



City of Wanneroo

ANNUAL FINANCIAL REPORT
for the year ended 30 June 2024

Building a Future Together



Annual Financial Report
for the year ended 30 June 2024

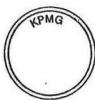
Contents	Page
Statement by Chief Executive Officer	2
Primary Annual Financial Report	
Statement of Comprehensive Income	3
Statement of Financial Position	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Financial Activity	7
Notes to the Financial Report	9

Content Overview

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

A welcoming community, connected through local opportunities.

Principal place of business:
23 Dundobar Rd, Wanneroo WA 6946



Annual Financial Report

for the year ended 30 June 2024

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

Statement by Chief Executive Officer

The accompanying financial report of the City of Wanneroo has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

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

Signed on the 19 day of November 2024.



Chief Executive Officer

William Parker

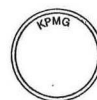
Statement of Comprehensive Income

for the year ended 30 June 2024

		2024	2024	2023 **
		Actual	Budget	Restated
	Note	\$	\$	Actual
				\$
Revenue				
Rates	2a,27	155,652,046	154,889,762	147,253,749
Grants, subsidies and contributions	2a	14,927,781	3,811,153	17,465,036
Fees and charges	2a	51,037,447	50,692,002	50,354,714
Interest revenue **	2a	21,404,832	14,927,880	12,871,712
Other revenue	2a	2,813,537	2,293,993	2,329,702
		<u>245,835,643</u>	<u>226,614,790</u>	<u>230,274,913</u>
Expenses				
Employee costs	2b	(83,230,948)	(88,725,669)	(80,908,923)
Materials and contracts		(79,735,755)	(83,800,735)	(75,419,156)
Utility charges		(10,864,721)	(10,753,793)	(10,271,016)
Depreciation	10a	(49,247,380)	(39,447,203)	(40,560,533)
Finance costs	2b	(4,145,820)	(4,249,170)	(4,289,782)
Insurance		(1,621,229)	(1,728,909)	(1,536,810)
		<u>(228,845,853)</u>	<u>(228,705,479)</u>	<u>(212,986,220)</u>
Operating result		<u>16,989,790</u>	<u>(2,090,689)</u>	<u>17,288,693</u>
Capital grants, subsidies and contributions	2a	43,647,357	45,756,875	39,645,941
Profit on asset disposals		7,808,549	3,412,293	4,325,770
Loss on asset disposals		(478,073)	(1,219,165)	(1,878,188)
Share of net profit of associates accounted for using the equity method	22	1,540,874	–	1,243,273
Development Contribution Plan Expenses		(4,871,049)	(19,700,210)	(4,207,695)
Development Contribution Plan Income **		10,022,651	24,129,010	5,387,065
		<u>57,670,309</u>	<u>52,378,803</u>	<u>44,516,166</u>
Net result for the period		<u>74,660,099</u>	<u>50,288,114</u>	<u>61,804,859</u>
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss:				
Changes in asset revaluation surplus	17	131,588,689	–	450,485,174
Total other comprehensive income for the period		<u>131,588,689</u>	<u>–</u>	<u>450,485,174</u>
Total comprehensive income for the period		<u>206,248,788</u>	<u>50,288,114</u>	<u>512,290,033</u>

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

(**) The comparative information is restated on account of correction of error, see note 32.



Statement of Financial Position

as at 30 June 2024

		2024	2023 **	1 July 2022
	Note	\$	Restated \$	Restated \$
Assets				
Current assets				
Cash and cash equivalents	3	37,784,199	42,028,275	17,076,473
Trade and other receivables	5	15,204,755	12,951,607	10,906,742
Other financial assets	4a	488,000,000	440,000,000	430,000,000
Inventories	6	422,775	398,094	328,855
Other assets	7	17,620,880	11,770,845	3,090,348
Total current assets		559,032,609	507,148,821	461,402,418
Non-current assets				
Trade and other receivables	5	4,851,359	4,486,717	4,271,618
Inventories	6	16,631,189	16,769,298	17,236,832
Investment in associates	22	33,837,020	30,027,648	28,520,091
Property, plant and equipment	8a	543,748,387	397,398,735	389,208,650
Infrastructure	9a	2,430,517,845	2,400,375,316	1,929,848,682
Right of use assets	11a	518,917	508,495	55,254
Total non-current assets		3,030,104,717	2,849,566,209	2,369,141,127
Total assets		3,589,137,326	3,356,715,030	2,830,543,545
Liabilities				
Current liabilities				
Trade and other payables	12	58,948,106	48,967,726	47,218,485
Other liabilities	13	32,705,786	30,117,159	32,817,320
Lease liabilities	11b	178,871	110,144	60,670
Employee related provisions	15	22,167,945	20,473,394	20,142,580
Other provisions	16	–	3,574,500	2,840,000
Total current liabilities		114,000,708	103,242,923	103,079,055
Non-current liabilities				
Other liabilities **	13	113,411,142	102,926,037	90,216,951
Lease liabilities	11b	358,091	405,909	–
Borrowings	14	74,334,488	74,334,488	74,334,488
Employee related provisions	15	1,548,609	2,026,660	1,656,869
Other provisions	16	12,040,746	6,584,259	6,351,461
Total non-current liabilities		201,693,076	186,277,353	172,559,769
Total liabilities		315,693,784	289,520,276	275,638,824
Net assets		3,273,443,542	3,067,194,754	2,554,904,721
Equity				
Retained surplus **		1,275,127,099	1,240,138,851	1,225,405,417
Reserve accounts	30	345,616,648	305,944,797	258,873,372
Revaluation surplus	17	1,652,699,795	1,521,111,106	1,070,625,932
Total equity		3,273,443,542	3,067,194,754	2,554,904,721

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

(**) The comparative information is restated on account of correction of error, see note 32.

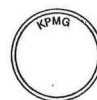


Statement of Changes in Equity

for the year ended 30 June 2024

	Note	Retained Surplus \$	Reserve Accounts \$	Revaluation Surplus \$	Total Equity \$
Balance as at 1 July 2022		1,232,810,571	258,873,372	1,070,625,932	2,562,309,875
Impact of restatement	32	(7,405,154)	—	—	(7,405,154)
Restated balance as at 1 July		1,225,405,417	258,873,372	1,070,625,932	2,554,904,721
Net result for the period		61,804,859	—	—	61,804,859
Increase/(decrease) in asset revaluation surplus		—	—	448,775,624	448,775,624
Share of other comprehensive income of equity accounted investments	17	—	—	1,709,550	1,709,550
Total comprehensive income for the period		61,804,859	—	450,485,174	512,290,033
Transfers from reserve accounts	30	34,015,699	(34,015,699)	—	—
Transfers to reserve accounts	30	(81,087,124)	81,087,124	—	—
Balance as at 30 June 2023		1,240,138,851	305,944,797	1,521,111,106	3,067,194,754
Balance as at 1 July 2023		1,240,138,851	305,944,797	1,521,111,106	3,067,194,754
Restated balance as at 1 July		1,240,138,851	305,944,797	1,521,111,106	3,067,194,754
Net result for the period		74,660,099	—	—	74,660,099
Increase/(decrease) in asset revaluation surplus		—	—	131,374,147	131,374,147
Share of other comprehensive income of equity accounted investments	17	—	—	214,542	214,542
Total comprehensive income for the period		74,660,099	—	131,588,689	206,248,788
Transfers from reserve accounts	30	32,196,556	(32,196,556)	—	—
Transfers to reserve accounts	30	(71,868,407)	71,868,407	—	—
Balance as at 30 June 2024		1,275,127,099	345,616,648	1,652,699,795	3,273,443,542

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



Statement of Cash Flows

for the year ended 30 June 2024

		2024	2023
		Actual	Restated Actual
	Note	\$	\$
Cash flows from operating activities			
Receipts			
Rates		154,981,908	146,700,550
Grants, subsidies and contributions		33,249,263	31,876,872
Fees and charges		51,037,447	52,111,973
Interest revenue		21,404,832	13,100,283
Goods and services tax received		14,938,580	15,046,314
Other revenue		2,011,559	754,583
Total receipts		277,623,589	259,590,575
Payments			
Employee costs		(81,868,025)	(79,824,567)
Materials and contracts		(79,760,436)	(88,418,829)
Utility charges		(10,864,721)	(10,271,016)
Finance costs		(4,145,820)	(4,289,782)
Insurance paid		(1,621,229)	(1,536,810)
Goods and services tax paid		(15,466,095)	(14,032,925)
Total payments		(193,726,326)	(198,373,929)
Net cash provided by operating activities	18b	83,897,263	61,216,646
Cash flows from investing activities			
Receipts			
Capital grants, subsidies and contributions		17,492,486	18,884,654
Development contribution plan income		10,022,651	4,979,384
Proceeds from financial assets at amortised cost - Term Deposits		440,000,000	455,000,000
Proceeds from land held for sale		2,821,656	3,893,773
Distributions from investments in associates		5,000,000	3,333,332
Capital contributions from associated entities		—	1,445,553
Proceeds from sale of property, plant & equipment		1,158,400	3,488,035
Payments			
Payments for development of land held for resale		(1,972,135)	(3,419,400)
Payments for purchase of property, plant & equipment	8a	(29,882,805)	(20,908,464)
Payments for construction of infrastructure	9a	(34,739,801)	(29,738,847)
Payments for financial assets at amortised cost		(488,000,000)	(465,000,000)
Development contribution plan expenses		(4,871,049)	(4,751,352)
Equity Contributions - Catalina Regional Council		(5,000,000)	(3,333,332)
Net cash (used in) investing activities		(87,970,597)	(36,126,664)
Cash flows from financing activities			
Payments			
Payments for principal portion of lease liabilities	29d	(170,742)	(138,180)
Net cash (used in) financing activities		(170,742)	(138,180)
Net increase /(decrease) in cash held		(4,244,076)	24,951,802
Cash at beginning of year		42,028,275	17,076,473
Cash at the end of the year	18a	37,784,199	42,028,275

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



Statement of Financial Activity

for the year ended 30 June 2024

		2024	2024	2023 "
		Actual	Budget	Restated
	Note	\$	\$	Actual
				\$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	27	155,622,025	154,865,762	147,224,441
Rates excluding general rates	27	30,021	24,000	29,308
Grants, subsidies and contributions		14,927,781	3,811,153	17,465,036
Fees and charges		51,037,447	50,692,002	50,354,714
Interest revenue **		21,404,832	14,927,880	12,871,712
Other revenue		2,813,537	2,293,993	2,329,702
Profit on asset disposals		7,808,549	3,412,293	4,325,770
Development Contribution Plans revenue		10,023,113	24,129,010	5,387,065
Share of net profit of associates accounted for using the equity method	22	1,540,874	–	1,243,273
		265,208,179	254,156,093	241,231,021
Expenditure from operating activities				
Employee costs		(83,230,948)	(88,725,669)	(80,908,923)
Materials and contracts		(79,735,755)	(83,800,735)	(75,418,869)
Utility charges		(10,864,721)	(10,753,793)	(10,271,016)
Depreciation		(49,247,380)	(39,447,203)	(40,560,533)
Finance costs		(4,145,820)	(4,249,170)	(4,289,782)
Insurance		(1,621,229)	(1,728,909)	(1,536,810)
Loss on asset disposals		(478,073)	(1,219,165)	(1,878,188)
Development Contribution Plans expense		(4,871,049)	(19,700,210)	(4,216,640)
		(234,194,975)	(249,624,854)	(219,080,761)
Non-cash amounts excluded from operating activities	28a	50,068,388	37,254,075	40,825,590
Amount attributable to operating activities		81,081,592	41,785,314	62,975,850
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		43,647,357	45,756,875	39,645,941
Proceeds from disposal of assets		1,158,400	4,766,850	3,488,035
Distributions from investments in associates	22	5,000,000	–	3,333,332
		49,805,757	50,523,725	46,467,308
Outflows from investing activities				
Purchase of property, plant and equipment	8a	(29,882,805)	(35,541,059)	(20,908,464)
Purchase and construction of infrastructure	9a	(34,739,801)	(44,922,379)	(29,738,847)
Payments for investments in associates		(5,000,000)	–	(3,333,332)
		(69,622,606)	(80,463,438)	(53,980,643)
Non-cash amounts excluded from investing activities	28	(26,154,871)	(25,407,218)	(20,037,233)
Amount attributable to investing activities		(45,971,720)	(55,346,931)	(27,550,568)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserves	30	32,196,556	41,828,621	34,015,699
Movement in Restricted Grants, Contributions & Unspent Loans		276,481	51,844	2,399,985
Transfers from Development Contribution Plans		6,715,209	20,989,100	8,695,806
		39,188,246	62,869,565	45,111,490
Outflows from financing activities				
Payments for principal portion of lease liabilities	29d	(170,742)	–	(138,180)
Transfers to reserves	30	(71,868,407)	(53,116,179)	(81,087,124)
Transfers to Development Contribution Plans		(6,715,209)	(20,989,100)	(8,695,806)
		(78,754,358)	(74,105,279)	(89,921,110)
Amount attributable to financing activities		(39,566,112)	(11,235,714)	(44,809,620)



Statement of Financial Activity

for the year ended 30 June 2024

		2024	2024	2023
		Actual	Budget	Restated
	Note	\$	\$	Actual
				\$
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	28	27,358,033	24,829,529	36,742,371
Amount attributable to operating activities		81,081,592	41,785,314	62,975,850
Amount attributable to investing activities		(45,971,720)	(55,346,931)	(27,550,568)
Amount attributable to financing activities		(39,566,112)	(11,235,714)	(44,809,620)
Surplus/(deficit) after imposition of general rates	28c	22,901,793	32,198	27,358,033

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

(**) The comparative information is restated on account of correction of error, see note 32.



Notes to the Financial Report

for the year ended 30 June 2024

Contents of the Notes accompanying the Annual Financial Report

Note 1	Basis of preparation	10
Note 2	Revenue and expenses	12
Note 3	Cash and cash equivalents	15
Note 4	Other financial assets	16
Note 5	Trade and other receivables	18
Note 6	Inventories	19
Note 7	Other assets	20
Note 8	Property, plant and equipment	21
Note 9	Infrastructure	23
Note 10	Fixed assets	25
Note 11	Leases	28
Note 12	Trade and other payables	30
Note 13	Other liabilities	31
Note 14	Borrowings	32
Note 15	Employee related provisions	33
Note 16	Other Provisions	34
Note 17	Revaluation surplus	35
Note 18	Notes to the statement of cash flows	36
Note 19	Contingent liabilities	37
Note 20	Capital commitments	37
Note 21	Related party transactions	37
Note 22	Investment in associates	39
Note 23	Financial risk management	44
Note 24	Events occurring after the end of the reporting period	47
Note 25	Other Material Accounting Policies	47
Note 26	Function and activity	50

Information required by legislation

Note 27	Rating information	53
Note 28	Determination of surplus or deficit	55
Note 29	Borrowing and lease liabilities	57
Note 30	Reserve accounts	61
Note 31	Trust funds	63
Note 32	Correction of error	63
Note 33	Development Contribution Plans	65



Notes to the Financial Report

for the year ended 30 June 2024

Note 1. Basis of preparation

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

Local Government Act 1995 requirements

Section 6.4(2) of the Act 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. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero-cost.

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

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

However, the City's policy is to revalue those assets every three years. (refer Note 10)

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

Critical accounting estimates and judgements

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

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

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting

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

Initial application of accounting standards

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

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- AASB 2021-2 - *Amendments to Australian Accounting Standards - Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2022-6 - *Amendments to Australian Accounting Standards - Non-current liabilities with Covenants*
- AASB 2022-7 - *Editorial corrections to Australian Accounting Standards and Repeal Superseded and Redundant Standards.*

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

The local government reporting entity

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 31 to these financial statements.

New accounting standards for application in future years

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

- AASB 2014-10 *Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2021-7c *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections deferred*



Notes to the Financial Report

for the year ended 30 June 2024

Note 1. Basis of preparation (continued)

AASB 10 and AASB 128 amendments in AASB 2014-10 apply

- *AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback*
- *AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities.*

The amendment may result in changes to the fair value of non-financial assets.

The impact is yet to be quantified.

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



Notes to the Financial Report

for the year ended 30 June 2024

Note 2. Revenue and expenses

(a) Revenue

Contracts with customers

Recognition of revenue is dependent on the source of revenue and the relevant 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	Timing of revenue recognition
Grants, subsidies or contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms. Transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, registrations, approvals	Building, Facility bookings, planning, development and animal management.	Single point in time	Full payment prior to issue.	None	On payment and issue of the licence, registration or approval
Fees and charges - waste management entry fees	Domestic waste collection, 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	On entry to facility and when Rate notice is issued
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

Consideration from contracts with customers is included in the transaction price.



Notes to the Financial Report

for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

Revenue Recognition

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

Nature	Contracts with customers	Capital grant/ contributions	Statutory Requirements	Other	Total
For the year ended 30 June 2024					
Rates	—	—	155,652,046	—	155,652,046
Grants, subsidies and contributions	—	—	—	14,927,781	14,927,781
Fees and charges	48,615,398	—	369,782	2,052,267	51,037,447
Interest revenue **	—	—	6,766,970	14,637,862	21,404,832
Other revenue	—	—	1,636,779	1,176,758	2,813,537
Capital grants, subsidies and contributions	26,154,871	17,356,642	—	135,844	43,647,357
Total	74,770,269	17,356,642	164,425,577	32,930,512	289,483,000

Nature	Contracts with customers Restated	Capital grant/ contributions Restated	Statutory Requirements Restated	Other Restated	Total ** Restated
For the year ended 30 June 2023					
Rates	—	—	147,253,749	—	147,253,749
Grants, subsidies and contributions	—	—	—	17,465,036	17,465,036
Fees and charges	47,842,469	—	351,823	2,160,422	50,354,714
Interest revenue **	—	—	3,796,331	9,075,381	12,871,712
Other revenue	—	—	1,091,578	1,238,124	2,329,702
Capital grants, subsidies and contributions	20,761,287	18,785,905	—	98,749	39,645,941
Total	68,603,756	18,785,905	152,493,481	30,037,712	269,920,854

(**) The comparative information is restated on account of correction of error, see note 32.

	2024 Actual \$	2023 Actual \$
Note		

Assets and services acquired below fair value

Contributed assets	9	26,154,871	20,761,287
		<u>26,154,871</u>	<u>20,761,287</u>



Notes to the Financial Report

for the year ended 30 June 2024

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Interest revenue			
Interest on reserve account funds	13,420,318	9,078,810	8,236,530
Interest on municipal funds	6,766,970	4,948,266	3,784,249
Other interest revenue	1,217,544	900,804	850,933
Total interest earnings	21,404,832	14,927,880	12,871,712

	2024 Actual \$	2023 Actual \$
--	----------------------	----------------------

Fees and charges relating to rates receivables

Charges on instalment plans	369,782	351,823
-----------------------------	---------	---------

The 2024 original budget estimate in relation to:
Charges on instalment plan was \$396,990.

(b) Expenses

Auditors' remuneration - Office of the Auditor General (OAG)

- Audit of the annual financial report	106,626	104,500
- Audit of grant acquittals	11,374	11,000
Total Auditors remuneration	118,000	115,500

Employee costs

Employee benefits costs	76,952,173	77,012,153
Other employee costs	6,278,775	3,896,770
	83,230,948	80,908,923

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	29,971	17,582
Loan Interest	4,115,849	4,272,200
Total	4,145,820	4,289,782



Notes to the Financial Report

for the year ended 30 June 2024

Note 3. Cash and cash equivalents

	Note	2024 \$	2023 \$
Cash at bank		37,768,092	42,013,934
Cash on hand		16,107	14,341
Total cash and cash equivalents	18a	37,784,199	42,028,275
Held as			
- Unrestricted cash and cash equivalents		37,778,117	42,023,075
- Restricted cash and cash equivalents	18a	6,082	5,200
Total		37,784,199	42,028,275

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

Restricted financial assets

Restricted financial asset balances are not available for general use by the City due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.



Notes to the Financial Report

for the year ended 30 June 2024

Note 4. Other financial assets

	2024 \$	2023 \$
(a) Current assets		
Financial assets at amortised cost		
Term deposits	488,000,000	440,000,000
	<u>488,000,000</u>	<u>440,000,000</u>
Held as		
- Unrestricted other financial assets at amortised cost	21,490,551	19,877,317
- Restricted other financial assets at amortised cost	466,509,449	420,122,683
Total	<u>488,000,000</u>	<u>440,000,000</u>
Held as		
Unrestricted		
Deposit - Municipal	21,490,551	19,877,317
	<u>21,490,551</u>	<u>19,877,317</u>
Restricted		
Reserves - Restricted by council	294,711,520	268,368,217
Reserves - Restricted by legislation/ agreement	50,905,128	37,576,580
Development Contribution Plans	89,045,711	86,090,458
Unspent Grants	25,702,872	21,666,729
Unspent Loans	6,144,218	6,420,699
	<u>466,509,449</u>	<u>420,122,683</u>
Total Other Financial Assets	<u>488,000,000</u>	<u>440,000,000</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:		
Restricted by council		
Asset Replacement/Enhancement Reserve	83,329,700	73,811,110
Carried Forward Capital Projects Reserve	3,978,559	6,684,976
Coastal Infrastructure Management Reserve	11,095,228	13,989,982
Domestic Refuse Reserve	14,378,096	13,056,511
Golf Course Reserve	3,058,269	2,607,808
Strategic Land Reserve	12,315,077	13,289,638
Leave Liability Reserve	16,312,703	15,553,972
Loan Repayment Reserve	66,320,708	55,536,080
Neerabup Development Reserve	8,236,044	6,302,006
Plant Replacement Reserve	15,733,659	14,416,610
Strategic Projects/Initiatives Reserve	16,331,284	18,601,036
Regional Recreational Reserve	31,485,412	27,327,382
Information, Communication & Technology Reserve	12,136,781	7,191,106
Total Restricted by council	<u>294,711,520</u>	<u>268,368,217</u>
Restricted by legislation/agreement		
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve	33,137,718	24,223,653
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve	4,720,724	2,294,783
Cash Paid in Lieu of Open Public Space prior to 10th April 2006 Reserve	2,776,914	2,657,233
Section 152 Reserve	804,856	767,421
Clarkson Butler Planning District (TPS 20) Reserve	9,464,916	7,633,490
Total Restricted by legislation/agreement	<u>50,905,128</u>	<u>37,576,580</u>



Notes to the Financial Report

for the year ended 30 June 2024

Note 4. Other financial assets (continued)

	2024 \$	2023 \$
Berkley Road Local Structure Plan	3,264,821	3,188,304
East Wanneroo Cell 1	263,981	1,902,070
East Wanneroo Cell 2	15,421,934	13,038,412
East Wanneroo Cell 3	547,676	560,353
East Wanneroo Cell 4	11,348,675	11,216,719
East Wanneroo Cell 5	4,994,358	4,164,710
East Wanneroo Cell 6	26,369,010	23,594,774
East Wanneroo Cell 7	3,515,108	3,186,639
East Wanneroo Cell 8	4,624,256	5,315,300
East Wanneroo Cell 9	18,319,077	19,442,738
Town Planning Scheme No 5 - Landsdale	376,815	480,439
Total Town Planning Schemes	89,045,711	86,090,458
Unspent Grants and Contributions	25,702,872	21,666,729
Unspent Loans	6,144,218	6,420,699
Total Unspent Grants and Loans	31,847,090	28,087,428
Total Restricted Cash	466,509,449	420,122,683

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 25) due to the observable market rates.

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

Financial assets at fair value through profit or loss

The City has elected to classify the following financial assets at fair value through profit or 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 elected to recognise as fair value gains and losses through profit or loss.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.



Notes to the Financial Report

for the year ended 30 June 2024

Note 5. Trade and other receivables

	Note	2024 \$	2023 \$
Current			
Rates and statutory receivables		9,377,577	8,453,922
Other receivables		4,107,006	3,608,639
GST receivable		2,249,853	1,722,338
Allowance for credit losses of other receivables	23b	(529,681)	(833,292)
		<u>15,204,755</u>	<u>12,951,607</u>
Non-current			
Pensioners' rates and ESL deferred		4,851,359	4,486,717
		<u>4,851,359</u>	<u>4,486,717</u>

Disclosure of opening and closing balances related to contracts with customers

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

	30 June 2024 Actual \$	30 June 2023 Actual \$	1 July 2022 Actual \$
Other receivables from contracts with customers	4,107,006	3,608,639	1,213,602
Allowance for credit losses of trade receivables	(529,681)	(833,292)	(824,930)
Total trade and other receivables from contracts with customers	<u>3,577,325</u>	<u>2,775,347</u>	<u>388,672</u>

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

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

Other Receivables

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

Measurement

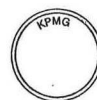
Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

In accordance with AASB 101.66, receivables which are generally due for settlement, are within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the City measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value.



Notes to the Financial Report

for the year ended 30 June 2024

Note 5. Trade and other receivables (continued)

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to interest rate risk and credit risk can be found in Note 23 (a) and 23(b) respectively.

Note 6. Inventories

	2024 \$	2023 \$
Current		
Consumables & Materials	422,775	398,094
Total current inventories	422,775	398,094
Non-current		
Land held for resale		
- Development costs	16,631,189	16,769,298
Total non-current inventories	16,631,189	16,769,298

The following movements in inventories occurred during the year:

Balance at beginning of year	17,167,392	17,565,687
Inventories expensed during the year	(7,178,345)	(4,603,403)
Write down of inventories to net realisable value	–	(1,720,566)
Additions to inventory	7,064,917	5,925,674
Balance at end of year	17,053,964	17,167,392

MATERIAL ACCOUNTING POLICIES**General**

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

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

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Land held for resale

Land held for resale includes commercial land 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 Catalina Regional Council.

Borrowing costs and holding charges incurred after development is completed are expensed.

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

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale. Land held for development and resale is valued at the lower of cost and net realisable value.



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

Note 7. Other assets

	2024	2023
	\$	\$
Other assets - current		
Prepayments	1,202,616	1,326,895
Accrued income	16,418,264	10,443,950
Total other assets - current	17,620,880	11,770,845

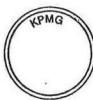
MATERIAL ACCOUNTING POLICIES

Other current assets

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

Contract assets

Contract assets primarily relate to the City's right to consideration for work completed but not billed at the end of the period.



Notes to the Financial Report

for the year ended 30 June 2024

Note 8. Property, plant and equipment

(a) Movements in balances

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

		Land	Property Buildings non-specialised	Work in progress	Total Property	Plant and equipment Furniture and fittings	Plant and equipment	Total property, plant and equipment
	Note	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022		123,329,650	205,598,006	27,678,776	356,606,432	8,753,509	23,848,709	389,208,650
Additions/ Transfer from Works in Progress		172,824	7,075,978	(15,861,312)	(8,612,510)	9,470,468	7,548,837	8,406,795
Disposals		—	—	—	—	—	(1,040,453)	(1,040,453)
Depreciation	10a	—	(3,945,793)	—	(3,945,793)	(4,473,897)	(3,258,236)	(11,677,926)
Additions to Works in Progress		—	—	12,501,669	12,501,669	—	—	12,501,669
Balance at 30 June 2023		123,502,474	208,728,191	24,319,133	356,549,798	13,750,080	27,098,857	397,398,735
Balance at 1 July 2023		123,502,474	208,728,191	24,319,133	356,549,798	13,750,080	27,098,857	397,398,735
Additions/ Transfer from Works in Progress		3,125,613	21,397,388	(30,177,395)	(5,654,394)	2,553,578	3,100,816	—
Disposals		(320,000)	—	—	(320,000)	—	(1,239,100)	(1,559,100)
Revaluation increments transferred to revaluation surplus		94,180,247	37,193,900	—	131,374,147	—	—	131,374,147
Depreciation	10a	—	(4,553,005)	—	(4,553,005)	(5,059,916)	(3,740,843)	(13,353,764)
Adjustments		—	—	—	—	—	5,564	5,564
Additions to Works in Progress		—	—	29,882,805	29,882,805	—	—	29,882,805
Balance at 30 June 2024		220,488,334	262,766,474	24,024,543	507,279,351	11,243,742	25,225,294	543,748,387



Notes to the Financial Report

for the year ended 30 June 2024

Note 8. Property, plant and equipment (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
Fair value - Land and buildings					
Land	Level 2	Market approach using recent observable market data for similar properties	Independent Registered Valuation	June 2024	Price per hectare / market selling rate
Buildings	Level 3	Cost approach or current depreciated replacement cost	Independent Registered Valuation	June 2024	Construction costs and current condition, residual values and remaining useful life assessments

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

During the period there were no changes in the valuation techniques used by the City to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

Furniture & Fittings, Plant & Equipment and Leased Assets are accounted for at cost.



Notes to the Financial Report

for the year ended 30 June 2024

Note 9. Infrastructure

(a) Movements in balances

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

	Infrastructure roads \$	Infrastructure drainage \$	Infrastructure other \$	Infrastructure Pathways \$	Infrastructure Car Parks \$	Infrastructure Reserves \$	Work in progress \$	Total infrastructure \$
Balance at 1 July 2022	1,181,377,555	392,997,198	53,574,715	88,484,014	30,628,172	137,617,514	45,169,514	1,929,848,682
Additions/ Transfer from Works in Progress	31,183,105	6,708,432	5,538,101	11,903,331	406,853	25,437,281	(33,998,559)	47,178,544
Revaluation increments transferred to revaluation surplus	273,846,319	72,271,405	—	70,129,020	—	58,137,126	—	474,383,870
Revaluation decrements transferred to revaluation surplus	—	—	(23,280,640)	—	(2,327,606)	—	—	(25,608,246)
Depreciation	(13,193,487)	(3,536,197)	(2,555,497)	(1,647,614)	(771,705)	(7,044,638)	—	(28,749,138)
Additions to Works in Progress	—	—	—	—	—	—	3,321,604	3,321,604
Balance at 30 June 2023	1,473,213,492	468,440,838	33,276,679	168,868,751	27,935,714	214,147,283	14,492,559	2,400,375,316
Balance at 1 July 2023	1,473,213,492	468,440,838	33,276,679	168,868,751	27,935,714	214,147,283	14,492,559	2,400,375,316
Additions/ Transfer from Works in Progress	19,308,636	5,948,594	808,340	4,235,943	274,495	5,991,798	(36,567,806)	—
Depreciation	(15,335,288)	(4,452,001)	(1,024,005)	(4,543,584)	(243,739)	(10,113,770)	—	(35,712,387)
Additions to Works in Progress (**)	—	—	—	—	—	—	65,861,710	65,861,710
Adjustment	—	—	—	—	—	(6,794)	—	(6,794)
Balance at 30 June 2024	1,477,186,840	469,937,431	33,061,014	168,561,110	27,966,470	210,018,517	43,786,463	2,430,517,845

(**) The additions to 2023/24 work in progress includes contributed assets worth of \$26,154,871. The total payment for construction of infrastructure assets during the year amounts to \$34,739,801.



Notes to the Financial Report

for the year ended 30 June 2024

Note 9. Infrastructure (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
Infrastructure - roads	3	Cost approach using current depreciated replacement cost.	Independent Registered Valuation	30 June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure - drainage	3	Cost approach using current depreciated replacement cost.	Independent Registered Valuation	30 June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Other infrastructure	3	Cost approach using current depreciated replacement cost.	Independent Registered Valuation	30 June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure Pathways	3	Cost approach using current depreciated replacement cost.	Independent Registered Valuation	30 June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure Car parks	3	Cost approach using current depreciated replacement cost.	Independent Registered Valuation	30 June 2023	Construction costs and current condition, residual values and remaining useful life assessments
Infrastructure Reserves	3	Cost approach using current depreciated replacement cost.	Independent Registered Valuation	30 June 2023	Construction costs and current condition, residual values and remaining useful life assessments

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

During the period there were no changes in the valuation techniques used by the City to determine the fair value of infrastructure using level 3 inputs.

Major assumptions:

- Highest and best use of assets shall be consistent for all the assets (for which highest and best use is relevant) in the group within which the asset would be used.
- Assets consumption patterns and utilisation would be the same as current information.
- Market participants act in their best economic interest.

Increases in infrastructure asset bases and construction costs have contributed to the increase in fair values of Infrastructure assets.



Notes to the Financial Report

for the year ended 30 June 2024

Note 10. Fixed assets

	Note	2024 Actual \$	2023 Actual \$
(a) Depreciation			
Buildings	8a	4,553,005	3,945,793
Furniture and equipment	8a	5,059,916	4,473,897
Plant and equipment	8a	3,740,843	3,258,236
Infrastructure - roads	9a	15,335,288	13,193,482
Infrastructure - drainage	9a	4,452,001	3,536,193
Infrastructure - other	9a	1,024,005	2,555,500
Infrastructure Pathways	9a	4,543,584	1,647,611
Infrastructure Car Parks	9a	243,739	771,705
Infrastructure Reserves	9a	10,113,770	7,044,633
Right-of-use assets - plant and equipment	11	181,229	133,483
Total depreciation		49,247,380	40,560,533

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation of Non-Current Assets

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

Asset Class	Years
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	6 years/100,000 km's (45% residual)
Heavy Vehicles - 4,001 kg to 9,000 kg	6 years/200,000 km's (40% residual)
Heavy Vehicles - 9,001 kg to 12,000 kg	8 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*	Not Applicable
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.



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

Note 10. Fixed assets (continued)

**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.

	2024 Actual \$	2023 Actual \$
--	----------------------	----------------------

(b) Fully depreciated assets in use

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

Infrastructure	667,744	578,840
Property, Plant & Equipment	13,277,394	8,002,951
	<u>13,945,138</u>	<u>8,581,791</u>

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the City's revaluation policy, are recognised at cost and disclosed as being at reportable value.

Measurement after recognition

Plant and equipment, furniture and equipment and right-of-use assets (other than vested improvements) are measured

using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses.

Reportable Value

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

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

Revaluation

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

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with *Financial Management Regulation 17A(2)* which requires



Notes to the Financial Report

for the year ended 30 June 2024

Note 10. Fixed assets (continued)

land, buildings infrastructure, investment properties and vested improvements to be shown at fair value.

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

Depreciation on revaluation

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

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

Impairment

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the City is not required to comply with *AASB136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

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

Gains or losses on disposal

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



Notes to the Financial Report

for the year ended 30 June 2024

Note 11. Leases

(a) Right of use assets

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

	Right-of-use assets - plant and equipment \$
2023	
Balance at 1 July 2022	55,254
Additions	586,724
Depreciation	(133,483)
Balance at 30 June 2023	508,495
Gross balance amount at 30 June 2023	862,993
Accumulated depreciation at 30 June 2023	(354,498)
Balance at 30 June 2023	508,495
2024	
Balance at 1 July 2023	508,495
Additions	191,651
Depreciation	(181,229)
Balance at 30 June 2024	518,917
Gross balance amount at 30 June 2024	1,054,644
Accumulated depreciation at 30 June 2024	(535,727)
Balance at 30 June 2024	518,917

	Note	2024 Actual \$	2023 Actual \$
(b) Lease liabilities			
Current		178,871	110,144
Non-current		358,091	405,909
Total lease liabilities	29d	536,962	516,053

The City held two leases during the 2023/24 financial year, one relates to a Two Way Radio Network and the other relates to Cardio Equipment at Aquamotion. The lease terms are for five years and three years respectively. The measurement of lease liabilities does not include variable lease payments and any future cash outflows associated with leases not yet commenced to which the City is committed.

The two way radio network lease has a term of 5 years with an extension option of 5 years and a termination option of 6 months. Refer to Note 29(d) for details of lease liabilities.

Secured liabilities and assets pledged as security

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



Notes to the Financial Report

for the year ended 30 June 2024

Note 11. Leases (continued)

MATERIAL ACCOUNTING POLICIES**Leases**

At inception of a contract, the City assesses if the contract contains an embedded lease. A contract contains an embedded 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.

Right-of-use assets - measurement

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.

Refer to Note 10 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

	2024 Actual \$	2023 Actual \$
--	----------------------	----------------------

The City as a Lessor**Lessor - Property, Plant and Equipment Subject to Lease**

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year	165,163	23,772
1 to 2 years	166,577	80,983
2 to 3 years	354,151	149,536
3 to 4 years	74,488	143,673
4 to 5 years	17,571	218,847
> 5 years	608,126	603,567
	<u>1,386,076</u>	<u>1,220,378</u>

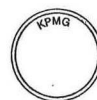
MATERIAL ACCOUNTING POLICIES**The City as Lessor**

Upon entering into each contract as a lessor, the City assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the City applies *AASB 15 Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.



Notes to the Financial Report

for the year ended 30 June 2024

Note 12. Trade and other payables

	2024	2023
	\$	\$
Current		
Accrued payroll liabilities	1,659,668	1,513,245
Prepaid rates	7,049,796	6,431,637
Trade Payables	32,210,712	20,853,881
Bonds & Security Deposits	18,027,930	20,168,963
Total current trade and other payables	58,948,106	48,967,726

MATERIAL ACCOUNTING POLICIES**Financial liabilities**

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

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

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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



Notes to the Financial Report

for the year ended 30 June 2024

Note 13. Other liabilities

	2024	2023 ** Restated
	\$	\$
Current		
Contract liabilities	26,436,323	22,209,809
Capital grant/contributions liabilities	6,269,463	7,907,350
	<u>32,705,786</u>	<u>30,117,159</u>
Non-current **		
Contract liabilities	93,978,133	87,524,886
Capital grant/contributions liabilities	19,433,009	15,401,151
	<u>113,411,142</u>	<u>102,926,037</u>
Total other liabilities	<u>146,116,928</u>	<u>133,043,196</u>

(**) The comparative information is restated on account of correction of error, see note 32.

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year	6,269,463	7,907,350
1 to 2 years	7,019,038	2,023,335
2 to 3 years	7,573,831	8,537,676
4 to 5 years	4,311,374	4,311,374
> 5 years	528,766	528,766
Total	<u>25,702,472</u>	<u>23,308,501</u>

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

	2024	2023 ** Restated
	\$	\$
Reconciliation of changes in contract liabilities		
Opening balance **	109,734,695	102,828,334
Additions	15,302,145	8,548,135
Revenue from contracts with customers included as a contract liability at the start of the period	(4,622,384)	(1,641,774)
	<u>120,414,456</u>	<u>109,734,695</u>

The City expects to satisfy the performance obligations from contracts with customers unsatisfied as per the agreements.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance	23,308,501	20,026,827
Additions	20,080,555	22,166,328
Revenue from capital grant/contribution liabilities at the start of the period	(17,686,584)	(18,884,654)
	<u>25,702,472</u>	<u>23,308,501</u>

(**) The comparative information is restated on account of correction of error, see note 32.



Notes to the Financial Report

for the year ended 30 June 2024

Note 13. Other liabilities (continued)

MATERIAL ACCOUNTING POLICIES**Contract liabilities**

Unspent amount of revenue from developers' contributions and interest earned on unspent balances are accounted as liabilities until such time that the construction obligations are met.

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

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

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

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25i) due to the unobservable inputs, including own credit risk.

Note 14. Borrowings

	Note	2024			2023		
		Current \$	Non-current \$	Total \$	Current \$	Non-current \$	Total \$
Secured							
Bank loans		–	13,556,300	13,556,300	–	13,556,300	13,556,300
Debentures		–	60,778,188	60,778,188	–	60,778,188	60,778,188
Total secured borrowings	29a	–	74,334,488	74,334,488	–	74,334,488	74,334,488

Secured liabilities and assets pledged as security

Debentures and bank loans are secured by a floating charge over the assets of the City of Wanneroo.

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

MATERIAL ACCOUNTING POLICIES**Borrowing costs**

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 23.

Details of individual borrowings required by regulations are provided at Note 29.



Notes to the Financial Report

for the year ended 30 June 2024

Note 15. Employee related provisions

	2024 \$	2023 \$
(a) Employee related provisions		
Current provisions		
Employee benefit provisions		
Annual leave	6,662,211	6,396,388
Long service leave	7,647,993	7,749,366
Workers compensation	7,489,808	5,956,132
Other Employee Leave Provision	367,933	371,508
Total current employee related provisions	22,167,945	20,473,394
Non-current provisions		
Long service leave	1,548,609	2,026,660
Total non-current employee related provisions	1,548,609	2,026,660
Total employee related provisions	23,716,554	22,500,054

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

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

	2024 \$	2023 \$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	22,167,945	20,473,394
More than 12 months from reporting date	1,548,609	2,026,660
	23,716,554	22,500,054

MATERIAL ACCOUNTING POLICIES**Employee benefits**

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

Short-term employee benefits

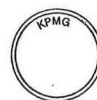
Provision is made for the City's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service,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

The City's obligations for short-term employee benefits such as wages, salaries and annual leave are recognised as a part of current employee related provisions in the statement of financial position.

Other long-term employee benefits

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

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



Notes to the Financial Report

for the year ended 30 June 2024

Note 16. Other Provisions

	Make good provisions (Inclusive of Environmental Rehabilitation)	Headworks Levy Refund - Development Contribution Plans	Total
Current provisions	3,574,500	–	3,574,500
Non-current provisions	–	6,584,259	6,584,259
As at 30 June 2023	3,574,500	6,584,259	10,158,759
Unused amounts reversed/ Additional provision **	(1,334,500)	3,216,487	1,881,987
Balance at 30 June 2024	2,240,000	9,800,746	12,040,746
Non-current provisions	2,240,000	9,800,746	12,040,746
As at 30 June 2024	2,240,000	9,800,746	12,040,746

(**) The reversal of the unused provision amounting to \$1,334,500 includes legal fees of \$120,000 and provision for Covid 19 of \$1,214,500.

Other provisions

Amounts which are reliably expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the City.

Make good provisions

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

The estimated future obligations include the costs of restoring the affected areas and continued monitoring of the site.

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

Headwork Levy Refund-Development Contribution Plans

The receipted development contributions that are considered to be in excess of the requirement of the Development Contribution Plans are grouped under "Headwork Levy Refunds - Development Contribution Plans". These amounts will be refunded to the respective developers at the end of the operational period of each Development Contribution Plan.

Headwork Levy Refund-Development Contribution Plans provisions are recognised when the City has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

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



Notes to the Financial Report

for the year ended 30 June 2024

Note 17. Revaluation surplus

	2024	2024	2024	Total Movement on Revaluation 2024	2024	2023	2023	2023	Total Movement on Revaluation 2023	2023
	Opening Balance \$	Revaluation Increment \$	Revaluation (Decrement) \$		Closing Balance \$	Opening Balance \$	Revaluation Increment \$	Revaluation (Decrement) \$		Closing Balance \$
Revaluation surplus - Land- freehold land	108,261,013	94,180,247	—	94,180,247	202,441,260	108,261,013	—	—	—	108,261,013
Revaluation surplus - Buildings - non-specialised	72,107,912	37,193,900	—	37,193,900	109,301,812	72,107,912	—	—	—	72,107,912
Revaluation surplus - Plant and equipment	3,640,213	—	—	—	3,640,213	3,640,213	—	—	—	3,640,213
Revaluation surplus - Infrastructure	1,328,097,048	—	—	—	1,328,097,048	879,321,424	474,383,870	(25,608,246)	448,775,624	1,328,097,048
	<u>1,512,106,186</u>	<u>131,374,147</u>	<u>—</u>	<u>131,374,147</u>	<u>1,643,480,333</u>	<u>1,063,330,562</u>	<u>474,383,870</u>	<u>(25,608,246)</u>	<u>448,775,624</u>	<u>1,512,106,186</u>
Revaluation surplus - Share from investments in associates	9,004,920	214,542	—	214,542	9,219,462	7,295,370	1,710,609	(1,059)	1,709,550	9,004,920
	<u>1,521,111,106</u>	<u>131,588,689</u>	<u>—</u>	<u>131,588,689</u>	<u>1,652,699,795</u>	<u>1,070,625,932</u>	<u>476,094,479</u>	<u>(25,609,305)</u>	<u>450,485,174</u>	<u>1,521,111,106</u>



Notes to the Financial Report

for the year ended 30 June 2024

Note 18. Notes to the statement of cash flows

(a) Reconciliation of cash

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

		2024	2023
		Actual	Restated Actual
	Note	\$	\$
Cash and cash equivalents	3	37,784,199	42,028,275

Restrictions

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

- Cash and cash equivalents	6,082	5,200
-----------------------------	-------	-------

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

Net result **	74,660,099	61,804,859
Non-cash items:		
Depreciation/amortisation	49,247,380	40,560,533
(Profit)/loss on sale of asset	(7,330,476)	(2,447,582)
Share of net (profits) or losses of Associates	(1,540,874)	(1,243,273)
Adjustment to Deferred Revenue **	–	228,571
Development Contribution Plans income (incl. interest)	(10,022,651)	(5,387,065)
Development Contribution Plans expenses	4,871,049	4,207,695
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(2,617,790)	(1,716,307)
(Increase)/decrease in other assets	(5,850,035)	(8,680,497)
(Increase)/decrease in inventories	(24,681)	(69,526)
Increase/(decrease) in trade and other payables	9,980,380	1,749,241
Increase/(decrease) in employee related provisions	1,216,500	700,605
Increase/(decrease) in other provisions	1,881,987	967,298
Increase/(decrease) in other liabilities **	13,073,732	10,188,035
Capital grants, subsidies and contributions	(43,647,357)	(39,645,941)
Net cash provided by/(used in) operating activities	83,897,263	61,216,646

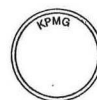
**The comparative information is restated on account of correction of error, see note 32.

(c) Undrawn borrowing facilities credit standby arrangements

Credit card limit	550,000	550,000
Credit card balance at balance date	(6,075)	(10,161)
Total amount of credit unused	543,925	539,839

Loan facilities

Loan facilities - non-current	14	74,334,488	74,334,488
Total facilities in use at balance date		74,334,488	74,334,488



Notes to the Financial Report

for the year ended 30 June 2024

Note 19. Contingent liabilities

In compliance with the *Contaminated Sites Act 2003*, the City has identified nine (9) possible sites of contamination.

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

Bakotas Vs 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.

On the 23rd of December 2022, the Supreme Court ordered in favour of Bakotas, to which the City lodged an appeal. On the 23rd of April 2023, an interim order, suspending the enforcement of the Supreme Court Order was made. The Court of Appeal heard the case on 19th February 2024. The City is currently waiting on the Court of Appeal's determination, which is expected later in 2024.

Note 20. Capital commitments

	2024 \$	2023 \$
Capital expenditure commitments		
Contracted for:		
Capital expenditure projects	32,769,923	23,998,424
Plant & equipment purchases	3,331,378	1,000,675
Total capital expenditure commitments	36,101,301	24,999,099
Payable:		
Not later than one year	36,101,301	24,999,099
Total capital expenditure commitments	36,101,301	24,999,099

Note 21. Related party transactions

	2024 Actual \$	2024 Budget \$	2023 Actual \$
(a) Council Member Remuneration			
Fees, expenses and allowances paid or reimbursed to elected council members.			
Mayor's annual allowance	93,287	93,380	99,299
Deputy Mayor's annual allowance	22,365	23,345	22,999
Meeting attendance fees	488,193	510,875	480,561
Annual allowance for ICT expenses	52,500	52,500	49,000
Travel and other expenses	23,856	30,000	32,137
Total Payment of Council member costs	680,201	710,100	683,996



Notes to the Financial Report

for the year ended 30 June 2024

Note 21. Related party transactions (continued)

	2024 Actual \$	2023 Actual \$
(b) Key Management Personnel (KMP) Compensation		
The total of compensation paid to KMP of the City during the year are as follows:		
Short-term employee benefits	1,697,126	1,576,750
Post-employment benefits	187,148	184,084
Employee - other long-term benefits	376,925	294,926
Total	2,261,199	2,055,760

The increase in KMP compensation is due to appointment of new CEO, increase in payments for higher duties and long service leave accrual during the period.

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

The City's main related parties are as follows:*i. Key management personnel*

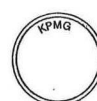
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b).

ii. Other Related Parties

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

iii. Entities subject to significant influence by the City

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



Notes to the Financial Report

for the year ended 30 June 2024

Note 22. Investment in associates

	City's share of net income		City's share of net assets	
	Actual 2024 \$	Actual 2023 \$	Actual 2024 \$	Actual 2023 \$
Associated entities	1,540,874	1,243,273	33,837,020	30,027,648
Total	1,540,874	1,243,273	33,837,020	30,027,648

Investment in associates

Set out in the table below are the associates of the City. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

Name of entity

	% of ownership interest	% of ownership interest	2024 \$	2023 \$
Catalina Regional Council (CRC)	16.67	16.67	10,286,618	7,806,651
Mindarie Regional Council (MRC)	16.67	16.67	23,446,438	22,119,135
Local Government House Trust (LGHT)	0.8	0.8	103,964	101,862
Total equity-accounted investments			33,837,020	30,027,648



Notes to the Financial Report

for the year ended 30 June 2024

Note 22. Investment in associates (continued)

Catalina 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 Catalina Regional Council (CRC). The establishment of the Catalina Regional Council was pursuant to Section 3.61 of the Local Government Act 1995. The Catalina Regional Council formally came into existence on the 3 February 2006. The Catalina 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.

The activities of Catalina 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 land lots.

On 1st August 2023, Tamala Park Regional Council's name was changed to Catalina Regional Council.

The City's interest in the Catalina Regional Council as at 30 June 2024 and 30 June 2023 is as follows:

	2024	2023
	Actual	Actual
	\$	\$
Summarised statement of comprehensive income		
Interest revenue	2,502,910	1,249,328
Finance charge	(2,913)	(3,614)
Depreciation	(37,053)	(45,082)
Profit/(loss) from continuing operations	2,556,064	1,001,970
Profit/(loss) for the period	2,556,064	1,001,970
Other comprehensive income	–	(6,353)
Total comprehensive income for the period	2,556,064	995,617
Summarised statement of financial position		
Cash and cash equivalents	22,602,158	12,294,817
Other current assets	35,992,662	32,578,497
Total current assets	58,594,820	44,873,314
Non-current assets	3,841,864	2,640,157
Total assets	62,436,684	47,513,471
Current financial liabilities	37,365	35,214
Other current liabilities	590,751	524,708
Total liabilities	628,116	559,922
Non-current financial liabilities	59,843	93,832
Other non-current liabilities	29,019	19,795
Total non-current liabilities	88,862	113,627
Total liabilities	716,978	673,549
Net assets	61,719,706	46,839,922



Notes to the Financial Report

for the year ended 30 June 2024

Note 22. Investment in associates (continued)

	2024 Actual \$	2023 Actual \$
Reconciliation to carrying amounts		
Balance at the beginning of the year	46,839,922	54,515,893
Change in member contributions	12,323,720	(8,671,588)
Share of Profit/(loss) from operating activities after tax	2,556,064	1,001,970
Other comprehensive income	—	(6,353)
Closing net assets 30 June	61,719,706	46,839,922
Carrying amount at 1 July	7,806,654	9,085,983
Share of associates net profit/(loss) from operating activities after tax	426,011	166,995
Share of associates other comprehensive income arising during the period	—	(1,059)
Distribution to participants	(5,000,000)	(3,333,332)
Contributions to equity in associates	7,053,953	1,888,067
Carrying amount at 30 June	10,286,618	7,806,654



Notes to the Financial Report

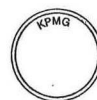
for the year ended 30 June 2024

Note 22. Investment in associates (continued)

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. The City's interest in the Mindarie Regional Council as at 30 June 2023 and 30 June 2024 is as follows:

	2024 Actual \$	2023 Actual \$
Summarised statement of comprehensive income		
Interest revenue	3,098,542	1,512,800
Finance charge	(1,255,386)	(1,074,941)
Depreciation	(8,451,384)	(7,606,255)
Profit/(loss) from continuing operations	6,676,564	6,430,026
Profit/(loss) for the period	6,676,564	6,430,026
Other comprehensive income	1,287,255	10,263,654
Total comprehensive income for the period	7,963,819	16,693,680
Summarised statement of financial position		
Cash and cash equivalents	21,681,423	20,262,141
Other current assets	57,745,265	44,011,271
Total current assets	79,426,688	64,273,412
Non-current assets	103,118,451	100,324,693
Total assets	182,545,139	164,598,105
Current financial liabilities	680,492	628,560
Other current liabilities	15,889,908	4,899,821
Total current liabilities	16,570,400	5,528,381
Non-current financial liabilities	5,702,532	6,161,220
Other non-current liabilities	19,593,578	20,193,694
Total non-current liabilities	25,296,110	26,354,914
Total liabilities	41,866,510	31,883,295
Net assets	140,678,629	132,714,810
Reconciliation to carrying amounts		
Balance at beginning of the financial year	132,714,810	116,021,130
Profit/(loss) for the period	6,676,564	6,430,026
Other comprehensive income	1,287,255	10,263,654
Closing net assets at 30 June	140,678,629	132,714,810
Carrying amount at 1 July	22,119,135	19,336,855
Share of associates net profit/(loss) for the period	1,112,761	1,071,671
Share of associates other comprehensive income arising during the period	214,542	1,710,609
Carrying amount at 30 June	23,446,438	22,119,135



Notes to the Financial Report

for the year ended 30 June 2024

Note 22. Investment in associates (continued)

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).

There was no movement for the year 30 June 2024 included as financial information is not readily available at the date of this report. Furthermore, the movement is not expected to have a material impact on the financial statements as a whole.

The City's interest in Local Government House Trust as at 30 June 2023 and 30 June 2024 is as follows:

	2024 Actual \$	2023 Actual \$
Summarised statement of comprehensive income		
Interest revenue	–	150,502
Finance charge	–	(702,776)
Depreciation	–	(827,891)
Profit/(loss) from continuing operations	–	260,605
Profit/(loss) for the period	–	260,605
Total comprehensive income for the period	–	260,605
Summarised statement of financial position		
Cash and cash equivalents	984,497	3,409,086
Other current assets	5,573,352	2,123,976
Total current assets	6,557,849	5,533,062
Non-current assets	21,309,870	22,057,435
Total assets	27,867,719	27,590,497
Current financial liabilities	14,640,000	14,640,000
Other current liabilities	336,238	319,621
Total liabilities	14,976,238	14,959,621
Net assets	12,891,481	12,630,876
Reconciliation to carrying amounts		
Opening net assets at 1 July	12,891,481	12,630,876
Profit/(loss) for the period	–	260,605
Closing net assets at 30 June	12,891,481	12,891,481
Carrying amount at 1 July	101,862	97,255
Share of associates net profit/(loss) for the period	2,102	4,607
Carrying amount at 30 June	103,964	101,862



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

Note 22. Investment in associates (continued)

MATERIAL ACCOUNTING POLICIES
Investments in associates

An associate is an entity over which the City has significant influence, that is it has the power to participate in the financial and operating policy decisions of the investee but not control or joint control of those policies.

Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

Note 23. Financial risk management

Financial risk management

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilises a mix of fixed interest rate borrowings and variable interest rate borrowings.
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Ageing analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy. 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.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities. 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 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 Finance Service Unit under policies approved by the City. The finance service unit identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.



Notes to the Financial Report

for the year ended 30 June 2024

Note 23. Financial risk management (continued)

(a) Interest rate risk

Cash and cash equivalents

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held disclosed as financial assets at amortised cost are reflected in the table below. The City has no exposure to short term overdraft facilities as at 30 June 2024 and 30 June 2023.

	Weighted average interest rate %	Carrying amounts \$	Fixed interest rate \$	Variable interest rate \$
2024				
Cash and cash equivalents	0.25%	37,784,199	24,772,300	13,011,899
Financial assets at amortised cost - term deposits	5.33%	488,000,000	488,000,000	—
2023				
Cash and cash equivalents	0.25%	42,028,275	29,611,500	12,416,775
Financial assets at amortised cost - term deposits	4.60%	440,000,000	440,000,000	—

Sensitivity

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

	2024 \$	2023 \$
Impact of a 1% movement in interest rates on profit or loss and equity *	377,841	420,283

(*) Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. Details of interest rates applicable to each borrowing is disclosed in Note 29(b).

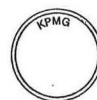
(b) Credit risk

Trade and Other Receivables

The City's major trade and other receivables comprise rates, contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and referring outstanding debts to an external debt collector. The City encourages rate payers to pay their rates by the due date.

The level of outstanding receivables is reported to Council monthly.

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



Notes to the Financial Report

for the year ended 30 June 2024

Note 23. Financial risk management (continued)

The expected loss rates are based on the payment profiles of other receivables over a period of time and the corresponding historical losses experienced by the City. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables.

The loss allowance as at 30 June 2024 and 30 June 2023 for other receivables was determined as follows:

	Current \$	More than 30 days past due \$	More than 60 days past due \$	More than 90 days past due \$	Total \$
30 June 2024					
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	57.00%	
Gross carrying amount	2,467,376	667,985	39,697	931,948	4,107,006
Loss allowance	—	—	—	529,681	529,681
30 June 2023					
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	100.00%	
Gross carrying amount	1,898,174	875,086	2,087	833,292	3,608,639
Loss allowance	—	—	—	833,292	833,292

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

	Trade or other receivables	
	2024 Actual \$	2023 Actual \$
Opening loss allowance as at 1 July	833,292	824,930
Increase/ (Decrease) in loss allowance recognised in profit or loss during the year	(303,611)	—
Receivables written off during the year as uncollectible	—	8,362
Closing loss allowance at 30 June	<u>529,681</u>	<u>833,292</u>

Trade and other receivables

Trade and other receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the City, and a failure to make contractual payments.

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



Notes to the Financial Report

for the year ended 30 June 2024

Note 23. Financial risk management (continued)

(c) Liquidity risk

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

Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(c).

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2024					
Trade and other payables	58,948,106	–	–	58,948,106	58,948,106
Borrowings **	4,961,177	72,919,529	14,504,410	92,385,116	74,334,488
Lease liabilities	178,871	358,091	–	536,962	536,962
	<u>64,088,154</u>	<u>73,277,620</u>	<u>14,504,410</u>	<u>151,870,184</u>	<u>133,819,556</u>
2023					
Trade and other payables	48,967,726	–	–	48,967,726	48,967,726
Borrowings **	4,924,268	75,149,731	14,773,251	94,847,250	74,334,488
Lease liabilities	110,144	405,909	–	516,053	516,053
	<u>54,002,138</u>	<u>75,555,640</u>	<u>14,773,251</u>	<u>144,331,029</u>	<u>123,818,267</u>

(**) Due within 1 year includes future interest of contractual undiscounted cash flow amount.

Note 24. Events occurring after the end of the reporting period

There are no events after the end of the reporting period that require disclosures.

Note 25. Other Material Accounting Policies

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City does not have the unconditional right to defer settlement beyond

12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the City's intentions to release for sale.

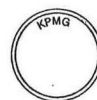
c) Rounding off figures

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

d) Comparative figures

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

When the City applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statements that has a material effect on the statement of financial position, an additional (third) statement



Notes to the Financial Report

for the year ended 30 June 2024

Note 25. Other Material Accounting Policies (continued)

of financial position as at the beginning of the preceding period in addition to the minimum comparative financial report is presented.

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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



Notes to the Financial Report

for the year ended 30 June 2024

Note 25. Other Material Accounting Policies (continued)

j) Impairment of assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the City controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

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

Notes to the Financial Report

for the year ended 30 June 2024

Note 26. Function and activity

(a) Service objectives and descriptions

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

NAME AND OBJECTIVES**DESCRIPTION****GOVERNANCE**

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

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

GENERAL PURPOSE FUNDING

To collect revenue to allow for the provision of services.

Rates, general purpose government grants, fees and charges and interest revenue.

LAW, ORDER, PUBLIC SAFETY

To provide services to help ensure a safer and environmentally conscious community.

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

HEALTH

To provide an operational framework for environmental and community health.

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

EDUCATION AND WELFARE

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

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of aged care programs and youth services.

COMMUNITY AMENITIES

To provide services required by the community.

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

RECREATION AND CULTURE

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

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

TRANSPORT

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

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

ECONOMIC SERVICES

To help promote the local government and its economic wellbeing.

Tourism and area promotion. Provision of rural services including weed control, vermin control and standpipes and building control.

OTHER PROPERTY AND SERVICES

To monitor and control operating accounts.

Private works operation, plant repair and costs.



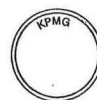
Notes to the Financial Report

for the year ended 30 June 2024

Note 26. Function and activity (continued)

(b) Income and expenses

	2024 Actual \$	2023 Actual \$
Income excluding grants, subsidies and contributions		
Governance	5,529,380	3,275,568
General purpose funding	176,141,288	163,429,853
Law, order, public safety	643,435	670,349
Health	402,570	372,667
Education and welfare	33,491	144,853
Community amenities	36,911,934	34,051,749
Recreation and culture	15,778,522	11,481,511
Transport	1,896,675	1,060,299
Economic services	3,202,379	2,274,158
Other property and services	9,740,262	7,005,552
	250,279,936	223,766,559
Grants, subsidies and contributions		
Governance	1,050,981	1,549,042
General purpose funding	10,475,346	12,885,617
Law, order, public safety	674,685	583,034
Health	828	1,940
Education and welfare	185,378	609,727
Community amenities	369,034	772,051
Recreation and culture	11,737,627	15,712,905
Transport	33,688,188	24,543,097
Economic services	235,264	14,025
Other property and services	157,807	439,538
	58,575,138	57,110,976
Total income	308,855,074	280,877,535
Expenses		
Governance	(15,649,025)	(16,107,495)
General purpose funding	(5,094,802)	(5,187,632)
Law, order, public safety	(7,711,640)	(7,294,182)
Health	(4,021,293)	(2,787,731)
Education and welfare	(5,933,071)	(6,415,590)
Community amenities	(56,203,755)	(58,105,776)
Recreation and culture	(74,232,587)	(69,115,147)
Transport	(45,489,906)	(39,054,643)
Economic services	(6,642,283)	(5,496,786)
Other property and services	(13,216,613)	(9,507,694)
	(234,194,975)	(219,072,676)
Net result for the period	74,660,099	61,804,859



Notes to the Financial Report

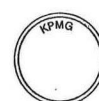
for the year ended 30 June 2024

Note 26. Function and activity (continued)

(c) Total assets

	2024 Actual \$	2023 ** Actual \$
Governance	183,378,388	175,367,828
General purpose funding	520,444,721	465,927,612
Law, order, public safety	1,989,208	1,638,507
Health	25,054	27,217
Education and welfare	6,144,218	6,420,704
Community amenities	268,049,750	212,307,233
Recreation and culture	344,890,819	315,648,223
Transport	2,023,560,094	1,986,397,437
Economic services	518,917	508,494
Other property and services	240,136,157	192,471,775
Total assets	3,589,137,326	3,356,715,030

(**) The comparative information has been reclassified as per the current year's function and activity reporting structure for consistency.



Notes to the Financial Report

for the year ended 30 June 2024

Note 27. Rating information

Rate type	Basis of valuation	Rate in the \$	Number of Properties	2023/24 Actual Rateable Value \$	2023/24 Actual Rate Revenue \$	2023/24 Actual Interim Rates \$	2023/24 Actual Back Rates \$	2023/24 Actual Total Revenue \$	2023/24 Budget Rate Revenue \$	2023/24 Budget Interim Rate \$	2023/24 Budget Total Revenue \$	2022/23 Actual Total Revenue \$
General Rates												
Rate Description												
GRV - Residential Improved	Gross rental valuation	6.68320	65,014	1,420,535,829	94,937,258	2,025,921	104,762	97,067,941	94,937,251	1,500,000	96,437,251	90,856,327
GRV - Residential Vacant	Gross rental valuation	13.36630	2,853	44,544,310	5,953,924	(214,189)	(11,149)	5,728,586	5,953,926	–	5,953,926	6,545,601
GRV - Commercial/Industrial Improved	Gross rental valuation	7.78000	3,022	365,243,662	28,415,957	578,193	67,717	29,061,867	28,305,089	500,000	28,805,089	26,500,780
GRV - Commercial/Industrial Vacant	Gross rental valuation	7.60000	164	12,001,499	912,114	(17,251)	(10,703)	884,160	912,114	–	912,114	895,524
UV - Residential Improved	Unimproved valuation	0.37550	186	157,995,000	593,271	6,262	12,781	612,314	589,892	–	589,892	571,558
UV - Residential Vacant	Unimproved valuation	0.60290	143	578,083,000	3,485,263	283,154	(12,247)	3,756,170	3,485,262	–	3,485,262	3,319,841
UV - Commercial/Industrial Improved	Unimproved valuation	0.30150	40	71,716,195	216,224	20,392	172	236,788	214,174	–	214,174	217,130
UV - Commercial/Industrial Vacant	Unimproved valuation	0.33410	10	29,380,000	98,159	5,001	–	103,160	98,159	–	98,159	78,971
UV - Rural and Mining Improved	Unimproved valuation	0.37520	376	574,599,721	2,155,898	(162,511)	48	1,993,435	2,155,898	–	2,155,898	2,081,490
UV - Rural and Mining Vacant	Unimproved valuation	0.49850	82	84,325,640	420,363	(19,883)	(16,424)	384,056	428,688	–	428,688	411,451
Total general rates			71,890	3,338,424,856	137,188,431	2,505,089	134,957	139,828,477	137,080,453	2,000,000	139,080,453	131,478,673



Notes to the Financial Report

for the year ended 30 June 2024

Note 27. Rating information (continued)

Rate type	Basis of valuation	Rate in the \$	Number of Properties	2023/24 Actual Rateable Value \$	2023/24 Actual Rate Revenue \$	2023/24 Actual Interim Rates \$	2023/24 Actual Back Rates \$	2023/24 Actual Total Revenue \$	2023/24 Budget Rate Revenue \$	2023/24 Budget Interim Rate \$	2023/24 Budget Total Revenue \$	2022/23 Actual Total Revenue \$
Minimum payment												
GRV - Residential Improved	Gross rental valuation	1,073.00	11,088	158,441,500	11,896,794	—	—	11,896,794	11,898,497	—	11,898,497	11,936,520
GRV- Residential Improved- Lesser Minimum Strata Titled Caravan Parks	Gross rental valuation	—	—	—	—	—	—	—	—	—	—	—
GRV - Residential Vacant	Gross rental valuation	894.00	2,753	13,907,710	2,461,182	—	—	2,461,182	2,461,182	—	2,461,182	2,269,177
GRV - Commercial/Industrial Improved	Gross rental valuation	1,461.00	914	12,508,368	1,335,354	—	—	1,335,354	1,326,588	—	1,326,588	1,226,368
GRV - Commercial/Industrial Vacant	Gross rental valuation	1,461.00	35	447,280	51,135	—	—	51,135	51,135	—	51,135	35,200
GRV - Commercial/Industrial Improved - Lesser Minimum Strata	Gross rental valuation	—	—	—	—	—	—	—	—	—	—	160,290
UV - Residential Improved	Unimproved valuation	1,073.00	1	203,805	1,073	—	—	1,073	1,073	—	1,073	2,070
UV - Residential Vacant	Unimproved valuation	894.00	5	315,500	4,185	—	—	4,185	4,470	—	4,470	72,538
UV - Commercial/Industrial Improved	Unimproved valuation	1,461.00	5	1,203,000	7,305	—	—	7,305	5,844	—	5,844	8,448
UV - Rural and Mining Improved	Unimproved valuation	1,066.00	4	658,279	4,264	—	—	4,264	4,264	—	4,264	3,081
UV - Rural and Mining Vacant	Unimproved valuation	1,008.00	32	271,614	32,256	—	—	32,256	32,256	—	32,256	32,076
Total minimum payments			14,837	187,957,056	15,793,548	—	—	15,793,548	15,785,309	—	15,785,309	15,745,768
Total general rates and minimum payments			86,727	3,526,381,912	152,981,979	2,505,089	134,957	155,622,025	152,865,762	2,000,000	154,865,762	147,224,441
Ex-gratia rates												
Other		—	—	—	30,021	—	—	30,021	24,000	—	24,000	29,308
Total amount raised from rates (excluding general rates)			—	—	30,021	—	—	30,021	24,000	—	24,000	29,308
Total rates								155,652,046			154,889,762	147,253,749

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



Notes to the Financial Report

for the year ended 30 June 2024

Note 28. Determination of surplus or deficit

	2023/24 30 June 2024 Carried Forward	2023/24 Budget 30 June 2024 Carried Forward	2022/23 30 June 2023 Carried Forward
Note	\$	\$	Restated \$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(7,808,549)	(3,412,293)	(4,325,770)
Less: Share of net profit of associates and accounted for using the equity method	(1,540,874)	—	(1,243,273)
Add: Loss on disposal of assets	478,073	1,219,165	1,878,188
Add: Depreciation	49,247,380	39,447,203	40,560,533
Non-cash movements in non-current assets and liabilities:			
Employee benefit provisions	(478,051)	—	369,791
Pensioner deferred rates	(364,642)	—	(215,099)
Contract liabilities **	10,444,760	—	2,927,777
Inventory	138,109	—	467,534
Lease liabilities	11 (47,818)	—	405,909
Non-cash amounts excluded from operating activities	50,068,388	37,254,075	40,825,590
(b) Non-cash amounts excluded from investing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
Movement in non-current capital grant/contribution liability	—	783,971	724,054
Infrastructure received for substantially less than fair value	(26,154,871)	(26,191,189)	(20,761,287)
Non-cash amounts excluded from investing activities	(26,154,871)	(25,407,218)	(20,037,233)



Notes to the Financial Report

for the year ended 30 June 2024

Note 28. Determination of surplus or deficit (continued)

	2023/24 30 June 2024 Carried Forward	2023/24 Budget 30 June 2024 Carried Forward	2022/23 30 June 2023 Carried Forward Restated
	\$	\$	\$
(c) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	(345,616,648)	(300,551,134)	(305,944,797)
Less: Current portion of lease liabilities	178,871	18,170	110,144
Add: Current liabilities not expected to be cleared at end of year			
Cash Backed Employee Provisions	14,389,566	16,294,906	14,145,754
Non cash movement in current liabilities	(2,240,000)	—	—
Contract Liabilities **	32,056,986	733,903	29,324,125
Term Deposit - Restricted	(120,892,801)	(94,043,666)	(114,177,891)
Cash - Restricted	(6,082)	—	(5,200)
Total adjustments to net current assets	(422,130,108)	(377,547,821)	(376,547,865)
Net current assets used in the Statement of Financial Activity			
Total current assets	559,032,609	423,804,133	507,148,821
Less: Total current liabilities	(114,000,708)	(46,224,114)	(103,242,923)
Less: Total adjustments to net current assets	(422,130,108)	(377,547,821)	(376,547,865)
Surplus or deficit after imposition of general rates	22,901,793	32,198	27,358,033

(**) The comparative information is restated on account of correction of error, see note 32.



Notes to the Financial Report

for the year ended 30 June 2024

Note 29. Borrowing and lease liabilities

(a) Borrowings

Purpose	Note	Actual Principal at 1 July 2022	Actual Principal at 30 June 2023	Actual Principal at 30 June 2024	Budget Principal at 1 July 2023	Budget Principal at 30 June 2024
Wanneroo Regional Museum & Library		10,416,178	10,416,178	10,416,178	10,416,178	10,416,178
Construct Community Centre - Butler		278,000	278,000	278,000	278,000	278,000
Develop Accessible and Inclusive Playground		222,000	222,000	222,000	222,000	222,000
Kingsway Regional Sporting Complex		23,133,603	23,133,603	23,133,603	23,133,603	23,133,603
Upgrade Aquamotion		7,926,000	7,926,000	7,926,000	7,926,000	7,926,000
Yanchep Active Open Space		56,460	56,460	56,460	56,460	56,460
Kingsway Regional Playground		650,000	650,000	650,000	650,000	650,000
Yanchep Lagoon - Brazier Road Realignment		3,859,181	3,859,181	3,859,181	3,859,181	3,859,181
Yanchep Surf Life Saving Club		1,157,500	1,157,500	1,157,500	1,157,500	1,157,500
Southern Suburbs Library		6,015,422	6,015,422	6,015,422	6,015,422	6,015,422
Pinjar Road - Wanneroo & Carosa Road		728,849	728,849	728,849	728,849	728,849
Upgrade Rocca Way Dundobar Road		54,715	54,715	54,715	54,715	54,715
Flynn Drive Neerabup - Construct Road		1,623,298	1,623,298	1,623,298	1,623,298	1,623,298
Develop Industrial Estate - Neerabup		317,887	317,887	317,887	317,887	317,887
Redevelop Wanneroo Townsite		1,214,615	1,214,615	1,214,615	1,214,615	1,214,615
Redevelop Koondoola Precinct		1,293,000	1,293,000	1,293,000	1,293,000	1,293,000
Develop Wangara Industrial Area (Lot 257)		43,857	43,857	43,857	43,857	43,857
Develop Wangara Industrial Area (Lot 15)		1,785,823	1,785,823	1,785,823	1,785,823	1,785,823
Lot 12 Fowey Loop		1,800	1,800	1,800	1,800	1,800
Yanchep District Playing Fields		4,556,300	4,556,300	4,556,300	4,556,300	4,556,300
Yanchep Active Open Space Oval Ground Works		2,459,329	2,459,329	2,459,329	2,459,329	2,459,329
Yanchep District Playing Fields - CBA Loans		1,773,324	1,773,324	1,773,324	1,773,324	1,773,324
Yanchep District Sports Amenities Building Stage 1		1,556,833	1,556,833	1,556,833	1,556,833	1,556,833
Yanchep Surf Life Saving Club - CBA Loans		3,210,514	3,210,514	3,210,514	3,210,514	3,210,514
Total Borrowings	14	74,334,488	74,334,488	74,334,488	74,334,488	74,334,488



Notes to the Financial Report

for the year ended 30 June 2024

Note 29. Borrowing and lease liabilities (continued)

(a) Borrowings (continued)

Borrowing Finance Cost Payments

Purpose	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Actual for year ending 30 June 2023	Budget for year ending 30 June 2024
Wanneroo Regional Museum & Library	WATC	6.07%	01/12/2026	705,176	705,176	705,176
Construct Community Centre - Butler	WATC	6.07%	01/12/2026	18,821	18,821	18,821
Develop Accessible and Inclusive Playground	WATC	6.07%	01/12/2026	15,029	15,029	15,029
Kingsway Regional Sporting Complex	WATC	6.07%	01/12/2026	1,566,145	1,566,145	1,566,145
Upgrade Aquamotion	WATC	6.07%	01/12/2026	536,590	536,590	536,590
Yanchep Active Open Space	WATC	6.07%	01/12/2026	3,822	3,822	3,822
Kingsway Regional Playground	WATC	6.07%	01/12/2026	44,005	44,005	44,005
Yanchep Lagoon - Brazier Road Realignment	WATC	6.07%	01/12/2026	261,267	261,267	261,267
Yanchep Surf Life Saving Club	WATC	6.07%	01/12/2026	78,363	78,363	78,363
Southern Suburbs Library	WATC	6.07%	01/12/2026	410,497	410,497	415,601
Pinjar Road - Wanneroo & Carosa Road	WATC	6.07%	01/12/2026	49,343	49,343	49,343
Upgrade Rocca Way Dundobar Road	WATC	6.07%	01/12/2026	3,704	3,704	3,704
Flynn Drive Neerabup - Construct Road	WATC	6.07%	01/12/2026	109,897	109,897	109,897
Develop Industrial Estate - Neerabup	WATC	6.07%	01/12/2026	21,521	21,521	21,521
Redevelop Wanneroo Townsite	WATC	6.07%	01/12/2026	82,229	82,229	82,229
Redevelop Koondoola Precinct	WATC	6.07%	01/12/2026	87,536	87,536	87,536
Develop Wangara Industrial Area (Lot 257)	WATC	6.07%	01/12/2026	2,969	2,969	2,969
Develop Wangara Industrial Area (Lot 15)	WATC	6.07%	01/12/2026	117,647	117,647	118,085
Lot 12 Fowey Loop	WATC	6.07%	01/12/2026	122	122	122
Yanchep District Playing Fields	WATC	5.13%	23/06/2030	263,591	169,009	85,100
Yanchep Active Open Space Oval Ground Works	CBA	6.41%	08/09/2024	156,862	122,348	66,400
Yanchep District Playing Fields - CBA Loans	CBA	6.39%	08/09/2024	113,107	88,220	54,000
Yanchep District Sports Amenities Building Stage 1	CBA	6.35%	08/09/2024	99,299	77,450	58,000
Yanchep Surf Life Saving Club - CBA Loans	CBA	6.40%	08/09/2024	204,774	159,718	15,200
Total Finance Cost Payments				4,952,316	4,731,428	4,398,925



Notes to the Financial Report

for the year ended 30 June 2024

Note 29. Borrowing and lease liabilities (continued)

(b) New Borrowings - 2023/24

The Council does not have any new borrowing for FY2023/24.

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2023 \$	Expended During Year \$	Unspent Balance 30 June 2024 \$
Southern Suburbs Library	WATC	01/12/2006	5,755,394	(250,666)	5,504,728
Develop Wangara Industrial Area (Lot 15)	WATC	01/12/2006	30,143	(25,815)	4,328
Yanchep Development Area Projects	CBA	20/12/2019	635,162	—	635,162
			<u>6,420,699</u>	<u>(276,481)</u>	<u>6,144,218</u>



Notes to the Financial Report

for the year ended 30 June 2024

Note 29. Borrowing and lease liabilities (continued)

(d) Lease liabilities

		Actual						Budget				
		Principal at 1 July 2022	New leases During 2022-23	Principal repayments During 2022-23	Principal at 30 June 2023	New leases During 2023-24	Principal repayments During 2023-24	Principal at 30 June 2024	Principal at 1 July 2023	New leases During 2023-24	Principal repayments During 2023-24	Principal at 30 June 2024
Purpose	Note	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Aquamotion Cardio Equipment		—	—	—	—	191,652	(60,599)	131,053	—	—	—	—
Yanchep Hub		225,778	—	(225,778)	—	—	—	—	—	—	—	—
Two-way radio network		—	586,724	(70,671)	516,053	—	(110,144)	405,909	114,157	—	(63,550)	50,607
Total lease liabilities	11b	225,778	586,724	(296,449)	516,053	191,652	(170,743)	536,962	114,157	—	(63,550)	50,607

Purpose	Institution	Lease interest rate	Date final payment is due	Actual for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease term
				\$	\$	
Aquamotion Cardio Equipment	Fleet Commercial Gymnasiums Pty Ltd	5.20%	30/06/2026	131,053	—	3 years
Yanchep Hub	Yanchep Beach Joint Venture	2.10%	30/04/2023	—	—	5 years
Two-way radio network	CSM Crosscom	4.60%	30/10/2027	405,909	516,053	5 years
Total Finance Cost Payments				536,962	516,053	



Notes to the Financial Report

for the year ended 30 June 2024

Note 30. Reserve accounts

	2024 Opening Balance Actual \$	2024 Transfer to Actual \$	2024 Transfer (from) Actual \$	2024 Closing Balance Actual \$	2024 Opening Balance Budget \$	2024 Transfer to Budget \$	2024 Transfer (from) Budget \$	2024 Closing Balance Budget \$	2023 Opening Balance Actual \$	2023 Transfer to Actual \$	2023 Transfer (from) Actual \$	2023 Closing Balance Actual \$
Restricted by legislation/agreement												
(a) Alkimos/Eglinton Coastal Corridor Community	24,223,653	8,952,761	(38,696)	33,137,718	23,871,779	2,351,758	(2,454,800)	23,768,737	20,247,766	3,987,825	(11,938)	24,223,653
(b) Cash Paid in Lieu of Public Open Space prior to 10 April 2006 Reserve	2,657,233	128,903	(9,222)	2,776,914	2,686,149	95,843	–	2,781,992	2,568,717	88,516	–	2,657,233
(c) Section 152 Reserve (formerly Section 20A Land Reserve)	767,421	37,435	–	804,856	761,818	27,182	–	789,000	744,440	22,981	–	767,421
(d) Clarkson Butler Planning District (TPS 20) Reserve	7,633,490	1,873,539	(42,113)	9,464,916	7,577,738	270,378	–	7,848,116	7,404,919	228,571	–	7,633,490
(e) Yanchep Bus Reserves	–	–	–	–	–	–	–	–	126,923	–	(126,923)	–
(f) Yanchep/Two Rocks Coastal Corridor Community Facilities	2,294,783	3,285,505	(859,564)	4,720,724	2,361,106	1,572,123	(685,110)	3,248,119	1,863,255	1,081,194	(649,666)	2,294,783
	37,576,580	14,278,143	(949,595)	50,905,128	37,258,590	4,317,284	(3,139,910)	38,435,964	32,956,020	5,409,087	(788,527)	37,576,580
Restricted by council												
(g) Asset Replacement/Enhancement Reserve	73,811,110	13,932,864	(4,414,274)	83,329,700	72,766,728	12,566,194	(9,577,677)	75,755,245	67,783,297	11,224,894	(5,197,081)	73,811,110
(h) Carried Forward Capital Projects Reserve	6,684,976	3,978,559	(6,684,976)	3,978,559	6,684,976	–	(6,684,976)	–	9,115,915	6,684,976	(9,115,915)	6,684,976
(i) Coastal Infrastructure Management Reserve	13,989,982	575,505	(3,470,259)	11,095,228	13,908,540	457,722	(4,356,224)	10,010,038	15,851,639	478,855	(2,340,512)	13,989,982
(j) Domestic Refuse Reserve	13,056,511	4,782,365	(3,460,780)	14,378,096	10,066,737	3,053,359	(4,435,000)	8,685,096	12,556,005	3,732,809	(3,232,303)	13,056,511
(k) Golf Course Reserve	2,607,808	920,461	(470,000)	3,058,269	2,625,804	991,906	(470,000)	3,147,710	1,309,161	1,372,265	(73,618)	2,607,808
(l) Strategic Land Reserve	13,289,638	2,084,186	(3,058,747)	12,315,077	13,177,339	1,966,345	(167,326)	14,976,358	10,969,385	2,392,636	(72,383)	13,289,638
(m) Leave Liability Reserve	15,553,972	758,731	–	16,312,703	15,540,415	754,491	–	16,294,906	15,088,204	465,768	–	15,553,972
(n) Loan Repayment Reserve	55,536,080	10,784,628	–	66,320,708	54,264,722	8,187,476	–	62,452,198	47,857,222	7,678,858	–	55,536,080
(o) Neerabup Development Reserve	6,302,006	2,379,024	(444,986)	8,236,044	6,047,236	2,195,604	(1,430,029)	6,812,811	4,808,579	2,190,073	(696,646)	6,302,006
(p) Plant Replacement Reserve	14,416,610	3,780,538	(2,463,489)	15,733,659	15,727,169	6,723,479	(1,350,939)	21,099,709	15,725,024	5,013,064	(6,321,478)	14,416,610
(q) Regional Recreational Reserve	27,327,382	4,458,030	(300,000)	31,485,412	27,088,887	3,966,547	(600,000)	30,455,434	24,516,489	2,810,893	–	27,327,382
(r) Strategic Projects/Initiatives Reserve	18,601,036	3,624,784	(5,894,536)	16,331,284	7,249,634	2,703,993	(4,667,028)	5,286,599	336,432	22,453,012	(4,188,408)	18,601,036
(s) Information, Communication & Technology Reserve	7,191,106	5,530,589	(584,914)	12,136,781	6,856,799	5,231,779	(4,949,512)	7,139,066	–	9,179,934	(1,988,828)	7,191,106
	268,368,217	57,590,264	(31,246,961)	294,711,520	252,004,986	48,798,895	(38,688,711)	262,115,170	225,917,352	75,678,037	(33,227,172)	268,368,217
Total	305,944,797	71,868,407	(32,196,556)	345,616,648	289,263,576	53,116,179	(41,828,621)	300,551,134	258,873,372	81,087,124	(34,015,699)	305,944,797

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

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:



Notes to the Financial Report

for the year ended 30 June 2024

Note 30. Reserve accounts (continued)

Name of Reserve	Purpose of the reserve
Name of Reserve	
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.
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.
Section 152 Reserve (formerly Section 20A Land Reserve)	To be used for capital improvements on recreation reserves in the general locality from which funds were sourced
DCP 20 - District Distributor Road Headworks Reserve	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 Community Facilities Reserve	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.
Asset Replacement/Enhancement Reserve	To be used for the funding of renewal, upgrade and acquisition of new or replacement assets for the City.
Carried Forward Capital Projects Reserve	To be used for the municipally funded carried forward capital works.
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.
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 Recreational Reserve	To be used to support regional recreational capital works.
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.
Information, Communication & Technology Reserve	To be used for the purpose of Information, Communication and Technology capital and operating projects.



Notes to the Financial Report

for the year ended 30 June 2024

Note 31. Trust funds

	1-Jul-2023 \$	Amounts received \$	Amounts paid \$	30 June 2024 \$
Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:				
Miscellaneous/Appeals	36,449	2,114	(827)	37,736
Public Open Spaces	837,076	2,100	—	839,176
	<u>873,525</u>	<u>4,214</u>	<u>(827)</u>	<u>876,912</u>

MATERIAL ACCOUNTING POLICIES

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 30 for details on the reserve.

Note 32. Correction of error

The following prior period adjustment is related to non-current contract liabilities (Note 13).

Nature of prior-period adjustment

The City has identified two material prior period corrections, in relation to Clarkson/ Butler Planning District (TPS 20) and Yanchep/ Two rocks Development Contribution Plan (DCP), which have been adjusted in the relevant prior periods. This adjustment has been performed in accordance with the requirements of AASB 1058 (Income of Not-for-Profit Entities) and AASB 108 (Accounting Policies, Changes in Accounting Estimates and Errors).

Clarkson/ Butler Planning District (TPS 20)

The Clarkson/ Butler development scheme has been in progress since pre1999. Since this planning scheme was developed, developers' contributions in full and interest earned on unspent amounts had been recognised as revenue on receipt as per the accounting standards prevailing at the time. Prior to 2024 financial year, no funds were received since 2007/2008 other than interest earned.

However, the administration is of the view that the unspent amount of revenue from developers' contributions and interest earned on unspent balances should be accounted as contract liabilities, until such time that the construction obligations are satisfied. The required adjustment to the above correction is \$7,633,725 of which \$228,571 (interest) was adjusted during the period of 2022/23 and \$7,405,154 relating to prior periods.

Yanchep/ Two rocks Development Contribution Plan (DCP)

Contributions received from the Yanchep/ Two rocks DCP in the 2022/23 financial year had been accounted as contract liabilities (\$407,681), whilst the expenditure had already incurred during previous financial years. This has been corrected by reversing contract liabilities as Development Contribution Plan Income.

The following tables summarise the effect on City's Financial Report.



Notes to the Financial Report

for the year ended 30 June 2024

Note 32. Correction of error (continued)

Changes to the Statement of Financial Position at 1 July 2022

Statement of Financial Position

	Original Balance 1 July, 2022 \$	Impact Increase/ (decrease) \$	Restated Balance 1 July, 2022 \$
Other liabilities	82,811,797	7,405,154	90,216,951
Total non-current liabilities	165,154,615	7,405,154	172,559,769
Total liabilities	268,233,670	7,405,154	275,638,824
Net assets	2,562,309,875	(7,405,154)	2,554,904,721
Retained surplus	1,232,810,571	(7,405,154)	1,225,405,417
Others	1,329,499,304	–	1,329,499,304
Total equity	2,562,309,875	(7,405,154)	2,554,904,721

Adjustments to the comparative figures for the year ended 30 June 2023

Statement of Financial Position

	Original Balance 30 June, 2023 \$	Impact Increase/ (decrease) \$	Restated Balance 30 June, 2023 \$
Other liabilities	95,699,993	7,226,044	102,926,037
Total non-current liabilities	179,051,309	7,226,044	186,277,353
Total liabilities	282,294,232	7,226,044	289,520,276
Net assets	3,074,420,798	(7,226,044)	3,067,194,754
Retained surplus	1,247,364,895	(7,226,044)	1,240,138,851
Others	1,827,055,903	–	1,827,055,903
Total equity	3,074,420,798	(7,226,044)	3,067,194,754

Statement of Comprehensive Income

	Original Balance 30 June, 2023 \$	Impact Increase/ (decrease) \$	Restated Balance 30 June, 2023 \$
Interest revenue	13,100,283	(228,571)	12,871,712
Development Contribution Plan Income	4,979,384	407,681	5,387,065
Net results for the period	61,625,749	179,110	61,804,859



Notes to the Financial Report

for the year ended 30 June 2024

Note 33. Development Contribution Plans

Development Contribution Plans:

The Development Contribution Plans are related to the development of district community facilities.

East Wanneroo Development Area Cells 1-9 are governed by Schedule 14 of District Planning Scheme Number 2 (DPS2) which do not require the City to establish and maintain a reserve account for each DCP. 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 12 and 13 of DPS2 whereby Clause 16 of Schedule 12 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 Coastal Corridor Community Facilities and Yanchep/Two Rocks Coastal Corridor Community Facilities.

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

Other Development Areas:**(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 Gngangara 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 Gngangara Road (between Atwell Street and Mirrabooka Avenue). The upgrade/construction of Gngangara Road will be partly funded by DCP5 and the East Wanneroo Cell 8 Cost Sharing Arrangement.

Statement of Comprehensive Income -

	2024 Actual \$	2023 Actual \$
Operating Income		
Development Headworks Levy Including Interest on Investments	124,116	34,852
Transfers to Deferred Revenue	—	—
Subtotal	124,116	34,852
Operating Expense		
Administration Allocation	(124,116)	(34,852)
Subtotal	(124,116)	(34,852)
Net result	—	—

(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.

Statement of Comprehensive Income**Operating Income**

Development Headworks Levy Including Interest on Investments	78,999	18,233
Subtotal	78,999	18,233

Operating Expense

Administration Allocation	(78,999)	(18,233)
Subtotal	(78,999)	(18,233)

Net Result

—	—
----------	----------



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

Note 33. 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 2023/2024 or 2022/2023.

