u>	<u>(3,064,681)</u>
		88,484,014	87,735,281
Car Parks - Fair Value		30,938,566	31,687,791
Car Parks - Movement Current Year		454,588	25,760
Car Parks - Less Accumulated Depreciation		<u>(764,982)</u>	<u>(774,985)</u>
		30,628,172	30,938,566
Reserves - Fair Value		134,674,344	133,335,767
Reserves - Movement Current Year		9,467,507	7,514,388
Reserves - Less Accumulated Depreciation		<u>(6,524,337)</u>	<u>(6,175,811)</u>
		137,617,514	134,674,344
Works in Progress - Cost		45,169,514	35,274,888
		45,169,514	35,274,888
<b>Total Infrastructure</b>	5(b)	<u>1,929,848,682</u>	<u>1,922,228,393</u>

The fair value of Infrastructure is determined at least every five years in accordance with legislative requirements. At the end of each period the valuation is reviewed and where appropriate the fair values are updated to reflect current market conditions. This process is considered to be in accordance with the *Local Government (Financial Management) Regulation 17A*, which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.



City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 8b. Infrastructure Assets (continued)

Movements in Carrying Amounts

	Notes	Roads	Drainage	Other Infrastructure	Pathways	Car Parks	Reserves	Works in Progress	Total
		Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Cost	\$
Balance as at 1 July 2020		1,236,959,732	403,380,504	58,253,574	89,138,139	31,687,791	133,335,767	53,918,943	2,006,674,450
Additions	21	17,228,418	4,299,152	72,165	1,605,415	11,663	6,260,546	16,520,024	45,997,383
Disposals	22	(87,740,478)	(10,898,204)	-	-	-	-	-	(98,638,682)
Depreciation (Expense)	21b	(15,848,345)	(3,467,917)	(2,473,019)	(3,064,681)	(774,985)	(6,175,811)	-	(31,804,758)
Transfers from Works in Progress		33,624,605	215,127	-	56,408	14,097	1,253,842	(35,164,079)	-
<b>Infrastructure at 30 June 2021</b>		<b>1,184,223,932</b>	<b>393,528,662</b>	<b>55,852,720</b>	<b>87,735,281</b>	<b>30,938,566</b>	<b>134,674,344</b>	<b>35,274,888</b>	<b>1,922,228,393</b>
Balance as at 1 July 2021		1,184,223,932	393,528,662	55,852,720	87,735,281	30,938,566	134,674,344	35,274,888	1,922,228,393
Additions	21	9,356,567	2,876,203	197,905	2,258,636	441,059	8,781,377	13,091,211	37,002,958
Depreciation (Expense)	21b	(13,590,816)	(3,458,402)	(2,475,910)	(2,568,222)	(764,982)	(6,524,337)	-	(29,382,669)
Transfers from Works in Progress		1,387,872	50,735	-	1,058,319	13,529	686,130	(3,196,585)	-
<b>Infrastructure at 30 June 2022</b>		<b>1,181,377,555</b>	<b>392,997,198</b>	<b>53,574,715</b>	<b>88,484,014</b>	<b>30,628,172</b>	<b>137,617,514</b>	<b>45,169,514</b>	<b>1,929,848,682</b>



## City of Wanneroo

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 8c. Fixed Assets

##### SIGNIFICANT ACCOUNTING POLICIES

###### Non-Current Assets

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

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

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulations 17A (5)*. These assets are expensed immediately and are placed on an "Attractive & Portable Device Register" list for reference and maintenance.

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 acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties (including vested improvements) 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 mandatory measurement framework.

###### Revaluation

The fair value of land, buildings, infrastructure and investment properties is determined every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the City.

At the end of each period the 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 the *Local Government (Financial Management) Regulation 17A (2)*, which require land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Individual assets that are plant and equipment type assets and right-of-use assets are measured using the cost model in accordance with *Local Government (Financial Management) Regulation 17A (2)(b) and 17A (2)(c)*.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation reserve in equity. Decreases in the carrying amount that offset previous increases of the same asset are recognised against revaluation reserve directly in equity. All other decreases are recognised in the Statement of Comprehensive Income.



## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 8c. Fixed Assets (continued)

##### SIGNIFICANT ACCOUNTING POLICIES (continued)

###### Land under Control prior to 1 July 2019

In accordance with the then *Local Government (Financial Management) Regulation 16(a)(ii)*, the City was previously required to include as an asset (by 30 June 2013), vested Crown Land operated by the local government with regional significance such as golf courses, showgrounds, racecourses or other sporting or recreational facilities.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land.

###### Land under Roads prior to 1 July 2019

In Western Australia, most land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, the City elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* prohibited local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of AASB 1051, *Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail. Consequently, any land under roads acquired on or after 1 July 2008 was not included as an asset of the City.

###### Land under Roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, is treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

The City has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

###### Vested Improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the City to measure the vested improvements as part of the related right-of-use assets at zero cost.

###### Depreciation of Non-Current Assets

All non-current assets that have a limited useful life are separately and systematically depreciated over their useful lives in a manner that reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.



## City of Wanneroo

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 8c. Fixed Assets (continued)

**SIGNIFICANT ACCOUNTING POLICIES (continued)**

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

Buildings	40 years
Bus Shelters*	30 - 50 years
Computer Hardware	3 years
Computer Software	2 years
Pathways*	25 - 70 years
Furniture & Equipment (excluding Artwork & Artefacts**)	10 years
Heavy Vehicles - 1,201 kg to 4,000 kg	years/100,000 km's (45% residual)
Heavy Vehicles - 4,001 kg to 9,000 kg	years/200,000 km's (40% residual)
Heavy Vehicles - 9,001 kg to 12,000 kg	years/500,000 km's (48% residual)
Heavy Vehicles – Refuse	5 years (20% residual)
Light Vehicles	3 years (60% residual)
Plant	10 years (50% residual)
Other Infrastructure*	10 - 80 years
Other Plant and Equipment	10 years
Land**	Not Applicable
Parks & Reserves*	12 - 85 years
Irrigation Piping	30 years
Reserves/Playground Equipment*	10 - 15 years
Sealed Car Parks – Pavement*	40 - 80 years
Road - Kerb	40 years
Road - Seal*	15 - 40 years
Road Pavement	40 years
Underpasses	40 years
Water Supply Piping & Drainage Systems*	40 - 80 years

\*Due to useful lives of the individual assets within each asset type varying, despite being of a similar nature, the asset types denoted have a range of depreciation periods.

\*\*Land, Artwork and Artefacts are not considered depreciable asset classes.

The assets' residual values 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.

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. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

**Right-of-use Assets – Valuation**

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary 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.

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 9. Contract and Other Liabilities

	2022 Actual	2021 Actual
	\$	\$
<b>Contract Liabilities</b>		
Grants & Contributions Received Upfront	20,026,827	9,481,065
Town Planning Scheme & Development Contribution Plan Deferred Income	95,602,290	92,003,198
<b>Total Contract Liabilities</b>	<b>115,629,117</b>	<b>101,484,263</b>
<b>Classified as:</b>		
Current Contract Liabilities	32,817,320	28,103,766
Non-current Contract Liabilities	82,811,797	73,380,497
<b>Total Contract Liabilities</b>	<b>115,629,117</b>	<b>101,484,263</b>

## SIGNIFICANT ACCOUNTING POLICIES

## Contract and Other Liabilities

On 1 July 2019 the City adopted "AASB 15 Revenue from Contracts with Customers" and "AASB 1058 Income For Not-For-Profit Entities". The contract liabilities have arisen on adoption of AASB 15 and AASB

When an amount of consideration is received from a customer / fund provider prior to the City transferring a good or service to the customer, the City presents the funds which exceed revenue recognised as a contract liability.

## Note 10. Lease Liabilities

	2022 Actual	2021 Actual
	\$	\$
<b>Classified as:</b>		
Current Lease liability	60,670	76,123
Non-current Lease Liability	-	56,389
<b>Total Lease Liabilities</b>	<b>60,670</b>	<b>132,512</b>

## SIGNIFICANT ACCOUNTING POLICIES

## Leases

On adoption of AASB 16, the City recognised lease liabilities in relation to leases which had previously been classified as operating 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.

At the commencement date, a right of use 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, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate.

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.

Leases for right-of-use assets are secured over the asset being leased.

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 11. Trade and Other Payables

	2022 Actual	2021 Actual
	\$	\$
<b>Current</b>		
Trade Payables	24,187,069	25,480,067
Bonds & Security Deposits	23,031,416	14,561,841
<b>Total Current Trade and Other Payables</b>	<u>47,218,485</u>	<u>40,041,908</u>

**SIGNIFICANT ACCOUNTING POLICIES****Trade and Other Payables**

Trade and other payables are carried at amortised cost. They 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 and are usually paid within 30 days from the date of receipt of the invoice unless otherwise agreed.

## Note 12. Borrowings

	Note	2022 Actual	2021 Actual
		\$	\$
<b>Non-Current</b>			
Loans	23(a)	74,334,488	74,334,488
<b>Total Non-Current Borrowings</b>		<u>74,334,488</u>	<u>74,334,488</u>

Additional details on borrowings is provided in Note 23.

**SIGNIFICANT ACCOUNTING POLICIES****Interest-bearing Loans and Borrowings**

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid for the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the City has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date. 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.



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 13. Provisions

	2022 Actual	2021 Actual
	\$	\$
<b>Current</b>		
Annual Leave	6,648,499	6,526,695
Long Service Leave	6,879,416	6,753,797
Time in Lieu	142,832	152,701
Workers Compensation	5,001,079	4,356,360
COVID-19 Leave	1,214,500	1,340,000
Purchased Leave	48,726	40,200
Sick Leave	207,528	234,288
Environmental Rehabilitation	2,240,000	2,240,000
Provision for Legal Fees	600,000	-
<b>Total Current Provisions</b>	<b>22,982,580</b>	<b>21,644,041</b>
<b>Non-Current</b>		
Long Service Leave	1,656,869	1,725,594
Headworks Levy Refund - Town Planning Schemes	6,351,461	12,089,010
<b>Total Non-Current Provisions</b>	<b>8,008,330</b>	<b>13,814,604</b>

**SIGNIFICANT ACCOUNTING POLICIES****Employee Benefits**

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, sick leave, wages and salaries and are calculated as follows:

**Wages, Salaries, Annual Leave, Sick Leave and Long Service Leave (Short-term Benefits)**

The provisions for employee benefits - wages, salaries, sick leave, annual leave and long service leave expected to be settled within 12 months represents the amount the City has a present obligation to pay resulting from employees' services provided to Statement of Financial Position date. The provision has been calculated at nominal amounts based on remuneration rates the City expects to pay and includes related on-

**Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits. It is measured as the present value of expected future payments to be made in respect of services provided by employees up to the Statement of Financial Position date, using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity, and currency, that match as closely as possible, the estimated future cash outflows.

Where the City does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 13. Provisions (continued)

## SIGNIFICANT ACCOUNTING POLICIES

## Provisions

Provisions are recognised when the City has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow, with respect to any one item included in the same class of obligations, may be small.

## Movements in Provisions

Class of Provision	Opening Balance as at 1/7/21	Additional Provisions	Decrease due to Payments	Closing Balance as at 30/6/22
	\$	\$	\$	\$
Annual Leave	6,526,695	5,059,907	(4,938,103)	6,648,499
Long Service Leave	8,479,391	845,569	(788,675)	8,536,285
Provision for Legal Fee:	-	600,000	-	600,000
Time in Lieu	152,701	209,815	(219,684)	142,832
Workers Compensation	4,356,360	1,357,946	(713,227)	5,001,079
COVID-19 Leave	1,340,000	-	(125,500)	1,214,500
Purchased Leave	40,200	152,907	(144,381)	48,726
Sick Leave	234,288	2,187,629	(2,214,389)	207,528
Headworks Levy Refund - Town Planning Schemes	12,089,010	-	(5,737,549)	6,351,461
Environmental Rehabilitation	2,240,000	-	-	2,240,000
<b>TOTAL</b>	<b>35,458,645</b>	<b>10,413,773</b>	<b>(14,881,508)</b>	<b>30,990,910</b>

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 14. Reserves - Cash Backed

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>(a). Alkimos/Eglinton Coastal Corridor Community Facilities Reserve</b>			
Opening Balance	17,399,405	17,180,292	14,906,801
Amount Set Aside / Transfer to Reserve	2,914,534	3,021,574	2,576,081
Amount Used / Transfer from Reserve	(66,173)	(1,551,418)	(83,477)
	20,247,766	18,650,448	17,399,405
<b>(b). Asset Replacement/Enhancement Reserve</b>			
Opening Balance	63,907,204	59,830,019	17,182,923
Amount Set Aside / Transfer to Reserve	8,837,803	12,021,714	51,710,413
Amount Used / Transfer from Reserve	(4,961,710)	(6,979,165)	(4,986,132)
	67,783,297	64,872,568	63,907,204
<b>(c). Carried Forward Capital Projects Reserve</b>			
Opening Balance	3,728,681	3,728,681	3,953,277
Amount Set Aside / Transfer to Reserve	9,115,917	-	3,728,681
Amount Used / Transfer from Reserve	(3,728,683)	(3,728,681)	(3,953,277)
	9,115,915	-	3,728,681
<b>(d). Cash Paid in Lieu of Public Open Space Prior to 10 April 2006 Reserve</b>			
Opening Balance	2,554,736	-	-
Amount Set Aside / Transfer to Reserve	13,981	2,469,079	2,554,736
	2,568,717	2,469,079	2,554,736
<i>Detailed breakdown of Cash Paid in Lieu of Public Open Space Prior to 10 April 2006 Reserve:</i>			
Alexander Heights	251,742	256,176	250,371
Lot 1 & 2 Berkley Road, Marangaroo	550,537	560,238	547,541
Lot 962, Anchorage Drive, Mindarie	603,659	614,297	600,374
Lot 29 Badgerup Road, Wanneroo	248,111	252,483	246,761
Neaves Road, Mariginiup	65,534	66,688	65,177
Burbridge Avenue Koondoola	200,415	203,946	199,324
Quinns Beach Estate	260,597	246,502	259,179
Lot 23, Badgerup Road, Gnangara	96,586	91,362	96,060
Lot 100, St Andrews Drive, Yanchep	120,732	114,202	120,075
Lot 46 Backshall Place, Wanneroo	108,713	-	108,121
182, Badgerup Road, Wanneroo	62,091	63,185	61,753
	2,568,717	2,469,079	2,554,736



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 14. Reserves - Cash Backed (continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>(e). Coastal Infrastructure Management Reserve</b>			
Opening Balance	15,872,524	15,708,579	15,960,896
Amount Set Aside / Transfer to Reserve	86,487	61,186	157,807
Amount Used / Transfer from Reserve	(107,372)	(228,300)	(246,179)
	15,851,639	15,541,465	15,872,524
<b>(f). Domestic Refuse Reserve</b>			
Opening Balance	13,156,108	10,769,391	10,115,190
Amount Set Aside / Transfer to Reserve	16,988,328	41,947	7,559,676
Amount Used / Transfer from Reserve	(17,588,431)	(3,672,659)	(4,518,758)
	12,556,005	7,138,679	13,156,108
<b>(g). Golf Course Reserve</b>			
Opening Balance	1,311,425	1,150,162	948,084
Amount Set Aside / Transfer to Reserve	377,827	557,881	456,679
Amount Used / Transfer from Reserve	(380,091)	(420,000)	(93,338)
	1,309,161	1,288,043	1,311,425
<b>(h). Strategic Land Reserve</b>			
Opening Balance	6,029,093	6,025,480	4,493,301
Amount Set Aside / Transfer to Reserve	4,952,039	5,921,470	1,552,883
Amount Used / Transfer from Reserve	(11,747)	(20,000)	(17,091)
	10,969,385	11,926,950	6,029,093
<b>(i). Leave Liability Reserve</b>			
Opening Balance	15,006,085	15,806,887	14,767,108
Amount Set Aside / Transfer to Reserve	82,119	61,569	238,977
	15,088,204	15,868,456	15,006,085
<b>(j). Loan Repayment Reserve</b>			
Opening Balance	56,450,457	56,461,381	54,411,047
Amount Set Aside / Transfer to Reserve	5,573,432	1,889,920	2,039,410
Amount Used / Transfer from Reserve	(14,166,667)	-	-
	47,857,222	58,351,301	56,450,457
<b>(k). Neerabup Development Reserve</b>			
Opening Balance	4,387,201	3,882,211	4,711,173
Amount Set Aside / Transfer to Reserve	1,022,259	1,015,121	46,245
Amount Used / Transfer from Reserve	(600,881)	(2,312,059)	(370,217)
	4,808,579	2,585,273	4,387,201
<b>(l). Plant Replacement Reserve</b>			
Opening Balance	16,802,775	17,858,008	15,178,128
Amount Set Aside / Transfer to Reserve	2,646,018	3,760,857	4,060,193
Amount Used / Transfer from Reserve	(3,723,769)	(12,621,624)	(2,435,546)
	15,725,024	8,997,241	16,802,775

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 14. Reserves - Cash Backed (continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>(m). Regional Open Space Reserve</b>			
Opening Balance	18,415,711	18,356,759	14,252,148
Amount Set Aside / Transfer to Reserve	6,100,778	6,071,501	4,163,563
	<u>24,516,489</u>	<u>24,428,260</u>	<u>18,415,711</u>
<b>(n). Section 152 Reserve (formerly Section 20A Land Reserve)</b>			
Opening Balance	740,388	784,255	779,660
Amount Set Aside / Transfer to Reserve	4,052	3,055	7,626
Amount Used / Transfer from Reserve	-	-	(46,898)
	<u>744,440</u>	<u>787,310</u>	<u>740,388</u>
<b>(o). Strategic Projects/Initiatives Reserve</b>			
Opening Balance	167,516	24,996,872	54,067,731
Amount Set Aside / Transfer to Reserve	37,013,509	1,470,718	315,010
Amount Used / Transfer from Reserve	(36,844,593)	(10,098,268)	(54,215,225)
	<u>336,432</u>	<u>16,369,322</u>	<u>167,516</u>
<b>(p). TPS 20 - District Distributor Road Headworks Reserve</b>			
Opening Balance	7,364,620	7,345,829	7,292,332
Amount Set Aside / Transfer to Reserve	40,299	28,612	72,288
	<u>7,404,919</u>	<u>7,374,441</u>	<u>7,364,620</u>
<b>(q). Yanchep Bus Reserve</b>			
Opening Balance	117,187	119,794	113,932
Amount Set Aside / Transfer to Reserve	9,736	5,467	3,255
	<u>126,923</u>	<u>125,261</u>	<u>117,187</u>
<b>(r). Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve</b>			
Opening Balance	1,519,196	1,764,218	-
Amount Set Aside / Transfer to Reserve	963,515	697,641	1,817,868
Amount Used / Transfer from Reserve	(619,456)	(1,785,295)	(298,672)
	<u>1,863,255</u>	<u>676,564</u>	<u>1,519,196</u>
<b>Total Reserves</b>	<u>258,873,372</u>	<u>257,450,661</u>	<u>244,930,312</u>
<b>Summary of Reserves</b>			
Opening Balance	244,930,312	261,768,818	233,133,731
Impact of amended Section 154 of the Planning and Development Act	13,981	-	2,554,736
	<u>244,944,293</u>	<u>261,768,818</u>	<u>235,688,467</u>
<b>Reserve Transfers</b>			
Amount Set Aside/Transfer to Reserve	96,728,652	39,099,312	80,506,655
Amount Used/Transfer from Reserve	(82,799,573)	(43,417,469)	(71,264,810)
	<u>13,929,079</u>	<u>(4,318,157)</u>	<u>9,241,845</u>
<b>Total Reserves</b>	<u>258,873,372</u>	<u>257,450,661</u>	<u>244,930,312</u>

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 14. Reserves - Cash Backed (continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>Summary of Reserve Transfers</b>			
<b>Impact of Amended Section 154 of the Planning and Development Act 2005</b>			
Cash Paid in Lieu of Public Open Space Prior to 10 April 2006 Reserve	13,981	-	2,554,736
<b>Transfers to Reserves</b>			
Alkimos/Eglinton Coastal Corridor Community	2,914,534	3,021,574	2,576,081
Asset Replacement/Enhancement Reserve	8,837,803	12,021,714	51,710,413
Carried Forward Capital Projects Reserve	9,115,917	-	3,728,681
Coastal Infrastructure Management Reserve	86,487	61,186	157,807
Domestic Refuse Reserve	16,988,328	41,947	7,559,676
Golf Course Reserve	377,827	557,881	456,679
Strategic Land Reserve	4,952,039	5,921,470	1,552,883
Leave Liability Reserve	82,119	61,569	238,977
Loan Repayment Reserve	5,573,432	1,889,920	2,039,410
Neerabup Development Reserve	1,022,259	1,015,121	46,245
Plant Replacement Reserve	2,646,018	3,760,857	4,060,193
Regional Open Space Reserve	6,100,778	6,071,501	4,163,563
Section 152 Reserve	4,052	3,055	7,626
Strategic Projects/Initiatives Reserve	37,013,509	1,470,718	315,010
TPS 20 - District Distributor Road	40,299	28,612	72,288
Yanchep Bus Reserve	9,736	5,467	3,255
Yanchep/Two Rocks Coastal Corridor	963,515	697,641	1,817,868
<b>Total Transfers to Reserves</b>	<b>96,728,652</b>	<b>36,630,233</b>	<b>80,506,655</b>
<b>Transfers from Reserves</b>			
Alkimos/Eglinton Coastal Corridor Community	(66,173)	(1,551,418)	(83,477)
Asset Replacement/Enhancement Reserve	(4,961,710)	(6,979,165)	(4,986,132)
Carried Forward Capital Projects Reserve	(3,728,683)	(3,728,681)	(3,953,277)
Coastal Infrastructure Management Reserve	(107,372)	(228,300)	(246,179)
Domestic Refuse Reserve	(17,588,431)	(3,672,659)	(4,518,758)
Golf Course Reserve	(380,091)	(420,000)	(93,338)
Strategic Land Reserve	(11,747)	(20,000)	(17,091)
Loan Repayment Reserve	(14,166,667)	-	-
Neerabup Development Reserve	(600,881)	(2,312,059)	(370,217)
Plant Replacement Reserve	(3,723,769)	(12,621,624)	(2,435,546)
Section 152 Reserve	-	-	(46,898)
Strategic Projects/Initiatives Reserve	(36,844,593)	(10,098,268)	(54,215,225)
Yanchep/Two Rocks Coastal Corridor	(619,456)	(1,785,295)	(298,672)
<b>Total Transfers from Reserves</b>	<b>(82,799,573)</b>	<b>(43,417,469)</b>	<b>(71,264,810)</b>
<b>Total Net Transfer to/(from) Reserves</b>	<b>13,943,060</b>	<b>(6,787,236)</b>	<b>11,796,581</b>



## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 14. Reserves - Cash Backed (continued)

All of the cash backed reserves are supported by money held in financial institutions and match the amounts shown as restricted cash in Note 3 and Note 4 to these financial statements.

In accordance with Council resolutions in relation to each of the reserves, the purpose for which the reserves were created is as follows:

##### Alkimos/Eglinton Coastal Corridor Community

To be used for accumulating Developer Contributions for the capital funding of community facilities and associated costs related to the administration and implementation of the Developer Contribution Plan in the Alkimos/Eglinton Development Contribution Area.

##### Asset Replacement/Enhancement Reserve

To be used for the funding of renewal, upgrade and acquisition of new or replacement assets for the City.

\* Effective from 1 July 2021, the Asset Renewal Reserve and the Asset Replacement Reserve have been combined to create a new Reserve "Asset Replacement/Enhancement Reserve".

##### Carried Forward Capital Projects Reserve

To be used for the municipally funded carried forward capital works.

##### Cash Paid in Lieu of Public Open Space Prior to 10 April 2006 Reserve

To be used for holding any remaining unexpended funds received in lieu of Public Open Space prior to 10 April 2006 under the Town Planning and Development Act 1928. Separate sub-reserve accounts are maintained for each sub-division.

##### Coastal Infrastructure Management Reserve

To be used for Coastal Infrastructure capital works.

##### Domestic Refuse Reserve

To be used for requirements specifically needed for the provision of the domestic collection service.

##### Golf Course Reserve

To be used for the capital improvements of the Carramar and Marangaroo Golf Courses.

##### Strategic Land Reserve

To be used for receiving the proceeds of the sale of significant property assets, acquisition, leasing, development and/or disposal of land under the City of Wanneroo Strategic Land Policy.

## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 14. Reserves - Cash Backed (continued)

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##### Leave Liability Reserve

To be used for long service leave and annual leave liability of the City.

##### Loan Repayment Reserve

To be used for setting aside adequate funds over time to repay loan commitments.

##### Neerabup Development Reserve

To be used for meeting the associated cost of developing the City's investment land in Neerabup.

##### Plant Replacement Reserve

To be used for replacing City's plant and equipment.

##### Regional Open Space Reserve

To be used to support regional open space capital works.

##### Section 152 Reserve

To be used for capital improvements on recreation reserves in the general locality from which funds were sourced.

##### Strategic Projects/Initiatives Reserve

To be used for the introduction of new or upgrade of existing services, maintenance, renewal, upgrade of existing assets and purchase of new assets or project works of the City over an expected period of 20 years. The annual funds transfer is derived from the rate setting surplus less municipal funding of capital works carried forward.

##### TPS 20 - District Distributor Road

To be used for the construction of District Distribution Roads associated with Town Planning Scheme 20.

##### Yanchep Bus Reserve

To be used for the Yanchep Community for the costs associated with the replacement of the community bus.

##### Yanchep/Two Rocks Coastal Corridor

To be used for the purpose of accumulating Developer Contributions for the capital funding of community facilities and associated costs related to the administration and implementation of the Developer Contribution Plan in the Yanchep/Two Rocks Development Contribution Area.

The majority of these reserves are not expected to be used within a set period. Further transfers to the reserve accounts are expected to occur as funds are utilised.

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 15. Reserves - Asset Revaluation

	Notes	2022 Actual \$	2021 Actual \$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:			
<b>(a). Land</b>			
Opening Balance		104,936,183	117,376,557
Recognition of Land Written Off		3,324,830	
Revaluation Decrement	7(b)	-	(12,440,374)
		<b>108,261,013</b>	<b>104,936,183</b>
<b>(b). Buildings</b>			
Opening Balance		72,107,912	44,729,231
Revaluation Increment	7(b)	-	27,378,681
		<b>72,107,912</b>	<b>72,107,912</b>
<b>(c). Plant &amp; Equipment</b>			
Opening Balance		3,640,213	3,640,213
Revaluation Increment	7(b)	-	-
		<b>3,640,213</b>	<b>3,640,213</b>
<b>(d). Equity Accounted Investments</b>			
Opening Balance		3,938,658	4,247,142
Revaluation Increment	19(ii)(b)	3,356,712	-
Revaluation Decrement	19(ii)(b)	-	(308,484)
		<b>7,295,370</b>	<b>3,938,658</b>
<b>(e). Other Infrastructure</b>			
Opening Balance		879,321,424	879,321,424
Revaluation Decrement	8(b)	-	-
		<b>879,321,424</b>	<b>879,321,424</b>
<b>Total Asset Revaluation Reserves</b>		<b>1,070,625,932</b>	<b>1,063,944,390</b>
<b>Summary of Asset Revaluation Reserve</b>			
Opening Balance		1,063,944,390	1,049,314,567
Movement in Revaluation Reserve		3,324,830	-
		<b>1,067,269,220</b>	<b>1,049,314,567</b>
<b>Movements During the Year</b>			
Revaluation Increment		3,356,712	27,378,681
Revaluation Decrement		-	(12,748,858)
		<b>3,356,712</b>	<b>14,629,823</b>
<b>Total Asset Revaluation Reserves</b>		<b>1,070,625,932</b>	<b>1,063,944,390</b>



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 16. Notes to the Statement of Cash flows

	Notes	2022 Actual \$	2022 Budget \$	2021 Actual \$
<b>(a). Reconciliation of Cash</b>				
For the purposes of the Statement of Cash Flows, cash includes cash on hand and cash equivalents. Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:				
Cash and Cash Equivalents	3	<u>17,076,473</u>	<u>349,298,109</u>	<u>14,613,098</u>
<b>(b). Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>				
Net Result		37,735,470	18,023,820	(44,411,830)
Depreciation	2(b)	39,106,802	44,411,424	43,145,534
(Profit)/Loss on Sale of Assets	22	(1,124,466)	(3,931,762)	95,838,213
Share of Net (Profits) or Losses of Associates/Joint Ventures	19	(11,948,248)	-	583,531
Town Planning Scheme Income (Inc. Interest)		(9,484,541)	(25,630,638)	(4,686,768)
Town Planning Scheme Expenses		8,466,558	19,907,771	3,974,234
Non-Operating Contract Expenses		14,168,717	15,000,000	-
Decrease/(Increase) in Receivables		818,091	(324,300)	1,971,247
Increase/(Decrease) in Expected Credit Loss		360,262	-	(178,262)
(Increase)/Decrease in Inventories		(24,772)	(6,400)	43,365
(Decrease)/Increase in Payables & Accruals		7,142,269	(4,978,218)	4,287,536
Increase in Employee Leave Entitlements		795,313	-	218,051
Increase in Other Provisions		2,114,500	425,240	2,412,138
(Increase)/Decrease in Contract Liabilities		-	190,681	-
Grants/Contributions		(23,863,600)	(31,256,024)	(39,194,030)
<b>Net Cash from Operating Activities</b>		<u>64,262,355</u>	<u>31,831,594</u>	<u>64,002,959</u>
<b>(c). Undrawn Borrowing Facilities Credit Standby Arrangements</b>				
Credit Card Limit		550,000	550,000	550,000
Credit Card Balance at Balance Date		(18,749)	(50,000)	(2,478)
<b>Total Amount of Credit Unused</b>		<u>531,251</u>	<u>500,000</u>	<u>547,522</u>
The City of Wanneroo currently has the facility credit limit of \$550,000 (2021: \$550,000) with total amount of credit cards currently in use is \$418,000 (2021: \$334,000).				
<b>Loan Facilities</b>				
Loan Facilities - Non-Current	12	74,334,488	89,334,197	74,334,488
<b>Total Facilities in Use at Balance Date</b>		<u>74,334,488</u>	<u>89,334,197</u>	<u>74,334,488</u>

## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 17. Contingent Liabilities

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but disclosure of existence is considered relevant to the users of these Financial Statements.

##### LIABILITIES NOT RECOGNISED:

###### (i) Guarantees

The City has accepted the contingent liability resulting from the provision of an irrevocable financial guarantee on behalf of Mindarie Regional Council (MRC) for its contractual liability to the Contractor undertaking the operation of the Resource Recovery Facility.

On 19 August 2021, MRC obtained approval to end the Resource Recovery Facility Agreement (RRFA) and the City paid one sixth of \$85M amounting to \$14.2M on 24 August 2021, extinguishing the guarantee. At 30 June 2022, no contingent liability exist in relation to RRFA.

###### (ii) Bank Guarantees

The City of Wanneroo currently holds bank guarantees of \$12,612,951 (2021: \$13,093,647) with respect to commercial customers and property developers.

###### (iii) Bakotas v City of Wanneroo

In January 2012, the City compulsorily acquired a portion of land at Lot 3 (185) Mary Street, Wanneroo under the Land Administration Act 1997 (WA). The claim for compensation could not be settled by negotiation and so the claim was heard by the Supreme Court in August and September 2022.

The landowners' claim has increased from \$2,148,850 (in April 2012) to a 'high point' of \$4,331,210 plus interest and costs. The Court's decision is pending at present.

###### (iv) Mindarie Regional Council (MRC)

In February 2020, MRC received its first Mandatory Auditor's Report (MAR) as requested by the Department of Water and Environmental Regulation (DWER) in respect to the Tamala Park Waste Management Facility site.

Among other things, the purpose of the MAR is to confirm that earlier investigations adequately characterised the contamination status of the site and whether potentially significant risks to human health, the environment or environmental values exist on-site or off-site.

The MRC received a second iteration of the MAR in November 2021, which has further assessed the contamination status of the site. In reaching their conclusion, the independent auditor has evaluated the information contained in the investigative reports as generally complete, accurate and compliant with the relevant guidelines. Also, the assessments were sufficient to define the potential extent and types of contamination.

The MAR auditor has determined, based on the analysis contained in the assessed reports, that the site remains suitable for ongoing use as a Class II landfill ('source site'). Likewise, the affected site to the north of the facility remains suitable for its current use as a development buffer zone ('affected site'). A summary of findings for the source site are listed below;

##### Source site:

- All soil samples returned results below established criteria.
- Groundwater results indicate impact to the aquifer immediately below the landfill levels above relevant drinking water established criteria, although some results are reflective of naturally occurring conditions. Groundwater on site remains suitable for controlled industrial use on site without an unacceptable risk.
- Landfill gas results indicate that the existing extraction system is working effectively, with negligible detection of landfill gas outside the extraction network.



## City of Wanneroo

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 17. Contingent Liabilities (continued)

##### Affected site:

- Groundwater results indicate some contaminants above relevant drinking water established criteria. Elevated levels of some identified contaminants are also known to occur naturally in the local environment.
- No landfill gas detected outside the site boundary.

Currently, DWER has classified the site as "Contaminated – Remediation Required" and the affected site as "Contaminated – Restricted Use".

The MAR report received in November 2021 required further investigation to confirm 2 main areas:

- Adequacy of the landfill gas monitoring network and assessment of the potential for off site migration of landfill gas; and
- On going assessment of landfill gas and groundwater as part of the ongoing Site Management Plan to inform long term trends and need for mitigation measures.

Since receiving the MAR in November 2021:

##### Groundwater monitoring

The MRC has commissioned 2 rounds of groundwater testing (December 2021 and June 2021), with the final report on the testing received August 2022. One of the report's conclusions were based on the groundwater monitoring results in 2021, no significant changes to the overall risk profile at the TPVMF, buffer zone and nearby residential development have been identified, compared to the 2020 assessment. This report also recommended ongoing monitoring required and the recommendation to rationalise the groundwater monitoring network and the number of analytical suites included in each sampling round.

##### Site management plan (SMP)

A SMP was developed and received in May 2022 for the MRC. The SMP is required to provide a management plan for the site to ensure that potential risks associated with soil, landfill gas and groundwater contaminants are appropriately managed for the ongoing use of the site as a landfill facility and leachate management. There are no specific "results" from this plan. This Plan remains an evolving document that addresses the overall management of landfill gas and groundwater based on the latest advice.

##### Landfill gas monitoring

The most recent gas monitoring report was obtained in Sept 2021, this covered 3 sampling rounds (January to March 2021). One of the report's conclusions were "Under the current site conditions (i.e. active landfill gas extraction and continuous landfill gas monitoring in the workshop), the risks to the site's workers and off-site residents from landfill gas are considered Low. The risks to site's infrastructure and terrestrial ecosystem is however considered Negligible." Gas testing was also conducted in December 2021 and October 2022, however, the MRC has not yet received the gas monitoring report for these test.

At this time, the MRC has no new information to suggest that an additional landfill rehabilitation provision is required to address any specific remediation requirements, nor do the recommendations from groundwater or gas reports recommend any such action.

##### **(v) City of Wanneroo v Tah Land Pty Ltd**

In 2016, the City commenced legal proceedings against Tah Land Pty Ltd seeking to enforce obligations under a Deed of Agreement between the parties. The trial in the first instance was heard in November 2019 with judgement handed down in July 2020 in favour of Tah Land. As part of that judgement a costs order was made requiring the City to pay Tah Land's costs as agreed or assessed.

The City appealed the judgement to the Court of Appeal and the hearing was in August 2021. The Court of Appeal delivered judgment in this case on 26 May 2022 and the City was ordered to pay Tah Land's costs, to be taxed if not agreed. The parties agreed on a sum of \$480,000 in full and final settlement of Tah Land's costs, which was paid to Tah Land on 12 August 2022. The case is now finally concluded.





## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 18. Capital and Leasing Commitments

	2022 Actual	2021 Actual
	\$	\$
<b>Capital Expenditure Commitments</b>		
<b>Contracted for:</b>		
Land and Building Works	1,284,091	3,435,463
Engineering Works	1,978,542	1,540,736
Parks Works	3,520,003	992,392
Plant and Equipment Works	7,394,176	10,834,957
<b>Total Capital Expenditure Commitments</b>	<b>14,176,812</b>	<b>16,803,548</b>
<b>Payable:</b>		
Not later than one year	14,176,812	16,803,548
<b>Total Capital Expenditure Commitments</b>	<b>14,176,812</b>	<b>16,803,548</b>

## Note 19. Investments in Associate

	2022 Actual	2021 Actual
	\$	\$
<b>Non-Current</b>		
<b>Equity Accounted Investments</b>		
Tamala Park Regional Council	9,085,983	9,161,550
Mindarie Regional Council	19,336,854	3,922,080
Local Government House Trust	97,254	92,258
<b>Total Non-Current Investments</b>	<b>28,520,091</b>	<b>13,175,888</b>

## SIGNIFICANT ACCOUNTING POLICY

## Investments in Associates

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

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the City and the associate are eliminated to the extent of the City's interest in the associate.

When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses. This occurs unless the City has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 19. Investments in Associate (continued)

## (i) Tamala Park Regional Council

The City of Wanneroo, along with the City of Perth, City of Joondalup, City of Stirling, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council (TPRC). The establishment of the Tamala Park Regional Council was pursuant to Section 3.61 of the Local Government Act 1995. The Tamala Park Regional Council formally came into existence on the 3 February 2006. The Tamala Park Regional Council's activities centre around the development of the subdivided Mindarie Lot 118 which was initially purchased in 1981 to provide a refuse landfill site for member councils of the Mindarie Regional Council.

	2022 Actual	2021 Actual
	\$	\$
<b>(a) Retained Surplus Attributable to Equity Accounted Investments (TPRC)</b>		
Balance at the beginning of the year	179,633	275,062
Share of (Loss) /Profit from operating activities after tax	(114,810)	(95,429)
<b>Balance at end of the financial year</b>	<b>64,823</b>	<b>179,633</b>
<b>(b) Carrying Amount of Equity Accounted Investments (TPRC)</b>		
Balance at beginning of the financial year	9,161,550	7,816,650
Share of (Loss)/Profit from operating activities after tax	(114,810)	(95,429)
Distribution to participants	(1,666,666)	(1,500,000)
Movement in Capital Contributions	1,705,909	2,940,329
<b>Balance at end of the financial year</b>	<b>9,085,983</b>	<b>9,161,550</b>

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 19. Investments in Associate (continued)

	2022 Actual	2021 Actual
	\$	\$
The City's interest in the Tamala Park Regional Council as at 30 June 2022 and 30 June 2021 is as follows:		
<b>(i) Interest in Tamala Park Regional Council</b>		
Current Assets	8,846,505	8,944,696
Non-Current Assets	297,671	287,121
<b>Total Assets</b>	<b>9,144,176</b>	<b>9,231,817</b>
Current Liabilities	(36,080)	(70,062)
Non-Current Liabilities	(22,113)	(205)
<b>Total Liabilities</b>	<b>(58,193)</b>	<b>(70,267)</b>
<b>Net Assets</b>	<b>9,085,983</b>	<b>9,161,550</b>

**The development and subdivision of park Lot 118 Mindarie (Tamala Park)**

The activities of Tamala Park Regional Council centers around the development of part Lot 118 Mindarie. This lot has been developed during the current and previous financial years with the purposes of creating new urban land lots and a new urban community. The City of Wanneroo contributes one sixth of any funding required for capital or operating costs and is entitled to one sixth of the net revenue from the sale of lots of land. The City's one sixth share of income and expenditure are as follows:

	2022 Actual	2021 Actual
	\$	\$
Income from Sales	5,115,250	5,046,853
Development Expenses	(2,633,896)	(1,274,089)
<b>Surplus/(Deficit)</b>	<b>2,481,354</b>	<b>3,772,764</b>



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 19. Investments in Associate (continued)

## (ii) Mindarie Regional Council

The City of Wanneroo, along with the City of Perth, City of Joondalup, City of Stirling, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Mindarie Regional Council (MRC). The Mindarie Regional Council's objective is to establish and operate a long term refuse disposal site. The City of Wanneroo has contributed one sixth of the land and establishment costs of the refuse disposal facility on Mindarie Lot 118. The City uses the refuse disposal facility at Mindarie to deposit all non recyclable waste collected by the City's domestic waste services. Capital contributions paid during establishment are represented in the accounts of the City of Wanneroo as a Non-Current Asset.

	2022 Actual \$	2021 Actual \$
<b>(a) Retained Surplus Attributable to Equity Accounted Investments (MRC)</b>		
Balance at the beginning of the year	(696,476)	(205,142)
Share of Profit from operating activities after tax	12,058,062	(491,334)
<b>Balance at end of the financial year</b>	<b>11,361,586</b>	<b>(696,476)</b>
<b>(b) Carrying Amount of Equity Accounted Investments (MRC)</b>		
Balance at beginning of the financial year	3,922,080	4,721,898
Share of Profit from operating activities after tax	12,058,062	(491,334)
Share of Revaluation of assets	3,356,712	(308,484)
<b>Balance at end of the financial year</b>	<b>19,336,854</b>	<b>3,922,080</b>
The City's interest in the Mindarie Regional Council as at 30 June 2022 and 30 June 2021 is as follows:		
<b>Interest in Mindarie Regional Council</b>		
Current Assets	8,380,249	7,087,810
Non-Current Assets	15,933,111	15,098,858
<b>Total Assets</b>	<b>24,313,360</b>	<b>22,186,668</b>
Current Liabilities	(934,297)	(2,413,280)
Non-Current Liabilities	(4,042,209)	(15,851,308)
<b>Total Liabilities</b>	<b>(4,976,506)</b>	<b>(18,264,588)</b>
<b>Net Assets</b>	<b>19,336,854</b>	<b>3,922,080</b>

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 19. Investments in Associate (continued)

## (iii) Local Government House Trust

The Local Government House Trust (LGHT) is an agreement between the Western Australian Local Government Association and the vast majority of Councils in the State for the provision of an office for the Western Australian Local Government Association (WALGA).

No movement for the year ended 30 June 2022 has been included as financial information is not readily available at the date of this report. The movement is not expected to have a material impact on the financial statements as a whole.

	2022 Actual	2021 Actual
	\$	\$
<b>(a) Retained Surplus Attributable to Equity Accounted Investments (LGHT)</b>		
Balance at the beginning of the year	92,258	89,026
Share of Profit from operating activities after tax	4,996	3,232
<b>Balance at end of the financial year</b>	<b>97,254</b>	<b>92,258</b>
<b>(b) Carrying Amount of Equity Accounted Investments (LGHT)</b>		
Balance at beginning of the financial year	92,258	89,026
Share of profit/(loss) from operating activities after tax	4,996	3,232
<b>Balance at end of the financial year</b>	<b>97,254</b>	<b>92,258</b>
The City's interest in Local Government House Trust as at 30 June 2022 and 30 June 2021 is as follows:		
<b>Interest in Local Government House Trust</b>		
Current Assets	32,763	27,053
Non-Current Assets	184,051	190,865
<b>Total Assets</b>	<b>216,814</b>	<b>217,918</b>
Current Liabilities	(119,560)	(125,660)
<b>Total Liabilities</b>	<b>(119,560)</b>	<b>(125,660)</b>
<b>Net Assets</b>	<b>97,254</b>	<b>92,258</b>

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 19. Investments in Associate (continued)

	Share of Profit/(Loss)		Share of Net Assets	
	2022	2021	2022	2021
	Actual	Actual	Actual	Actual
	\$	\$	\$	\$
<b>Summary of Investments</b>				
Tamala Park Regional Council	(114,810)	(95,429)	9,085,983	9,161,550
Mindarie Regional Council	12,058,062	(491,334)	19,336,854	3,922,080
Local Government House Trust	4,996	3,232	97,254	92,258
<b>Total</b>	<b>11,948,248</b>	<b>(583,531)</b>	<b>28,520,091</b>	<b>13,175,888</b>

**SIGNIFICANT ACCOUNTING POLICY****Interest in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to Note 4 for a description of the equity method of accounting.

Joint operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 20. Trust Funds

	Balance 30-Jun-22	Amounts Paid/ Transferred	Amounts Received	Balance 01-Jul-21
	\$	\$	\$	\$
Miscellaneous/Appeals	61,068	(64,786)	47,793	78,061
Public Open Spaces	849,458	(8,730)	2,014	856,174
	<u>910,526</u>	<u>(73,516)</u>	<u>49,807</u>	<u>934,235</u>

## SIGNIFICANT ACCOUNTING POLICY

## Money Paid in Lieu of Public Open Space

Section 154 of the *Planning and Development Act 2005* was amended on 20 July 2020. Prior to 20 July 2020 all money received by a local government under section 153 of the *Planning and Development Act 2005* was to be paid into a separate account of the "trust fund" of the local government established under section 6.9 of the Act.

In Accordance with the amended Section 154 of the *Planning and Development Act 2005*, unexpended funds received in lieu of public open space prior to 10 April 2006 and after 12 September 2020 will be transferred to a separate reserve account. Funds received from 10 April 2006 until 11 September 2020 will remain in trust funds. Refer to note 14 (d) for details on the reserve.

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 21. Acquisition of Assets

	Notes	2022 Actual \$	2021 Actual \$
<b>By Asset Class</b>			
<i>Property, Plant &amp; Equipment</i>			
	7(b)		
- Land		21,820	-
- Buildings		3,114,236	2,715,394
- Furniture & Fittings		2,624,012	1,621,797
- Plant & Equipment		6,179,170	8,208,666
- Works in Progress		9,591,448	13,624,777
<i>Infrastructure</i>			
	8(b)		
- Roads		9,356,567	17,228,418
- Reserves		8,781,377	6,260,546
- Drainage		2,876,203	4,299,152
- Pathways		2,258,636	1,605,415
- Other Infrastructure		197,905	72,165
- Car Parks		441,059	11,663
- Works in Progress		13,091,211	16,520,024
		<u>58,533,644</u>	<u>72,168,017</u>

The City received assets to the value of \$9,818,083 from developers in the 2021/22 financial year. The value of these assets is included in total value of Acquisition of Assets \$58,533,644 in Note 22 The value of the assets by Class are as follows:

Infrastructure

Roads	3,909,674	9,405,153
Drainage	1,707,426	4,489,109
Parks & Gardens	2,724,217	4,582,011
Pathways	754,243	1,577,899
Other Infrastructure	722,523	1,083,430
	<u>9,818,083</u>	<u>21,137,602</u>

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 22. Disposal of Assets

	Net Book Value		Sale Price		Profit/(Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
<b>2022</b>	\$	\$	\$	\$	\$	\$
The following assets were disposed of during the year.						
<b>By Asset Class</b>						
Inventory - Land Held for Resale	3,218,242	-	8,510,620	1,670,000	5,292,378	1,670,000
Inventory - Change in Value	-	-	-	-	(4,019,834)	-
<i>Property, Plant &amp; Equipment and Infrastructure</i>						
Land - Profit	7(b) 580,000	2,650,000	750,000	5,898,000	170,000	3,248,000
Land - Loss	7(b) 1,200,000	-	870,980	-	(329,020)	-
Plant & Equipment - Profit	7(b) 557,666	-	687,504	-	129,838	-
Plant & Equipment - Loss	7(b) 566,064	2,058,238	447,170	1,072,000	(118,896)	(986,238)
	<b>6,121,972</b>	<b>4,708,238</b>	<b>11,266,274</b>	<b>8,640,000</b>	<b>1,124,466</b>	<b>3,931,762</b>
<b>By Program</b>						
<i>Property, Plant &amp; Equipment and Infrastructure</i>						
Transport	1,200,000	-	870,980	-	(329,020)	-
Health	580,000	-	750,000	-	170,000	-
Other Property & Services	4,341,972	4,708,238	5,625,458	8,640,000	1,283,486	3,931,762
<b>Total</b>	<b>6,121,972</b>	<b>4,708,238</b>	<b>7,246,438</b>	<b>8,640,000</b>	<b>1,124,466</b>	<b>3,931,762</b>

	Note	Net Book Value		Sale Price		Profit/(Loss)	
		Actual	Budget	Actual	Budget	Actual	Budget
<b>2021</b>		\$	\$	\$	\$	\$	\$
The following assets were disposed of during the previous year.							
<b>By Asset Class</b>							
Inventory - Land Held for Resale		2,213,147	-	5,046,583	-	2,833,436	-
<i>Property, Plant &amp; Equipment and Infrastructure</i>							
Land - Profit	7(b)	-	-	-	200,000	-	200,000
Roads		87,740,478	13,699,065	-	-	(87,740,478)	(13,699,065)
Drainage		10,898,204	-	-	-	(10,898,204)	-
Plant & Equipment - Loss	7(b)	1,174,623	1,950,908	1,141,656	876,850	(32,967)	(1,074,058)
		<b>102,026,452</b>	<b>15,649,973</b>	<b>6,188,239</b>	<b>1,076,850</b>	<b>(95,838,213)</b>	<b>(14,573,123)</b>
<b>By Program</b>							
<i>Property, Plant &amp; Equipment and Infrastructure</i>							
Transport	7(b)	98,638,682	13,699,065	-	-	(98,638,682)	(13,699,065)
Other Property & Services		3,387,770	1,950,908	6,188,239	1,076,850	2,800,469	(874,058)
<b>Total</b>		<b>102,026,452</b>	<b>15,649,973</b>	<b>6,188,239</b>	<b>1,076,850</b>	<b>(95,838,213)</b>	<b>(14,573,123)</b>

The net book value disclosed above is net of any asset revaluation reserve amount applicable to particular assets disposed.

	2022 Actual	2022 Budget	2021 Actual
<b>Summary</b>	\$	\$	\$
Profit on Asset Disposals	5,592,216	4,918,000	2,833,436
Loss on Asset Disposals*	(4,467,750)	(986,238)	(98,671,649)
<b>Net Profit/(Loss) on Disposal of Assets</b>	<b>1,124,466</b>	<b>3,931,762</b>	<b>(95,838,213)</b>

\* Loss on Asset Disposals includes inventory carrying value adjustment.





City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 23. Information on Borrowings

	Principal 1-Jul-21	New Loans	Principal 30-Jun-22		Interest Repayments	
			Actual	Budget	Actual	Budget
(a). Loans	\$	\$	\$	\$	\$	\$
<b>WATC Loans</b>						
Recreation and Culture						
- Wanneroo Regional Museum & Library	10,416,178	-	10,416,178	10,416,178	705,176	704,576
- Construct Community Centre - Butler	278,000	-	278,000	278,000	18,821	18,805
- Develop Accessible and Inclusive Playground	222,000	-	222,000	222,000	15,029	15,017
- Kingsway Regional Sporting Complex	23,133,603	-	23,133,603	23,133,603	1,566,145	1,564,814
- Upgrade Aquamotion	7,926,000	-	7,926,000	7,926,000	536,590	536,134
- Yanchep Active Open Space	56,460	-	56,460	56,460	3,822	3,819
- Kingsway Regional Playground	650,000	-	650,000	650,000	44,005	43,968
- Yanchep Lagoon - Brazier Road Realignment	3,859,181	-	3,859,181	3,859,181	261,267	261,045
- Yanchep Surf Life Saving Club	1,157,500	-	1,157,500	1,157,500	78,363	78,296
- Southern Suburbs Library	6,015,422	-	6,015,422	6,015,422	410,497	406,898
- Yanchep District Playing Fields	4,556,300	-	4,556,300	4,556,300	72,441	85,100
<b>Transport</b>						
- Pinjar Road - Wanneroo & Carosa Road	728,849	-	728,849	728,849	49,343	49,301
- Upgrade Rocca Way Dundobar Road	54,715	-	54,715	54,715	3,704	3,701
- Flynn Drive Neerabup - Construct Road	1,623,298	-	1,623,298	1,623,298	109,897	109,804

(continued on next page)



City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 23. Information on Borrowings (continued)

	Principal 1-Jul-21		New Loans	Principal 30-Jun-22		Interest Repayments	
	\$	\$		Actual	Budget	Actual	Budget
<b>(a). Loans (continued)</b>							
<b>Other Property &amp; Services</b>							
- Develop Industrial Estate - Neerabup	317,887	-	-	317,887	317,887	21,521	21,503
- Redevelop Wanneroo Townsite	1,214,615	-	-	1,214,615	1,214,615	82,229	82,150
- Redevelop Koondoola Precinct	1,293,000	-	-	1,293,000	1,293,000	87,536	87,462
- Develop Wangara Industrial Area (Lot 257)	43,857	-	-	43,857	43,857	2,969	2,967
- Develop Wangara Industrial Area (Lot 15)	1,785,823	-	-	1,785,823	1,785,823	117,647	120,797
- Lot 12 Fowey Loop	1,800	-	-	1,800	1,800	122	122
<b>CBA Loans</b>							
- Yancheop Active Open Space Oval Ground Works	2,459,329	-	-	2,459,329	2,459,329	55,236	54,312
- Yancheop District Playing Fields	1,773,324	-	-	1,773,324	1,773,324	39,828	39,162
- Yancheop District Sports Amenities Building Stage 1	1,556,833	-	-	1,556,833	1,556,833	34,966	34,381
- Yancheop Surf Life Saving Club	3,210,514	-	-	3,210,514	3,210,514	72,107	70,901
	<b>74,334,488</b>			<b>74,334,488</b>	<b>74,334,488</b>	<b>4,389,261</b>	<b>4,395,045</b>



City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 23. Information on Borrowings (continued)

	Date Borrowed	Balance 1-Jul-21	Borrowed During Year	Expended During Year	Balance 30-Jun-22
		\$	\$	\$	\$
<b>(b). Unspent Loans</b>					
<b>WATC Loan</b>					
<b>Recreation &amp; Culture</b>					
	1 December 2006	5,948,719	-	(165,549)	5,783,170
<b>Southern Suburbs Library</b>					
<b>Other Property &amp; Services</b>					
	1 December 2006	89,113	-	(41,060)	48,053
<b>Develop Wangara Industrial Area (Lot 15)</b>					
<b>CBA Loan</b>					
	20 December 2019	635,161	-	-	635,161
<b>Yanchep Development Area Projects</b>					
		6,572,993	-	(206,609)	6,466,384





City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 24(a). Rating Information

Rate Type	Rate in the \$ 2022	Number of Properties 2022	Rateable Value 2022	Actual Rate Revenue 2022	Actual Interim Rates 2022	Actual Back Rates 2022	Actual Total Revenue 2022	Budget Rate Revenue 2022	Budget Interim Rate 2022	Budget Total Revenue 2022	Actual Total Revenue 2021
	Cents		\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Differential General Rate</b>											
GRV - Residential Improved	7.7723	62,277	1,114,177,943	84,622,705	1,184,973	38,595	85,846,273	84,745,117	2,500,000	87,245,117	83,631,791
GRV - Residential Vacant	13.9215	2,521	38,745,905	5,816,782	(235,495)	(40,977)	5,540,310	5,826,753	-	5,826,753	5,888,041
GRV - Commercial/Industrial Improved	7.7851	2,839	328,905,496	24,973,362	376,224	93,883	25,443,469	24,837,832	500,000	25,337,832	24,669,719
UV - Commercial/Industrial Vacant	7.2579	171	11,094,375	850,435	(26,604)	(18,352)	805,479	857,379	-	857,379	839,869
UV - Residential Improved	0.4035	185	138,835,000	577,873	(10,096)	-	567,777	577,873	-	577,873	555,946
UV - Residential Vacant	0.5715	145	631,898,000	3,611,194	59,423	(34,209)	3,636,408	3,696,342	-	3,696,342	3,676,675
UV - Commercial/Industrial Improved	0.2927	37	63,670,348	187,739	-	-	187,739	186,363	-	186,363	196,668
UV - Commercial/Industrial Vacant	0.3300	11	32,820,000	104,710	132	(2,528)	102,314	104,709	-	104,709	103,449
UV - Rural and Mining Improved	0.3816	379	533,440,000	2,030,608	267	1,627	2,032,502	2,035,187	-	2,035,187	2,017,432
UV - Rural and Mining Vacant	0.5120	84	76,661,501	401,572	(4,668)	(7,845)	389,059	404,118	-	404,118	394,821
<b>Sub-Total</b>		<b>68,649</b>	<b>2,970,252,568</b>	<b>123,176,980</b>	<b>1,344,156</b>	<b>30,194</b>	<b>124,551,330</b>	<b>123,271,673</b>	<b>3,000,000</b>	<b>126,271,673</b>	<b>121,974,511</b>

GRV = Gross Rental Value  
UV = Unimproved Value



City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 24(a). Rating Information (continued)

	Minimum	Number of Properties	Rateable Value 2022	Actual		Budget		Actual	
				Total Revenue 2022	Value 2022	Total Revenue 2022	Total Revenue 2022	Total Revenue 2021	Total Revenue 2021
				\$	\$	\$	\$	\$	\$
<b>Minimum Rates</b>									
GRV - Residential Improved	998	11,367	130,448,826	11,344,266	11,354,246	11,200,244			
GRV - Residential Vacant	923	2,370	11,702,060	2,187,510	2,210,585	1,905,080			
GRV - Commercial/Industrial Improved	1,357	831	11,045,764	1,198,821	1,119,525	1,127,616			
GRV - Commercial/Industrial Vacant	1,357	28	334,600	37,996	40,710	43,008			
GRV - Commercial/Industrial Improved - Lesser Minimum Strata	900	106	640,872	-	105,300	988			
UV - Residential Improved	998	2	400,652	1,996	1,996	1,940			
UV - Residential Vacant	923	23	3,189,500	21,229	23,075	9,408			
UV - Commercial/Industrial Improved	1,357	6	1,608,000	8,142	6,785	-			
UV - Rural and Mining Improved	990	1	248,000	32,795	990	980			
UV - Rural and Mining Vacant	937	35	231,393	990	32,795	30,624			
<b>Sub-Total</b>		<b>14,769</b>	<b>159,849,667</b>	<b>14,833,745</b>	<b>14,895,007</b>	<b>14,319,888</b>			

GRV = Gross Rental Value  
UV = Unimproved Value

Ex Gratia Rates

Totals

139,385,075	141,167,680	136,294,399
26,330	24,000	24,640
<b>139,411,405</b>	<b>141,191,680</b>	<b>136,319,039</b>



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 24(b). Net Current Assets- Rate Setting Statement Information

	Notes	2022 Actual \$	2021 Actual \$
<b>Current Assets</b>			
Cash - Unrestricted	3	17,071,273	14,607,900
Cash - Restricted Town Planning Schemes	3	5,200	5,198
Term Deposit - Unrestricted	4	63,381,577	51,647,764
Term Deposit - Restricted Town Planning Schemes	4	81,251,840	87,267,865
Term Deposit - Restricted Unspent Grants	4	20,026,827	9,481,066
Term Deposit - Restricted Reserves	4	258,873,372	244,930,312
Term Deposit - Restricted Unspent Loans	4	6,466,384	6,672,993
Rates - Current	5	7,782,343	9,500,496
Sundry Debtors (net of Expected Credit Loss)	5	388,672	1,062,231
Accrued Income	5	1,580,642	1,703,696
GST Receivable	5	2,735,727	1,547,479
Prepayments	5	1,509,706	2,078,698
Inventories	6	328,855	304,083
		<b>461,402,418</b>	<b>430,809,781</b>
<b>Current Liabilities</b>			
Trade Payables	11	24,187,069	25,480,067
Bonds & Security Deposits	11	23,031,416	14,561,841
Contract Liabilities	9	32,817,320	28,103,766
Lease Liability	10	60,670	76,123
Current Employee Benefits Provision	13	18,928,080	18,064,041
Other Current Provisions	13	4,054,500	3,580,000
		<b>103,079,055</b>	<b>89,865,838</b>
<b>Net Current Assets</b>		<b>358,323,363</b>	<b>340,943,943</b>
<b>Less:</b>			
Cash - Restricted	3	(5,200)	(5,198)
Term Deposit - Restricted		(366,618,423)	(348,352,236)
Town Planning Schemes Receivables		(648,800)	(648,800)
<b>Add Back:</b>			
Cash Backed Employee Provisions	13	13,527,915	13,280,492
Town Planning Schemes Payables		106,754	1,228,244
Contract Liabilities		32,056,762	26,552,348
<b>Surplus</b>		<b>36,742,371</b>	<b>32,998,793</b>



## City of Wanneroo

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 25. Discounts, Incentives, Concessions &amp; Write-offs

Type	2022	2022	2021
	Actual Cost / Value	Budget Cost / Value	Actual Cost / Value
	\$	\$	\$
<b>(a) Discounts/Concessions</b>			
Debts Written Off	Write Off	-	11,949
One-off COVID-19 Rates Concession	Concession	-	2,690,130
Financial Hardship Concession	Concession	192	7,393
Community Groups Rates Waiver	Waiver	127,970	127,094
		<u>128,162</u>	<u>2,836,566</u>

**Discounts**

The City offers no discounts for early payment of Rates or any other debts to the City.

**Concessions/Incentives/Waivers**

Council has agreed, in accordance with *Section 6.47 of the Local Government Act 1995*, to waive the 2021/22 Council Rates (excluding Emergency Services Levy) for land leased by the City to the following community

- AJS Motorcycle Club of WA Inc.
- Kingsway Football and Sporting Club Inc.
- Kingsway Little Athletics Centre
- Lions Club of Girrawheen Inc.
- Olympic Kingsway Sports Club
- Pinjar Motorcycle Park Inc.
- Quinns Mindarie Surf Lifesaving Club Inc.
- Quinns Rocks Sports Club Inc.
- The Badminton Association of WA Inc.
- Tiger Kart Club Inc.
- Vikings Softball Club Inc and The Wanneroo Giants Baseball Club Inc.
- Wanneroo Agricultural Society Inc.
- Wanneroo Amateur Boxing Club Inc.
- Wanneroo Amateur Football Club Inc, Wanneroo Cricket Club, Wanneroo Junior Cricket and Football Club Inc.
- Wanneroo BMX Club
- Wanneroo City Soccer Club Inc.
- Wanneroo Districts Cricket Club Inc.
- Wanneroo District Cricket Club Inc. & Wanneroo Districts hockey Association Inc.
- Wanneroo Districts Netball Association
- Wanneroo Districts Rugby Union Football Club Inc.
- Wanneroo Horse and Pony Club
- Wanneroo Shooting Complex Inc.
- Wanneroo Sports and Social Club
- Wanneroo Tennis Club
- Wanneroo Trotting and Training Club Inc.
- West Australian Rifle Association Inc.
- Yanchep Golf Club
- Yanchep Sports and Social Club Inc.
- Yanchep Surf Lifesaving Club Inc.

The circumstances in which the waiver is granted to sporting clubs is when Council believes financial support is warranted. The objective is improving these clubs financial viability in order to assist with the fostering of good health within the community.

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 26. Interest Charges and Instalments

	Interest Rate %	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Interest on Overdue Rates	5%	775,174	597,500	728,985
Interest on Instalments Plan	3%	301,055	289,021	322,021
		<u>1,076,229</u>	<u>886,521</u>	<u>1,051,006</u>
Administration Charges on Instalment Plan		341,968	370,000	370,867
		<u>1,418,197</u>	<u>1,256,521</u>	<u>1,421,873</u>

Option 1 (Full Payment)

Full amount of Rates and Service Charges, including arrears, to be paid on or before 35 days from the issue date appearing on the Rate notice (due: 6 September 2021).

Option 2 (Two instalments)

First instalment to be received on or before 35 days after the issue date appearing on the Rate notice, including all arrears and half of the current Rates and Service Charges (due: 6 September 2021). The second and final instalment will be due and payable 63 days after the due date of the first instalment (due: 8 November 2021).

Option 3 (Four instalments)

First instalment to be received on or before 35 days after the issue date appearing on the Rate notice, including all arrears and a quarter of the current Rates and Service Charges (due: 6 September 2021). The second, third and fourth instalments are to be made at 63 day intervals, thereafter (due: 8 November 2021, 10 January 2022 and 14 March 2022).

Option 4 (Five instalments)

First instalment to be received on or before 35 days after the issue date appearing on the Rate notice, including all arrears and a fifth of the current Rates and Service Charges (due: 6 September 2021). The second, third, fourth and fifth instalments are to be made in two months intervals, thereafter (due: 8 November 2021, 10 January 2022,

Cost of the instalment Options

The cost of the instalment options will comprise of simple interest of 3% (2021: 3%) per annum, calculated from the date the first instalment is due and payable ( 6 September 2021), together with an Administration Fee of \$5.00 for each instalment.

## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 26. Interest Charges and Instalments (continued)

##### Special Arrangements and Late Payment Penalty

An interest rate of 5% (2021: 5%) per annum will be charged on all Rates, both current and arrears, that remain unpaid after 35 days from the issue date ( 6 September 2021 ) of the Rate notice. It is estimated this will generate income of \$1,256,521.

In addition to the Late Payment Interest, an Administration Fee of \$30 (2021: \$30) per assessment will be charged to any Ratepayers wishing to enter into special payment agreements with the City.

In accordance with the provisions of Section 6.46 of the Act, a Local Government is empowered to offer a discount or other incentive for the early payment of rates. Whilst no discount is offered for 2021/22, an allowance of \$10,000 for the purchase of prizes has been included in the Annual Budget. The City will provide 50 x \$200 vouchers from local businesses for a prize draw of Ratepayers who pay per one of the four available payment options by the 1st Due date ( 6 September 2021).

#### Note 27\*. Fees and Charges

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Governance	1,758	245,195	25,352
General Purpose Funding	550,403	526,000	551,569
Law, Order & Public Safety	557,775	621,900	510,383
Health	382,388	350,644	342,151
Education & Welfare	41,931	73,789	200,325
Community Amenities	33,907,600	34,001,351	33,227,389
Recreation & Culture	9,797,641	11,248,198	10,165,955
Transport	1,031,107	932,274	884,419
Economic Services	2,238,114	2,287,811	2,848,939
Other Property & Services	561,367	8,892	81,420
	<b>49,070,084</b>	<b>50,296,054</b>	<b>48,837,902</b>

\* Fees and Charges by program based on cost centre description.



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 28. Grants, Subsidies and Contributions

	2022 Actual	2021 Actual
	\$	\$
Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:		
<b>(a). By Nature &amp; Type</b>		
Operating Grants, Subsidies & Contributions	15,014,025	16,987,093
Non-Operating Grants, Subsidies & Contributions	23,863,600	39,194,030
	<u>38,877,625</u>	<u>56,181,123</u>
<b>(b). By Program</b>		
Governance	409,012	714,071
General Purpose Funding	10,778,283	9,081,730
Law, Order & Public Safety	808,911	628,167
Health	3,190	26,784
Education & Welfare	1,121,488	235,670
Community Amenities	962,496	6,144,192
Recreation & Culture	8,170,881	9,837,603
Transport	16,278,230	28,256,281
Economic Services	55	84
Other Property & Services	345,079	1,256,541
	<u>38,877,625</u>	<u>56,181,123</u>

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 29. Function and Activity

## Income and Expenses by Program

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>Income Excluding Grants, Subsidies and Contributions</b>			
Governance	2,428,780	848,126	828,066
General Purpose Funding	151,707,920	148,535,532	150,020,658
Law, Order & Public Safety	1,467,215	1,886,537	1,204,922
Health	385,578	496,294	368,935
Education & Welfare	1,163,419	1,270,869	303,352
Community Amenities	34,893,867	34,625,767	39,382,449
Recreation & Culture	18,087,027	27,327,738	20,121,255
Transport	17,838,584	15,865,894	29,329,715
Economic Services	2,702,909	2,506,895	2,963,125
Other Property & Services	27,786,157	29,966,629	8,827,897
<b>Total Income</b>	<b>258,461,456</b>	<b>263,330,281</b>	<b>253,350,374</b>
<b>Expenses</b>			
Governance	(16,780,260)	(12,280,505)	(9,154,076)
General Purpose Funding	(5,748,468)	(3,207,321)	(6,556,711)
Law, Order, Public Safety	(8,858,842)	(9,425,792)	(8,400,875)
Health	(1,771,757)	(2,760,647)	(2,412,907)
Education & Welfare	(5,398,712)	(5,995,536)	(5,573,068)
Community Amenities	(57,862,334)	(61,113,221)	(40,526,891)
Recreation & Culture	(64,719,623)	(68,066,324)	(62,072,813)
Transport	(43,031,435)	(56,301,918)	(52,883,355)
Economic Services	(4,947,591)	(5,265,196)	(4,821,156)
Other Property & Services	(11,606,963)	(20,890,001)	(104,860,352)
<b>Total Expenses</b>	<b>(220,725,985)</b>	<b>(245,306,461)</b>	<b>(297,262,204)</b>
<b>Net Result</b>	<b>37,735,471</b>	<b>18,023,820</b>	<b>(43,911,830)</b>

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 30. Employee Costs

	2022 Actual	2021 Actual
	\$	\$
Salaries & Wages	66,480,653	64,344,813
Superannuation	7,728,605	7,406,416
Conference & Training	475,843	375,537
Fringe Benefits Tax	170,995	215,878
Workers' Compensation Insurance	1,815,009	1,745,310
Protective Clothing & Uniforms	299,988	283,653
Staff Amenities	24,318	33,440
External Labour Hire	370,613	1,217,819
<b>Total Employee Costs</b>	<b>77,366,024</b>	<b>75,622,866</b>
Less: Capitalised Costs*	(1,437,639)	(3,841,520)
	<b>75,928,385</b>	<b>71,781,346</b>

\* Employee costs which are applicable to building of assets have been capitalised.

## Note 31. Financial Risk Management

The City's activities expose it to a variety of financial risks including (1) price risk, (2) credit risk, (3) liquidity risk and (4) interest rate risk.

The City's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the City.

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

Financial risk management is carried out by the City's Finance Service Unit under policies approved by Council.

The City held the following financial instruments at balance date.

	Notes	Carrying Value		Fair Value	
		2022	2021	2022	2021
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash & Cash Equivalents	3	17,076,473	14,613,098	17,076,473	14,613,098
Other Financial Assets	4	430,000,000	400,000,000	430,000,000	400,000,000
Receivables (Current & Non-Current)	5	18,268,708	19,990,719	18,268,708	19,990,719
		<u>465,345,181</u>	<u>434,603,817</u>	<u>465,345,181</u>	<u>434,603,817</u>
<b>Financial Liabilities</b>					
Payables (Current & Non-Current)	11	47,218,485	40,041,908	47,218,485	40,041,908
Borrowings (Current & Non-Current)	12	74,334,488	74,334,488	74,334,488	74,334,488
		<u>121,552,973</u>	<u>114,376,396</u>	<u>121,552,973</u>	<u>114,376,396</u>



## City of Wanneroo

### Notes to the Financial Statements

for the year ended 30 June 2022

#### Note 31. Financial Risk Management (continued)

The fair value of financial instruments traded in active markets is determined using various valuation techniques. The City uses valuation methods and makes assumptions that are based on market conditions existing at the reporting date. Quoted market prices or dealer quotes for similar instruments are used for long term debt instruments. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate fair values. The fair value of financial liabilities are estimated by discounting future contractual cash flows at the current market interest rate that is available to the City for similar financial instruments.

Fair Value is determined as follows:

- **Cash and Cash Equivalents, Receivables, Payables** - are estimated to be the carrying value which approximates market value.
- **Borrowings and Held to Maturity Investments** - estimated future cash flows discounted by the current market interest rates applicable to assets & liabilities with similar risk profiles.
- **Financial Assets classified (i) "at fair value through profit and loss" or (ii) Available for Sale** - based on quoted market prices at the reporting date or independent valuation.

#### (a). Cash and Cash Equivalents and Financial Assets "at Fair Value through Profit and Loss" and "Fair Value through Other Comprehensive Income"

The City's objective is to maximise its return on cash and investments, whilst maintaining an adequate level of liquidity and preserving capital.

The City has an Investment Policy which complies with the relevant legislation. The Investment Policy is regularly reviewed by Council and an investment report is tabled before Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash and Investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns and income.

A further risk associated with Cash and Investments is credit risk - the risk that the investment counterparty will not complete their obligations particular to a financial instrument, resulting in a financial loss to the City.

The City manages these risks by diversifying its portfolio and only making investments with high credit ratings or capital guarantees in accordance with investment restrictions prescribed in the Local Government (Financial Management) Regulations 1996.

	30-Jun-22	30-Jun-21
	\$	\$
<b>Impact of a 1% <sup>(1)</sup> movement in interest rates on cash and investments</b>		
Equity	170,765	4,146,131
Statement of Comprehensive Income	170,765	4,146,131

#### Notes:

1. Sensitivity percentages based on management's expectations of future possible market movements. (Price movements calculated on investments subject to fair value adjustments. Interest rate movements calculated on cash, cash equivalents and managed funds.)

## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 31. Financial Risk Management (continued)

##### (b). Receivables

The City's major receivables comprise Rates, Annual Charges, and User Charges and Fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to City may not be repaid.

The City manages this risk by monitoring outstanding debt and referring outstanding debts to an external debt collector. The City also encourages ratepayers to pay their Rates by the due date through various incentives.

Credit risk on Rates and Annual Charges is minimised by the ability of the City to secure a charge over the land relating to the debts - that is, the land can be sold to recover the debt. The City is also able to charge interest on overdue Rates and Annual Charges at higher than market rates which further encourages the payment of debt.

The level of outstanding receivables is reported to Council monthly.

The City makes suitable provision for expected credit losses, as required, and carries out counter party credit checks where relevant.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

	30-Jun-22	30-Jun-21
	\$	\$
<b>Rates and Annual Charges Outstanding</b>		
0 - 30 Days	155,012	245,811
30 - 60 Days	60,169	95,286
60 - 90 Days	12,388	89,030
Over 90 Days	7,554,774	9,070,369
	<u>7,782,343</u>	<u>9,500,496</u>
<b>Sundry Debtors Outstanding</b>		
0 - 30 Days	57,235	493,829
30 - 60 Days	105,139	36,815
60 - 90 Days	274,784	357,867
Over 90 Days	776,444	638,388
	<u>1,213,602</u>	<u>1,526,899</u>

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 31. Financial Risk Management (continued)

## (c). Payables and Borrowings

Payables and Borrowings are both subject to liquidity risk - 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. Further the City has created a loan repayment cash back reserve and monitors adequacy of the reserve balance on a regular basis.

The contractual undiscounted cash outflows (ie. principal and interest) of the City's Payables & Borrowings are set out in the Liquidity Table below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying Values
	\$	\$	\$	\$	\$
<b>2022</b>					
Payables	47,218,485	-	-	47,218,485	47,218,485
Borrowings	4,378,924	76,514,138	14,214,038	95,107,100	74,334,488
	<u>51,597,409</u>	<u>76,514,138</u>	<u>14,214,038</u>	<u>142,325,585</u>	<u>121,552,973</u>
<b>2021</b>					
Payables	40,041,908	-	-	40,041,908	40,041,908
Borrowings	4,378,924	80,628,822	14,478,280	99,486,026	74,334,488
	<u>44,420,832</u>	<u>80,628,822</u>	<u>14,478,280</u>	<u>139,527,934</u>	<u>114,376,396</u>

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs and debt servicing requirements. The City manages this risk by borrowing long term and fixing the interest rate on a basis that is most suitable for the circumstance. The City officers regularly review interest rate movements to determine if it would be advantageous to refinance or renegotiate part, or all of the loan portfolio.

The following interest rates were applicable to the the City's Borrowings at balance date:

	30-Jun-22		30-Jun-21	
	Weighted average interest rate %	Balance \$	Weighted average interest rate %	Balance \$
Bank Loans - Fixed <sup>1</sup>	6.77%	65,334,488	6.77%	65,334,488
Bank Loans - Variable <sup>2</sup>	1.88%	9,000,000	1.87%	9,000,000
		<u>74,334,488</u>		<u>74,334,488</u>

## Notes:

- Inclusive of 0.7% (Government Guarantee Fee) in the fixed interest rate of 6.77%.
- The interest rate risk applicable to variable rate loan is not considered significant.



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 32. Fair Value Measurements

The City measures the following asset and liability classes at fair value on a regular basis:

- Infrastructure, Property, Plant and Equipment
- Financial Assets and Liabilities

The fair value of assets and liabilities must be estimated in accordance with various Accounting Standards for either recognition and measurement requirements or for disclosure purposes.

AASB 13 Fair Value Measurement requires all assets and liabilities measured at fair value to be assigned to a "level" in the fair value hierarchy as follows:

**Level 1:** Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

**Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values:

2022	Date of latest Valuation	Fair Value Measurement using:			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
		\$	\$	\$	\$
<b>Property, Plant &amp; Equipment</b>					
- Land	30/06/2021	-	122,919,650	410,000	123,329,650
- Buildings	30/06/2021	-	-	205,598,006	205,598,006
- Furniture & Fittings	30/06/2020	-	7,666,806	1,086,703	8,753,509
- Leased Asset	30/06/2020	-	55,254	-	55,254
- Plant & Equipment	30/06/2019	-	5,106,577	18,742,132	23,848,709
<b>Total Property, Plant &amp; Equipment</b>		-	135,748,287	225,836,841	361,585,128
<b>Infrastructure</b>					
- Reserves	30/06/2020	-	-	137,617,514	137,617,514
- Roads	30/06/2020	-	-	1,181,377,555	1,181,377,555
- Pathways	30/06/2020	-	-	88,484,014	88,484,014
- Car Parking	30/06/2020	-	-	30,628,172	30,628,172
- Drainage	30/06/2020	-	-	392,997,198	392,997,198
- Other Infrastructure	30/06/2020	-	-	53,574,715	53,574,715
<b>Total Infrastructure</b>		-	-	1,884,679,168	1,884,679,168

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 32. Fair Value Measurements (continued)

(1) The following table presents all assets and liabilities that have been measured and recognised at fair values: (continued)

2021	Date of latest Valuation	Fair Value Measurement using:			Total
		Level 1 Quoted prices in active mkts	Level 2 Significant observable inputs	Level 3 Significant unobservable inputs	
		\$	\$	\$	\$
<b>Property, Plant &amp; Equipment</b>					
- Land	30/06/2021	-	121,763,000	-	121,763,000
- Buildings	30/06/2021	-	-	206,236,901	206,236,901
- Furniture & Fittings	30/06/2021	-	7,802,764	1,086,704	8,889,468
- Leased Asset	30/06/2020	-	143,490	-	143,490
- Plant & Equipment	01/02/2019	-	12,755,379	8,765,911	21,521,290
<b>Total Property, Plant &amp; Equipment</b>		-	<b>142,464,633</b>	<b>216,089,516</b>	<b>358,554,149</b>
<b>Infrastructure</b>					
- Reserves	30/06/2020	-	-	134,674,344	134,674,344
- Roads	30/06/2020	-	-	1,184,223,932	1,184,223,932
- Pathways	30/06/2020	-	-	87,735,281	87,735,281
- Car Parking	30/06/2020	-	-	30,938,566	30,938,566
- Drainage	30/06/2020	-	-	393,528,662	393,528,662
- Other Infrastructure	30/06/2020	-	-	55,852,720	55,852,720
<b>Total Infrastructure</b>		-	-	<b>1,886,953,505</b>	<b>1,886,953,505</b>

## (2) Transfers between Level 1 and Level 2 Fair Value Hierarchies

During the year, there were no transfers between Level 1 and Level 2 Fair Value hierarchies for recurring fair value measurements.

## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 32. Fair Value Measurements (continued)

##### (3) Valuation techniques used to derive Level 2 and Level 3 Fair Values

Where the City is unable to derive Fair Valuations using quoted market prices of identical assets (i.e. Level 1 inputs) the City instead utilises a spread of both observable inputs (Level 2 inputs) and unobservable inputs (Level 3 inputs).

The fair valuation techniques the City has employed while utilising Level 2 and Level 3 inputs are as follows:

##### Property, Plant and Equipment

###### Land

The City's lands were valued by independent professionally qualified registered valuers. Except in the circumstance of any assets being held for sale (valued in accordance with AASB 5 Assets Held for Sale) or in accordance with specific Accounting Standards (such as Investment Properties) the balance of the portfolio is valued in accordance with AASB 116 Property Plant and Equipment at fair value.

Depending upon the unique circumstances of each lot, land has been valued using a range of approaches. Where there is an active market the 'market approach' has been adopted. If its value is primarily dependent on its income generating capability the income approach was used. For other types of land the 'cost approach' was adopted. Details of each approach are detailed below.

###### Level 2 Valuation Inputs

**Market (Direct Comparison)** – This has been applied to lands held in freehold title and have been assessed on the basis of the estimated amount which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between market participants, given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect comparability. As this was based on observable evidence they have been classified as Level 2.

###### Level 3 Valuation Inputs

**Sales Comparison Approach** - This comparative approach considers the sales of similar or substitute land and related market data, and establishes a value estimate by processes involving comparison. In general, a land being valued is compared with sales of similar land that have been transacted in the market. Listings and offerings may also be considered.



## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 32. Fair Value Measurements (continued)

##### (3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

**Cost (Hypothetical Analysis)** – Determination of the replacement cost involves detailed analysis of a hypothetical highest alternative land use. Typically this includes estimating the number of potential residential or commercial lots that could be developed on a site. These are observable based on existing Town Planning rules and have been classified as Level 2. The third input is the developer's interest which effectively is the rate of return the developer requires based on existing market conditions. This requires the valuers to exercise professional judgement and accordingly has been classified as level 3.

**Cost (Complex Analysis)** – These relate to land which is unique and requires consideration of a range of alternative uses that could be used to maximise the value. Typically these include sites which would enable subdivision into lots with different zonings and uses. They require the extensive exercise of professional judgement and require determination of a range of assumptions.

#### **Buildings**

The City's buildings were valued by independent professionally qualified registered valuers. The valuation of buildings, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and fire fighting equipment, and general lighting etc).

Excluded from this report are all items of plant, machinery, equipment, cranes, tools, furniture or chattels.

#### **Level 3 Valuation Inputs**

**Cost (Depreciated)** – These buildings were valued using the cost approach using professionally qualified registered valuers.

Under this approach, the cost to replace the asset is calculated and then adjusted to take account of an accumulated depreciation. The Valuer disaggregated the building into different components and for each component determined a value based on the inter-relationship between a range of factors. These include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and the pattern of consumption of the future economic benefit.

#### **Plant and Equipment and Furniture & Fittings**

The City uses the cost model for Plant and Equipment and Furniture and Fittings as per Regulation 17A of the Local Government (Financial Management) Regulations 1996.



## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 32. Fair Value Measurements (continued)

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##### (3) Valuation techniques used to derive Level 2 and Level 3 Fair Values (continued)

###### **Infrastructure**

The City's infrastructure has been valued by professionally qualified independent valuers in accordance with Australian Accounting Standards.

The City's infrastructure assets were valued at a market-based measurement. The market-based measurement estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

The current replacement cost was measured by referencing the lowest cost at which the asset could be obtained in the normal course of business.

The total cost values have been calculated using unit cost rate based on current tender and general market rates.

Level 2 and Level 3 valuation inputs have been applied to all infrastructure asset classes. Level 2 inputs being construction cost and current condition and Level 3 inputs being residual values and remaining useful life assessments.

The above techniques and inputs were utilised for all of the following classes:

- Roads
- Drainage
- Pathways
- Car Parks
- Reserves
- Other Infrastructure

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 32. Fair Value Measurements (continued)

## (4). Fair value measurements using significant unobservable inputs (Level 3)

a. The following tables present the changes in Level 3 Fair Value Asset Classes.

	Buildings	Reserves	Roads	Pathways	Total
	\$	\$	\$	\$	\$
<b>Opening Balance - 1/7/20</b>	159,945,403	133,335,768	1,236,959,731	89,138,139	1,619,379,041
Purchases (Gross Book Value)	5,251,538	7,514,387	50,853,023	1,661,823	65,280,771
Disposals (WDV)	-	-	(87,740,477)	-	(87,740,477)
Depreciation & Impairment	(6,238,986)	(6,175,811)	(15,848,345)	(3,064,681)	(31,327,823)
Transfers from/(to) Level 2 FV Hierarchy	19,900,265	-	-	-	19,900,265
FV Gains - Other Comprehensive Income	27,378,681	-	-	-	27,378,681
<b>Closing Balance - 30/6/21</b>	206,236,901	134,674,344	1,184,223,932	87,735,281	1,612,870,458
Purchases (Gross Book Value)	3,210,504	9,467,507	10,744,439	3,316,955	26,739,405
Depreciation & Impairment	(3,849,399)	(6,524,337)	(13,590,816)	(2,568,222)	(26,532,774)
<b>Closing Balance - 30/6/22</b>	205,598,006	137,617,514	1,181,377,555	88,484,014	1,613,077,089

	Furniture & Fittings	Drainage	Car Parking	Other Infra-structure	Total
	\$	\$	\$	\$	\$
<b>Opening Balance - 1/7/20</b>	982,004	403,380,505	31,687,791	58,253,574	494,303,874
Purchases (Gross Book Value)	2,297,617	4,514,278	25,760	72,165	6,909,820
Disposals (WDV)	-	(10,898,203)	-	-	(10,898,203)
Depreciation & Impairment	(2,192,917)	(3,487,918)	(774,985)	(2,473,019)	(8,908,839)
<b>Closing Balance - 30/6/21</b>	1,086,704	393,528,662	30,938,566	55,852,720	481,406,652
Purchases (Gross Book Value)	-	2,926,938	454,588	197,906	3,579,432
Depreciation & Impairment	-	(3,458,402)	(764,902)	(2,475,911)	(6,699,295)
<b>Closing Balance - 30/6/22</b>	1,086,704	392,997,198	30,628,172	53,574,715	478,286,789



City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

Note 32. Fair Value Measurements (continued)

(4). Fair value measurements using significant unobservable inputs (Level 3) (continued)

a. The following tables present the changes in Level 3 Fair Value Asset Classes.

	Land	Plant & Equipment	Total
	\$	\$	\$
<b>Opening Balance - 1/7/20</b>	77,969,089	7,055,021	85,024,110
Disposals (WDV)	-	1,710,890	1,710,890
Transfers from/(to) Level 2 FV hierarchy	(77,969,089)	-	(77,969,089)
<b>Closing Balance - 30/6/21</b>	-	8,765,911	8,765,911
Disposals (WDV)	(1,780,000)	(1,123,730)	(2,903,730)
Transfers from/(to) Level 2 FV hierarchy	2,190,000	11,099,951	13,289,951
<b>Closing Balance - 30/6/22</b>	410,000	18,742,132	19,152,132

## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 33. Events Occurring after the Reporting Period

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Events that occur between the end of the reporting period (ending 30 June 2022) and the date when the financial statements are "authorised for issue" have been taken into account in preparing these statements.

The City has adopted the date that the Chief Executive Officer (CEO) authorises the financial statements as the applicable "authorised for issue" date.

Events that occur after the Reporting Period represent one of two types:

##### **(i) Events that provide evidence of conditions that existed at the Reporting Period**

These financial statements (and the figures therein) incorporate all "adjusting events" that provided evidence of conditions that existed at 30 June 2022.

##### **(ii) Events that provide evidence of conditions that arose after the Reporting Period**

These financial statements (including figures therein) do not incorporate any "non-adjusting events" that have occurred after 30 June 2022 and which are only indicative of conditions that arose after 30 June 2022.

## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 34. Transactions with Related Parties

##### Related Parties

The City's main related parties are as follows:

##### (i) Key Management Personnel (KMP)

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

##### (ii) Entities subject to significant influence by the City

An entity that has the power to participate in the financial and operating policy decisions of the City but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

##### (iii) Joint Venture Agreement accounted for under the equity method

The City has one sixth interest in two regional Councils. This interest is accounted for in these financial statements using the equity method of accounting. Refer to Note 19 for details of these interests.

##### Council Members Allowances

	2022 Actual \$	2022 Budget \$	2021 Actual \$
The following fees, expenses and allowances were paid to council members:			
<b>Mayor - Tracey Roberts JP</b>			
Mayor's Allowance	67,376	74,569	89,753
Meeting Fees	35,670	47,516	47,516
Telecommunication Allowance	3,500	3,500	3,500
Travelling & Other Expenses	251	2,000	15
	<u>106,797</u>	<u>127,585</u>	<u>140,784</u>
<b>Deputy Mayor, Central Ward Council Member</b> <i>- (ceased 26 October 2021 as the Deputy Mayor)</i>			
Deputy Mayor's Allowance	7,254	22,438	22,438
Meeting Fees	31,678	31,678	31,678
Telecommunication Allowance	3,500	3,500	3,500
Travelling & Other Expenses	1,114	2,000	2,900
	<u>43,546</u>	<u>59,616</u>	<u>60,516</u>
<b>Deputy Mayor, South Ward Council Member - Brett Treby</b> <i>- (elected October 2021 as the Deputy Mayor)</i>			
Deputy Mayor's Allowance	15,184	15,184	-
Meeting Fees	31,678	31,678	31,678
Telecommunication Allowance	3,500	3,500	3,500
Travelling & Other Expenses	1,430	2,000	4,304
	<u>51,792</u>	<u>52,362</u>	<u>39,482</u>



## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 34. Transactions with Related Parties (continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>Central Ward Council Member - Jacqueline Huntley</b>			
Meeting Fees	31,678	31,678	34,275
Telecommunication Allowance	3,500	3,500	3,500
Travelling & Other Expenses	-	2,000	183
	35,178	37,178	37,958
<b>Central Ward Council Member - Paul Miles</b>			
Meeting Fees	31,678	31,678	31,678
Telecommunication Allowance	3,500	3,500	3,500
Travelling & Other Expenses	4,513	2,000	9,831
	39,691	37,178	45,009
<b>Central Ward Council Member - Dot Newton JP</b> - (ceased October 2021)			
Meeting Fees	9,373	9,373	31,678
Telecommunication Allowance	-	-	3,500
Travelling & Other Expenses	38	38	-
	9,411	9,411	35,178
<b>Central Ward Council Member - Helen Berry</b> - (commenced October 2021)			
Meeting Fees	22,305	22,305	-
Telecommunication Allowance	3,500	3,500	-
Travelling & Other Expenses	-	-	-
	25,805	25,805	-
<b>Central Ward Council Member - Jordan Wright</b> - (commenced October 2021)			
Meeting Fees	22,305	22,305	-
Telecommunication Allowance	3,500	3,500	-
Travelling & Other Expenses	709	1,962	-
	26,514	27,767	-
<b>North Coast Ward Council Member - Linda Aitken</b>			
Meeting Fees	31,678	31,678	31,678
Telecommunication Allowance	3,500	3,500	3,500
Travelling & Other Expenses	1,683	2,000	1,912
	36,861	37,178	37,090
<b>North Coast Ward Council Member - Chris Baker</b>			
Meeting Fees	31,678	31,678	31,678
Telecommunication Allowance	3,500	3,500	3,500
Travelling & Other Expenses	1,805	2,000	3,066
	36,983	37,178	38,244
<b>North Coast Ward Council Member - Sonet Coetzee</b>			
Meeting Fees	31,678	31,678	31,678
Telecommunication Allowance	3,500	3,500	3,500
Travelling & Other Expenses	2,476	2,000	1,059
	37,654	37,178	36,237

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 34. Transactions with Related Parties (continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>North Coast Ward Council Member - Lewis Flood</b>			
- (ceased October 2021)			
Meeting Fees	9,373	9,373	31,678
Telecommunication Allowance	-	-	3,500
Travelling & Other Expenses	2,239	2,000	5,033
	<u>11,612</u>	<u>11,373</u>	<u>40,211</u>
<b>North Coast Ward Council Member - Natalie Sangalli</b>			
Meeting Fees	31,678	31,678	31,678
Telecommunication Allowance	3,500	3,500	3,500
Travelling & Other Expenses	-	2,000	-
	<u>35,178</u>	<u>37,178</u>	<u>35,178</u>
<b>North Ward Council Member - Glynis Parker</b>			
Meeting Fees	31,678	31,678	31,678
Telecommunication Allowance	3,500	3,500	3,500
Travelling & Other Expenses	1,523	2,000	1,391
	<u>36,701</u>	<u>37,178</u>	<u>36,569</u>
<b>South Ward Council Member - Hugh Nguyen</b>			
- (ceased October 2021)			
Meeting Fees	9,373	9,373	31,678
Telecommunication Allowance	-	-	3,500
Travelling & Other Expenses	-	-	-
	<u>9,373</u>	<u>9,373</u>	<u>35,178</u>
<b>South Ward Council Member - Vinh Nguyen</b>			
Meeting Fees	31,678	31,678	31,678
Telecommunication Allowance	3,500	3,500	3,500
Travelling & Other Expenses	-	2,000	-
	<u>35,178</u>	<u>37,178</u>	<u>35,178</u>
<b>South Ward Council Member - James Rowe</b>			
- (commenced October 2021)			
Meeting Fees	22,305	22,305	-
Telecommunication Allowance	3,500	3,500	-
Travelling & Other Expenses	-	2,000	-
	<u>25,805</u>	<u>27,805</u>	<u>-</u>
<b>South Ward Council Member - Natalie Herridge</b>			
- (commenced October 2021)			
Meeting Fees	22,305	22,305	-
Telecommunication Allowance	3,500	3,500	-
Travelling & Other Expenses	-	2,000	-
	<u>25,805</u>	<u>27,805</u>	<u>-</u>
<b>South Ward Council Member - Domenic Zappa</b>			
- (ceased October 2021)			
Meeting Fees	9,373	9,373	31,678
Telecommunication Allowance	-	-	3,500
Travelling & Other Expenses	-	-	-
	<u>9,373</u>	<u>9,373</u>	<u>35,178</u>

## City of Wanneroo

## Notes to the Financial Statements

for the year ended 30 June 2022

## Note 34. Transactions with Related Parties (continued)

Summary of Council Members Remuneration and Allowances:

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Mayor's Allowance & Meeting Fees	103,046	122,085	137,269
Deputy Mayor's Allowance & Meeting Fees	85,794	100,978	54,116
Meeting Fees	380,136	380,136	414,411
Telecommunication Allowance	52,500	52,500	52,500
Travelling & Other Expenses	17,781	30,000	29,694
	<u>639,257</u>	<u>685,699</u>	<u>687,990</u>

## SIGNIFICANT ACCOUNTING POLICY

## Council Members Remuneration

Section 44 of the Regulations was amended to include the remuneration for "each person" instead of the total amount paid to council members.

## Key Management Personnel (KMP) Compensation Disclosures

The compensation paid to Key Management Personnel comprises:

	2022 Actual	2021 Actual
	\$	\$
Short-Term Employee Benefits	1,561,347	1,555,196
Post-Employment Benefits	176,786	140,521
Long-Term Benefits	243,764	34,304
<b>Total</b>	<u><b>1,981,897</b></u>	<u><b>1,730,021</b></u>

## Short-term employee benefits

These amounts include salary, paid leave and fringe benefits.

## Post-employee benefits

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

## Other long-term benefits

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



## City of Wanneroo

### Notes to the Financial Statements for the year ended 30 June 2022

#### Note 35. Town Planning Schemes and Development Contribution Plans

##### Town Planning Schemes and Development Contribution Plans

The Town Planning Schemes are mainly related to the development of standard infrastructures. The Development Contribution Plans are related to the development of district community facilities.

East Wanneroo Development Area Cells 1-9 (TPSs) are governed by Part 9 of District Planning Scheme Number 2 (DPS2) which do not require the City to establish and maintain a reserve account for each TPS. However, the Yanchep/Two Rocks Community Facilities and Alkimos/Eglinton Community Facilities (DCPs) are governed by the State Planning Policy 3.6 Development Contributions For Infrastructure 2021 (SPP 3.6) and Schedule 14 and 15 of DPS2 whereby Clause 16 of Schedule 14 of DPS2 requires the City to establish and maintain a reserve account for each DCP in accordance with Act.

Annual reviews are completed for East Wanneroo Development Area Cells 1-9, Alkimos/Eglinton Community Facilities and Yanchep/Two Rocks Community Facilities.

Final Income and Expenditure Statements are published on the City's website once the Annual Financial Statements are adopted by Council.

##### (a) Town Planning Scheme No 5 - Landsdale

An industrial zone guided development, which was gazetted in 1973. The works involved local infrastructure, servicing and upgrading of the abutting section of Gnangara Road. The total area of the scheme is approximately 100 hectares (ha). An internal audit of the remaining works has occurred and all works are complete with the exception of several minor land acquisitions along Gnangara Road (between Atwell Street and Mirrabooka Avenue). The upgrade/construction of Gnangara Road will be partly funded by TPS5 and the East Wanneroo Cell 8 Cost Sharing Arrangement.

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>Statement of Comprehensive Income</b>			
<b>- Town Planning Scheme No 5 - Landsdale</b>			
<b>Operating Income</b>			
Development Headworks Levy Including Interest on Investments	31,248	2,567	220,036
	<b>31,248</b>	<b>2,567</b>	<b>220,036</b>
<b>Operating Expense</b>			
Administration Allocation	(31,248)	(2,567)	(16,588)
Legal Fees	-	-	(10,000)
Contract Expenses	-	-	(20,660)
Compensation Payments - Road Reserves	-	-	(172,788)
	<b>(31,248)</b>	<b>(2,567)</b>	<b>(220,036)</b>
<b>Net Result</b>	<b>-</b>	<b>-</b>	<b>-</b>

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 35. Town Planning Schemes and Development Contribution Plans (continued)

## (b) Berkley Road Local Structure Plan

The Berkley Road Local Structure Plan rationalises the drainage sumps, road system and public open space requirements for the residential development of the area. All subdividing landowners in the area pay a development headworks levy to the City and those funds are used to compensate those owners who actually provide the drainage, regional road and public open space sites.

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>Statement of Comprehensive Income</b>			
<b>- Berkley Road Local Structure Plan</b>			
<b>Operating Income</b>			
Development Headworks Levy Including Interest on Investments	8,631	13,706	4,531
	<b>8,631</b>	<b>13,706</b>	<b>4,531</b>
<b>Operating Expense</b>			
Administration Allocation	(8,631)	(13,706)	(4,531)
	<b>(8,631)</b>	<b>(13,706)</b>	<b>(4,531)</b>
<b>Net Result</b>	<b>-</b>	<b>-</b>	<b>-</b>

## City of Wanneroo

Notes to the Financial Statements  
for the year ended 30 June 2022

## Note 35. Town Planning Schemes and Development Contribution Plans (continued)

## (c) Neerabup Industrial Area Structure Plan

The Neerabup Industrial Area Structure Plan No 17 is designed to provide for the industrial development contained within an area bounded by Wanneroo Road, Flynn Drive, Old Yanchep Road and Wattle Avenue. This industrial area will be a major employment centre for the North West residential corridor.

The format, structure and environmental aspects are being finalised for the ongoing development of the area. All landowners in the area will pay an infrastructure development contribution to the City for the provision of the shared infrastructure to service the industrial area.

The Neerabup Industrial Area Structure Plan has no operating transactions either in financial year 2021/2022 or 2020/2021.

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
<b>Statement of Financial Position</b>			
<b>- Neerabup Industrial Area Structure Plan</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade & Other Payables	3,448,943	-	3,448,943
<b>Total Current Liabilities</b>	<b>3,448,943</b>	<b>-</b>	<b>3,448,943</b>
<b>TOTAL LIABILITIES</b>	<b>3,448,943</b>	<b>-</b>	<b>3,448,943</b>
<b>NET ASSETS</b>	<b>(3,448,943)</b>	<b>-</b>	<b>(3,448,943)</b>
<b>EQUITY</b>			
Accumulated Surplus/(Deficit)	(3,448,943)	-	(3,448,943)
<b>TOTAL EQUITY</b>	<b>(3,448,943)</b>	<b>-</b>	<b>(3,448,943)</b>