

City of Wanneroo

Annual Financial Report

2024/25

City of Wanneroo

Annual Financial Report

for the year ended 30 June 2025

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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 Dundebar Rd, Wanneroo WA 6946

City of Wanneroo

Annual Financial Report

for the year ended 30 June 2025

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

Statement by CEO

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 2025 and the financial position as at 30 June 2025.

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

Signed on the 18 day of November 2025.

Chief Executive Officer

William Parker

Statement of comprehensive income

for the year ended 30 June 2025

	Note	2025 Actual $	2025 Budget $	2024 Actual $
Revenue				
Rates	2a,28	164,395,355	163,796,535	155,652,046
Grants, subsidies and contributions	2a	17,455,538	7,108,391	14,927,781
Fees and charges	2a	54,535,722	50,347,441	51,037,447
Interest revenue	2a	21,639,079	20,356,597	21,404,832
Other revenue	2a	3,682,315	3,546,824	2,813,537
		261,708,009	245,155,788	245,835,643
Expenses				
Employee costs	2b	(88,898,727)	(96,422,449)	(83,230,948)
Materials and contracts		(97,030,970)	(92,100,912)	(79,735,755)
Utility charges		(10,892,105)	(10,468,423)	(10,864,721)
Depreciation	10a	(50,087,758)	(49,388,309)	(49,247,380)
Finance costs	2b	(4,140,757)	(4,150,877)	(4,145,820)
Insurance		(1,648,507)	(1,756,302)	(1,621,229)
		(252,698,824)	(254,287,272)	(228,845,853)
Operating result		9,009,185	(9,131,484)	16,989,790
Capital grants, subsidies and contributions	2a	87,103,281	65,557,984	43,647,357
Profit on asset disposals		8,518,276	7,532,083	7,808,549
Loss on asset disposals		(573,116)	(124,684)	(478,073)
Fair value adjustments to investment property	12	545,259	–	–
Share of net profit of associates accounted for using the equity method	23	(1,636,561)	–	1,540,874
Development Contribution Plan Expenses		(26,208,655)	(28,383,954)	(4,871,049)
Development Contribution Plan Income		38,126,444	29,372,196	10,022,651
		105,874,928	73,953,625	57,670,309
Net result for the period		114,884,113	64,822,141	74,660,099
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss:				
Changes in asset revaluation surplus	18	–	–	131,588,689
Share of other comprehensive income of associates accounted for using the equity method	18	209,774	–	–
Total other comprehensive income for the period		209,774	–	131,588,689
Total comprehensive income for the period		115,093,887	64,822,141	206,248,788

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

OAG AUDITED

Statement of financial position

as at 30 June 2025

	Note	2025 $	2024 $
Assets			
Current assets			
Cash and cash equivalents	3	42,062,366	37,784,199
Trade and other receivables	5	23,463,726	15,204,755
Other financial assets	4a	505,291,295	488,000,000
Inventories	6	3,709,362	422,775
Other assets	7	15,832,822	17,620,880
Total current assets		590,359,571	559,032,609
Non-current assets			
Trade and other receivables	5	4,990,485	4,851,359
Inventories	6	14,427,841	16,631,189
Investment in associates	23	27,032,853	33,837,020
Property, plant and equipment	8a	572,523,623	543,748,387
Infrastructure	9a	2,503,017,504	2,430,517,845
Right of use assets	11a	595,722	518,917
Investment property	12	2,928,075	–
Total non-current assets		3,125,516,103	3,030,104,717
Total assets		3,715,875,674	3,589,137,326
Liabilities			
Current liabilities			
Trade and other payables	13	80,847,401	58,948,106
Contract liabilities	14	26,424,916	26,436,323
Capital grant/contributions liabilities	14	9,406,157	6,269,463
Lease liabilities	11b	238,217	178,871
Employee related provisions	16	17,111,076	22,167,945
Total current liabilities		134,027,767	114,000,708
Non-current liabilities			
Contract liabilities	14	91,794,542	93,978,133
Capital grant/contributions liabilities	14	11,563,656	19,433,009
Lease liabilities	11b	379,701	358,091
Borrowings	15	74,334,488	74,334,488
Employee related provisions	16	1,530,321	1,548,609
Other provisions	17	13,707,770	12,040,746
Total non-current liabilities		193,310,478	201,693,076
Total liabilities		327,338,245	315,693,784
Net assets		3,388,537,429	3,273,443,542
Equity			
Retained surplus		1,357,444,597	1,275,127,099
Reserve accounts	31	378,183,263	345,616,648
Revaluation surplus	18	1,652,909,569	1,652,699,795
Total equity		3,388,537,429	3,273,443,542

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

OAG AUDITED

City of Wanneroo

Statement of changes in equity

for the year ended 30 June 2025

	Note	Retained surplus $	Reserve accounts $	Revaluation surplus $	Total Equity $
Balance as at 1 July 2023		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	18	–	–	214,542	214,542
Other comprehensive income for the period		–	–	131,588,689	131,588,689
Total comprehensive income for the period		74,660,099	–	131,588,689	206,248,788
Transfers from reserve accounts	31	32,196,556	(32,196,556)	–	–
Transfers to reserve accounts	31	(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
Balance as at 1 July 2024		1,275,127,099	345,616,648	1,652,699,795	3,273,443,542
Net result for the period		114,884,113	–	–	114,884,113
Increase/(decrease) in asset revaluation surplus		–	–	–	–
Share of other comprehensive income of equity accounted investments	18	–	–	209,774	209,774
Total comprehensive income for the period		114,884,113	–	209,774	115,093,887
Transfers from reserve accounts	31	56,161,406	(56,161,406)	–	–
Transfers to reserve accounts	31	(88,728,021)	88,728,021	–	–
Balance as at 30 June 2025		1,357,444,597	378,183,263	1,652,909,569	3,388,537,429

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

OAG AUDITED

City of Wanneroo

Statement of cash flows

for the year ended 30 June 2025

	Note	2025 Actual $	2024 Actual $
Cash flows from operating activities			
Receipts			
Rates		163,293,677	154,981,908
Grants, subsidies and contributions		39,552,553	33,249,263
Fees and charges		52,340,724	51,037,447
Interest revenue		21,639,079	21,404,832
Goods and services tax received		21,103,415	14,938,580
Other revenue		–	2,011,559
Total receipts		297,929,448	277,623,589
Payments			
Employee costs		(92,797,210)	(81,868,025)
Materials and contracts		(97,107,541)	(79,760,436)
Utility charges		(10,892,105)	(10,864,721)
Finance costs		(4,140,757)	(4,145,820)
Insurance paid		(1,648,507)	(1,621,229)
Goods and services tax paid		(22,636,831)	(15,466,095)
Total payments		(229,222,951)	(193,726,326)
Net cash provided by operating activities	19b	68,706,497	83,897,263
Cash flows from investing activities			
Receipts			
Development contribution plan income		38,126,444	10,022,651
Proceeds from financial assets at amortised cost - Term Deposits		488,000,000	440,000,000
Proceeds from land held for sale		3,364,746	2,821,656
Distributions from investments in associates		11,666,667	5,000,000
Proceeds from sale of property, plant & equipment		964,917	1,158,400
Proceeds from capital grants, subsidies and contributions		22,973,312	17,492,486
Payments			
Payments for development of land held for resale		(2,186,803)	(6,972,135)
Payments for purchase of property, plant & equipment	8a	(46,015,892)	(29,882,805)
Payments for construction of infrastructure	9a	(49,626,262)	(34,739,801)
Payments for financial assets at amortised cost		(505,291,295)	(488,000,000)
Development contribution plan expenses		(26,208,655)	(4,871,049)
Net cash (used in) investing activities		(64,232,821)	(87,970,597)
Cash flows from financing activities			
Payments			
Payments for principal portion of lease liabilities	30d	(195,509)	(170,742)
Net cash (used in) financing activities		(195,509)	(170,742)
Net increase /(decrease) in cash held		4,278,167	(4,244,076)
Cash at beginning of year		37,784,199	42,028,275
Cash at the end of the year	3	42,062,366	37,784,199

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

Statement of financial activity

for the year ended 30 June 2025

	Note	2025 Actual $	2025 Budget $	2024 Actual $
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	**28**	164,382,156	163,772,535	155,622,025
Rates excluding general rates	**28**	13,199	24,000	30,021
Grants, subsidies and contributions		17,455,538	7,108,391	14,927,781
Fees and charges		54,535,722	50,347,441	51,037,447
Interest revenue		21,639,079	20,356,597	21,404,832
Other revenue		3,682,315	3,546,824	2,813,537
Profit on asset disposals		8,518,276	7,532,083	7,808,549
Fair value adjustments to investment property	**12**	545,259	–	–
Development Contribution Plans revenue		38,126,444	29,372,196	10,023,113
Share of net profit of associates accounted for using the equity method	**23**	(1,636,561)	–	1,540,874
		307,261,427	282,060,067	265,208,179
Expenditure from operating activities				
Employee costs		(88,898,727)	(96,422,449)	(83,230,948)
Materials and contracts		(97,030,970)	(92,100,912)	(79,735,755)
Utility charges		(10,892,105)	(10,468,423)	(10,864,721)
Depreciation		(50,087,758)	(49,388,309)	(49,247,380)
Finance costs		(4,140,757)	(4,150,877)	(4,145,820)
Insurance		(1,648,507)	(1,756,302)	(1,621,229)
Loss on asset disposals		(573,116)	(124,684)	(478,073)
Development Contribution Plans expense		(26,208,655)	(28,383,954)	(4,871,049)
		(279,480,595)	(282,795,910)	(234,194,975)
Non-cash amounts excluded from operating activities				
Non-cash amounts excluded from operating activities	**29a**	40,932,366	41,980,910	50,068,388
Amount attributable to operating activities		68,713,198	41,245,067	81,081,592
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		88,745,053	65,557,984	43,647,357
Proceeds from disposal of assets		964,917	7,812,500	1,158,400
Distributions from investments in associates	**23**	11,666,667	–	5,000,000
		101,376,637	73,370,484	49,805,757
Outflows from investing activities				
Acquisition of property, plant and equipment	**8a**	(46,015,892)	(46,597,954)	(29,882,805)
Acquisition of infrastructure	**9a**	(49,626,262)	(30,479,664)	(34,739,801)
		(95,642,154)	(77,077,618)	(64,622,606)
Non-cash amounts excluded from investing activities	**29b**	(66,990,198)	(45,000,000)	(31,154,871)
Amount attributable to investing activities		(61,255,715)	(48,707,134)	(45,971,720)
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserves	**31**	56,161,406	42,452,305	32,196,556
Movement in Restricted Grants, Contributions & Unspent Loans		6,144,218	5,540,192	276,481
Transfers from Development Contribution Plans		27,427,297	28,329,715	6,715,209
		89,732,921	76,322,212	39,188,246
Outflows from financing activities				
Payments for principal portion of lease liabilities	**30d**	(195,509)	–	(170,742)
Transfers to reserves	**31**	(88,728,021)	(54,140,568)	(71,868,407)
Transfers to Development Contribution Plans		(27,427,297)	(28,329,715)	(6,715,209)
		(116,350,827)	(82,470,283)	(78,754,358)
Amount attributable to financing activities		(26,617,906)	(6,148,071)	(39,566,112)

City of Wanneroo

Statement of financial activity

for the year ended 30 June 2025

	Note	2025 Actual $	2025 Budget $	2024 Actual $
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	**29**	22,901,793	14,464,811	27,358,033
Amount attributable to operating activities		68,713,198	41,245,067	81,081,592
Amount attributable to investing activities		(61,255,715)	(48,707,134)	(45,971,720)
Amount attributable to financing activities		(26,617,906)	(6,148,071)	(39,566,112)
Surplus/(deficit) after imposition of general rates	**29c**	3,741,370	854,673	22,901,793

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

City of Wanneroo

Notes to the Financial Report

for the year ended 30 June 2025

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Notes to the Financial Report

for the year ended 30 June 2025

Note 1. Basis of preparation

The financial report of the City of Wanneroo which is a class 1 local government 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:

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and eqipment - Note 8
  - Infrastructure - Note 9
- Impairment of non-financial assets - Note 8 and 9
- Investment property - Note 12
- Expected credit loss on financial assets - Note 5
- Measurement of employee benefits - Note 16
- Estimation uncertainties made in relation to lease accounting - Note 11

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 2022-5 - Amendments to Australian Accounting Standards - Lease liability in a Sale and Leaseback.*
- *AASB 2022-6 - Amendments to Australian Accounting Standards - Non-current liabilities with Covenants.*
- *AASB 2023-3 - Amendments to Australian Accounting Standards - Disclosure of Non-current Liabilities with Covenants: Tier 2.*
- *AASB 2024-1 - Amendments to Australian Accounting Standards - Supplier Finance Arrangements: Tier 2 Disclosures.*
- *AASB 2023-1 - Amendments to Australian Accounting Standards - Supplier Finance Arrangements.*

These amendments are not expected to have any material impact on the current annual financial report.

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

These amendments may result in changes to the fair value of certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to

continued on next page ...

Note 1. Basis of preparation (continued)

determine the amount of the difference in fair value attributable to the change in the standard.

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 32 to this financial report.

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 2024-4b Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 (deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply).*
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) (for not-for-profit and superannuation entities).*
- *AASB 2024-2 Amendments to Australian Accounting Standards - Classification and Measurement of Financial Instruments.*

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

City of Wanneroo

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

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.

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Notes to the Financial Report

for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

Revenue Recognition

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

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 2025					
Rates	–	–	164,395,355	–	164,395,355
Grants, subsidies and contributions	–	–	–	17,455,538	17,455,538
Fees and charges	51,837,916	–	–	2,697,806	54,535,722
Interest revenue	–	–	6,773,266	14,865,813	21,639,079
Other revenue	–	–	925,572	2,756,743	3,682,315
Capital grants, subsidies and contributions	59,397,310	27,569,087	–	136,884	87,103,281
Total	111,235,226	27,569,087	172,094,193	37,912,784	348,811,290
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

	Note	2025 Actual $	2024 Actual $
Assets and services acquired below fair value			
Contributed assets	9	59,397,310	26,154,871
		59,397,310	26,154,871

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Notes to the Financial Report

for the year ended 30 June 2025

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

	2025 Actual $	2025 Budget $	2024 Actual $
Interest revenue			
Interest on reserve account	14,126,161	12,897,876	13,420,318
Interest on municipal funds	6,773,266	6,533,233	6,766,970
Other interest revenue	739,652	925,488	1,217,544
Total interest earnings	21,639,079	20,356,597	21,404,832

	2025 Actual $	2024 Actual $
Fees and charges relating to rates receivables		
Charges on instalment plans	–	369,782

(b) Expenses

Auditors' remuneration - Office of the Auditor General (OAG)		
- Audit of the annual financial report	125,965	106,626
- Audit of grant acquittals	16,550	11,374
Total Auditors remuneration	142,515	118,000
Employee costs		
Employee benefits costs	85,709,889	76,952,173
Other employee costs	3,188,838	6,278,775
	88,898,727	83,230,948
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	26,074	29,971
Loan Interest	4,114,683	4,115,849
Total	4,140,757	4,145,820

Notes to the Financial Report

for the year ended 30 June 2025

Note 3. Cash and cash equivalents

	Note	2025 $	2024 $
Cash at bank		42,048,415	37,768,092
Cash on hand		13,951	16,107
Total cash and cash equivalents	19a	42,062,366	37,784,199
Held as			
- Unrestricted cash and cash equivalents		42,056,040	37,778,117
- Restricted cash and cash equivalents	19a	6,326	6,082
Total		42,062,366	37,784,199

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 2025

Note 4. Other financial assets

	Note	2025 $	2024 $
(a) Current assets			
Financial assets at amortised cost			
Term deposits		505,291,295	488,000,000
		505,291,295	488,000,000
Held as			
- Unrestricted other financial assets at amortised cost		21,711,026	21,490,551
- Restricted other financial assets at amortised cost		483,580,269	466,509,449
Total		505,291,295	488,000,000
Held as			
Unrestricted			
Deposit - Municipal		21,711,026	21,490,551
		21,711,026	21,490,551
Restricted			
Reserves - Restricted by council	31	319,214,758	294,711,520
Reserves - Restricted by legislation/ agreement	31	58,968,505	50,905,128
Development Contribution Plans		84,427,192	89,045,711
Unspent Grants		20,969,814	25,702,872
Unspent Loans		–	6,144,218
		483,580,269	466,509,449
Total Other Financial Assets		505,291,295	488,000,000
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Restricted by council			
Asset Replacement/Enhancement Reserve		73,200,650	83,329,700
Carried Forward Capital Projects Reserve		1,632,806	3,978,559
Coastal Infrastructure Management Reserve		11,499,309	11,095,228
Waste Management Reserve		13,850,322	14,378,096
Golf Course Reserve		8,079,023	3,058,269
Strategic Land Reserve		13,123,567	12,315,077
Leave Liability Reserve		17,101,993	16,312,703
Loan Repayment Reserve		60,778,188	66,320,708
Neerabup Development Reserve		14,392,452	8,236,044
Plant Replacement Reserve		19,933,696	15,733,659
Strategic Projects/Initiatives Reserve		25,239,692	16,331,284
Regional Recreational Reserve		46,632,272	31,485,412
Information, Communication & Technology Reserve		13,750,788	12,136,781
Total Restricted by council		319,214,758	294,711,520
Restricted by legislation/agreement			
Alkimos/Eglinton Coastal Corridor Community Facilities Reserve		37,404,212	33,137,718
Yanchep/Two Rocks Coastal Corridor Community Facilities Reserve		7,909,803	4,720,724
Cash Paid in Lieu of Open Public Space prior to 10th April 2006 Reserve		2,944,009	2,776,914
Section 152 Reserve		843,799	804,856
Clarkson Butler Planning District (TPS 20) Reserve		9,866,682	9,464,916
Total Restricted by legislation/agreement		58,968,505	50,905,128

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Notes to the Financial Report

for the year ended 30 June 2025

Note 4. Other financial assets (continued)

	2025 $	2024 $
Berkley Road Local Structure Plan	3,341,250	3,264,821
East Wanneroo Cell 1	1,059,156	263,981
East Wanneroo Cell 2	15,022,716	15,421,934
East Wanneroo Cell 3	538,722	547,676
East Wanneroo Cell 4	5,525,572	11,348,675
East Wanneroo Cell 5	5,584,993	4,994,358
East Wanneroo Cell 6	27,579,654	26,369,010
East Wanneroo Cell 7	3,870,137	3,515,108
East Wanneroo Cell 8	3,905,573	4,624,256
East Wanneroo Cell 9	17,763,740	18,319,077
Town Planning Scheme No 5 - Landsdale	235,679	376,815
Total Town Planning Schemes	84,427,192	89,045,711
Unspent Grants and Contributions	20,969,814	25,702,872
Unspent Loans	–	6,144,218
Total Unspent Grants and Loans	20,969,814	31,847,090
Total Restricted Cash	483,580,269	466,509,449

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 hierachy (see Note 26) 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 24.

Notes to the Financial Report

for the year ended 30 June 2025

Note 5. Trade and other receivables

	Note	2025 $	2024 $
Current			
Rates and statutory receivables		11,329,051	9,377,577
Other receivables		8,975,035	4,107,006
GST receivable		3,783,269	2,249,853
Allowance for credit losses of other receivables	24b	(623,629)	(529,681)
		23,463,726	15,204,755
Non-current			
Pensioners' rates and ESL deferred		4,990,485	4,851,359
		4,990,485	4,851,359

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 2025 Actual $	30 June 2024 Actual $
Other receivables from contracts with customers	8,975,035	4,107,006
Allowance for credit losses of trade receivables	(623,629)	(529,681)
Total trade and other receivables from contracts with customers	8,351,406	3,577,325

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.

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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 24(a) and 24(b) respectively.

Note 6. Inventories

	2025 $	2024 $
Current		
Land held for resale		
- Development costs	3,210,016	–
Consumables & Materials	499,346	422,775
Total current inventories	3,709,362	422,775
Non-current		
Land held for resale		
- Development costs	14,427,841	16,631,189
Total non-current inventories	14,427,841	16,631,189

The following movements in inventories occurred during the year:

Balance at beginning of year	17,053,964	17,167,392
Inventories expensed during the year	(8,216,075)	(7,178,345)
Write down of inventories to net realisable value	(1,180,135)	–
Additions to inventory	10,479,449	7,064,917
Balance at end of year	18,137,203	17,053,964

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.

City of Wanneroo

Notes to the Financial Report

for the year ended 30 June 2025

Note 7. Other assets

	2025 $	2024 $
Other assets - current		
Prepayments	1,401,271	1,202,616
Accrued income	14,431,551	16,418,264
Total other assets - current	15,832,822	17,620,880

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 2025

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.

		Property			Plant and equipment		
		Land	Buildings non-specialised	Work in progress	Furniture and fittings	Plant and equipment	Total property, plant and equipment
	Note	$	$	$	$	$	$
Balance at 1 July 2023		123,502,474	208,728,191	24,319,133	13,750,080	27,098,857	397,398,735
Additions/ Transfer from Works in Progress		3,125,613	21,397,388	(30,177,395)	2,553,578	3,100,816	–
Disposals		(320,000)	–	–	–	(1,239,100)	(1,559,100)
Revaluation increments transferred to revaluation surplus		94,180,247	37,193,900	–	–	–	131,374,147
Depreciation	10a	–	(4,553,005)	–	(5,059,916)	(3,740,843)	(13,353,764)
Additions to Works in Progress		–	–	29,882,805	–	–	29,882,805
Adjustments		–	–	–	–	5,564	5,564
Balance at 30 June 2024		220,488,334	262,766,474	24,024,543	11,243,742	25,225,294	543,748,387
Balance at 1 July 2024		220,488,334	262,766,474	24,024,543	11,243,742	25,225,294	543,748,387
Additions/ Transfer from Works in Progress		–	6,638,443	(15,906,315)	5,945,828	3,322,044	–
Disposals		(300,000)	(358,132)	–	–	(835,523)	(1,493,655)
Revaluation increments transferred to revaluation surplus		–	–	–	–	–	–
Assets classified as investment property	12	(306,716)	(2,076,100)	–	–	–	(2,382,816)
Depreciation	10a	–	(5,926,391)	–	(3,542,511)	(3,895,283)	(13,364,185)
Additions to Works in Progress		–	–	46,015,892	–	–	46,015,892
Balance at 30 June 2025		219,881,618	261,044,294	54,134,120	13,647,059	23,816,532	572,523,623

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Notes to the Financial Report

for the year ended 30 June 2025

Note 8. Property, plant and equipment (continued)

(b) Carrying Amount Measurements

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

Notes to the Financial Report

for the year ended 30 June 2025

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.

	Note	Infrastructure roads $	Infrastructure drainage $	Infrastructure other $	Infrastructure Pathways $	Infrastructure Car Parks $	Infrastructure Reserves $	Work in progress $	Total infrastructure $
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	**10a**	(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
Balance at 1 July 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
Additions/ Transfer from Works in Progress		59,717,519	19,142,863	11,448,875	6,588,908	587,456	7,099,242	(104,584,863)	–
Depreciation	**10a**	(15,656,785)	(4,603,367)	(1,325,629)	(4,644,383)	(211,289)	(10,082,460)	–	(36,523,913)
Additions to Works in Progress (**)		–	–	–	–	–	–	109,023,572	109,023,572
Adjustment		–	–	–	–	–	–	–	–
Balance at 30 June 2025		1,521,247,574	484,476,927	43,184,260	170,505,635	28,342,637	207,035,299	48,225,172	2,503,017,504

(**) The additions to 2024/25 Work in Progress includes contributed assets worth of $59,397,310. (2023/24 - $26,154,871)

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Notes to the Financial Report

for the year ended 30 June 2025

Note 9. Infrastructure (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierachy	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 2025

Note 10. Fixed assets

	Note	2025 Actual $	2024 Actual $
(a) Depreciation			
Buildings	8a	5,926,391	4,553,005
Furniture and equipment	8a	3,542,511	5,059,916
Plant and equipment	8a	3,895,283	3,740,843
Infrastructure - roads	9a	15,656,785	15,335,288
Infrastructure - drainage	9a	4,603,367	4,452,001
Infrastructure - other	9a	1,325,629	1,024,005
Infrastructure Pathways	9a	4,644,383	4,543,584
Infrastructure Car Parks	9a	211,289	243,739
Infrastructure Reserves	9a	10,082,460	10,113,770
Right-of-use assets - plant and equipment	11	199,660	181,229
Total depreciation		50,087,758	49,247,380

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 - 80 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	6 - 8 years
Light Vehicles	7 - 8 years
Plant	1 - 20 years
Other Infrastructure*	10 - 80 years
Other Plant and Equipment	1 - 20 years
Land**	Not Applicable
Parks & Reserves*	Not Applicable
Irrigation Piping	20 - 30 years
Reserves/Playground Equipment*	10 - 15 years
Sealed Car Parks – Pavement*	40 - 80 years
Road - Kerb	40 years
Road - Seal*	15 - 40 years
Road Pavement	40 years
Underpasses	40 years
Water Supply Piping & Drainage Systems*	40 - 80 years

*Due to useful lives of the individual assets within each asset type varying, despite being of a similar nature, the asset types denoted have a range of depreciation periods.
**Land, Artwork and Artefacts are not considered depreciable asset classes.

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Note 10. Fixed assets (continued)

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.

	2025 Actual $	2024 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	1,463,479	667,744
Property, Plant & Equipment	14,880,142	13,277,394
	16,343,621	13,945,138

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 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

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Note 10. Fixed assets (continued)

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 2025

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 $
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
2025	
Balance at 1 July 2024	518,917
Additions *	276,465
Depreciation	(199,660)
Balance at 30 June 2025	595,722
Gross balance amount at 30 June 2025	1,331,109
Accumulated depreciation at 30 June 2025	(735,387)
Balance at 30 June 2025	595,722

(*) Right of use asset additions are non-cash additions. Refer to note 19(c).

	Note	2025 Actual $	2024 Actual $
(b) Lease liabilities			
Current		238,217	178,871
Non-current		379,701	358,091
Total lease liabilities	30d	617,918	536,962

The City held three leases during the 2024/25 financial year, one relates to a Two Way Radio Network and the other two relates to Cardio Equipment and Gym Equipment at Aquamotion. The lease terms are for five years, three years and five 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 30(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 report revert to the lessor in the event of default.

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City of Wanneroo

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

Note 11. Leases (continued)

MATERIAL ACCOUNTING POLICIES
Leases
At inception of a contract, the City assesses if the contract contains an embeded lease. A contract contains an embeded 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.

	2025 Actual $	2024 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	319,198	165,163
1 to 2 years	449,698	166,577
2 to 3 years	108,356	354,151
3 to 4 years	24,064	74,488
4 to 5 years	194,748	17,571
> 5 years	624,082	608,126
	1,720,146	1,386,076

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.

Note 12. Investment property

	Note	2025 Actual $	2024 Actual $
Non-current assets - at reportable value			
Carrying balance at 1 July		–	–
Acquisitions/ Reclassification from fixed assets	8	2,382,816	–
Net gain/(loss) from fair value adjustment		545,259	–
Closing balance at 30 June		2,928,075	–

Amounts recognised in profit or loss for investment properties

Rental income	186,401	–
Direct operating expenses from property that generated rental income	(90,531)	–
Fair value gain recognised in profit and loss	545,259	–

Leasing arrangements

Minimum lease payments under non-cancellable operating leases of investment properties not recognised in the financial report are receivable as follows:

Less than 1 year	186,401	–
1 to 2 years	155,352	–
2 to 3 years	91,244	–
3 to 4 years	73,325	–
4 to 5 years	73,325	–
> 5 years	843,558	–
Total minimum lease payments receivable	1,423,205	–

The investment properties are leased to tenants under operating leases with rentals payable monthly. Lease income from operating leases where the group is a lessor is recognised in income on a straightline basis over the lease term.

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

MATERIAL ACCOUNTING POLICIES

Investment properties
Investment properties are principally freehold land and buildings, held for long-term rental yields and not occupied by the City.

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are investment properties, are shown at their reportable value.

Reportable value for the purposes of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date.

Revaluation
In accordance with the regulatory framework, investment properties are required to be revalued whenever required by AASB 140.

Fair value of investment properties
An external valuation was used to determine the fair value of investment properties. The valuation has been undertaken taken into account the nature of the asset, characteristics important to market participants, the appropriate market and the valuation

continued on next page ...

Note 12. Investment property (continued)

premise. The use of relevant observble inputs include quoted prices in active markets for identical assets that the entity can access at the measurement date.

Note 13. Trade and other payables

	2025 $	2024 $
Current		
Accrued payroll liabilities	2,836,342	1,659,668
Prepaid rates	8,038,718	7,049,796
Trade payables	40,125,324	32,210,712
Bonds & security deposits	29,847,017	18,027,930
Total current trade and other payables	80,847,401	58,948,106

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.

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

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 2025

Note 14. Other liabilities

	2025 $	2024 $
Current		
Contract liabilities		
Contract liabilities	26,424,916	26,436,323
	26,424,916	26,436,323
Capital grant/contributions liabilities		
Capital grant/contributions liabilities	9,406,157	6,269,463
	9,406,157	6,269,463
	35,831,073	32,705,786
Non-current		
Contract liabilities		
Contract liabilities	91,794,542	93,978,133
	91,794,542	93,978,133
Capital grant/contributions liabilities		
Capital grant/contributions liabilities	11,563,656	19,433,009
	11,563,656	19,433,009
	103,358,198	113,411,142
Total other liabilities	139,189,271	146,116,928

Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	9,756,158	6,269,463
1 to 2 years	6,323,697	7,019,038
2 to 3 years	–	7,573,831
4 to 5 years	4,311,374	4,311,374
> 5 years	578,584	528,766
Total	20,969,813	25,702,472

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.

	2025 $	2024 $
Reconciliation of changes in contract liabilities		
Opening balance	120,414,456	109,734,695
Additions	15,826,258	15,302,145
Revenue from contracts with customers included as a contract liability at the start of the period	(18,021,256)	(4,622,384)
	118,219,458	120,414,456

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	25,702,472	23,308,501
Additions	42,250,155	20,080,555
Revenue from capital grant/contribution liabilities at the start of the period	(46,982,814)	(17,686,584)
	20,969,813	25,702,472

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Note 14. 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 26i) due to the unobservable inputs, including own credit risk.

Note 15. Borrowings

		2025			2024		
	Note	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	30a	–	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 report 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 materiallly 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 hierachy (see Note 26) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 24.

Details of individual borrowings required by regulations are provided at Note 30.

Notes to the Financial Report

for the year ended 30 June 2025

Note 16. Employee related provisions

	2025 $	2024 $
(a) Employee related provisions		
Current provisions		
Employee benefit provisions		
Annual leave	6,653,789	5,948,403
Long service leave	6,224,846	6,650,429
Workers compensation	2,098,800	7,489,808
Other employee leave provision	401,460	367,933
Employee related other provisions		
Employment on-costs	1,732,181	1,711,372
Total current employee related provisions	17,111,076	22,167,945
Non-current provisions		
Employee benefit provisions		
Long service leave	1,330,714	1,346,617
Employee related other provisions		
Employment on-costs	199,607	201,992
Total non-current employee related provisions	1,530,321	1,548,609
Total employee related provisions	18,641,397	23,716,554

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:

	2025 $	2024 $
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	17,111,076	22,167,945
More than 12 months from reporting date	1,530,321	1,548,609
	18,641,397	23,716,554

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

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Note 16. Employee related provisions (continued)

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.

Note 17. Other Provisions

	Make good provisions (Inclusive of Environmental Rehabilitation)	Headworks Levy Refund - Development Contribution Plans	Total
Current provisions	–	–	–
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
Unused amounts reversed/ Additional provision	–	1,667,024	1,667,024
Balance at 30 June 2025	2,240,000	11,467,770	13,707,770
Non-current provisions	2,240,000	11,467,770	13,707,770
As at 30 June 2025	2,240,000	11,467,770	13,707,770

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 2025

Note 18. Revaluation surplus

	2025 Opening Balance $	2025 Revaluation Increment $	2025 Revaluation (Decrement) $	2025 Total Movement on Revaluation 2025 $	2025 Closing Balance $	2024 Opening Balance $	2024 Revaluation Increment $	2024 Revaluation (Decrement) $	2024 Total Movement on Revaluation 2024 $	2024 Closing Balance $
Revaluation surplus - Land-freehold land	202,441,260	–	–	–	202,441,260	108,261,013	94,180,247	–	94,180,247	202,441,260
Revaluation surplus - Buildings - non-specialised	109,301,812	–	–	–	109,301,812	72,107,912	37,193,900	–	37,193,900	109,301,812
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	1,328,097,048	–	–	–	1,328,097,048
	1,643,480,333	–	–	–	1,643,480,333	1,512,106,186	131,374,147	–	131,374,147	1,643,480,333
Revaluation surplus - Share from investments in associates	9,219,462	209,774	–	209,774	9,429,236	9,004,920	214,542	–	214,542	9,219,462
	1,652,699,795	209,774	–	209,774	1,652,909,569	1,521,111,106	131,588,689	–	131,588,689	1,652,699,795

Notes to the Financial Report

for the year ended 30 June 2025

Note 19. 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:

	Note	2025 Actual $	2024 Actual $
Cash and cash equivalents	**3**	42,062,366	37,784,199
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		6,326	6,082

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

Net result	114,884,113	74,660,099
Non-cash items:		
Adjustments to fair value of investment property	(545,259)	–
Depreciation/amortisation	50,087,758	49,247,380
(Profit)/loss on sale of asset	(7,945,160)	(7,330,476)
Share of net (profits) or losses of Associates	1,636,561	(1,540,874)
Development Contribution Plans income (incl. interest)	(38,126,444)	(10,022,651)
Development Contribution Plans expenses	26,208,655	4,871,049
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(8,398,097)	(2,617,790)
(Increase)/decrease in other assets	1,788,058	(5,850,035)
(Increase)/decrease in inventories	(76,571)	(24,681)
Increase/(decrease) in trade and other payables	21,899,295	9,980,380
Increase/(decrease) in employee related provisions	(5,075,157)	1,216,500
Increase/(decrease) in other provisions	1,667,024	1,881,987
Increase/(decrease) in other liabilities	(2,194,998)	13,073,732
Capital grants, subsidies and contributions	(87,103,281)	(43,647,357)
Net cash provided by/(used in) operating activities	68,706,497	83,897,263

	Note	2025 $	2024 $
(c) Non-cash investing and financing activities			
Acquisition of right of use assets by means of a lease	**11a**	276,465	191,651

continued on next page ...

Notes to the Financial Report

for the year ended 30 June 2025

Note 19. Notes to the statement of cash flows (continued)

	Note	2025 Actual $	2024 Actual $
(d) Undrawn borrowing facilities credit standby arrangements			
Credit card limit		550,000	550,000
Credit card balance at balance date		(12,672)	(6,075)
Total amount of credit unused		537,328	543,925
Loan facilities			
Loan facilities - non-current	15	74,334,488	74,334,488
Total facilities in use at balance date		74,334,488	74,334,488

Note 20. 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.

Note 21. Significant capital commitments

	2025 $	2024 $
Significant capital expenditure commitments		
Contracted for:		
Significant capital expenditure projects	74,067,559	32,769,923
Significant plant & equipment purchases	3,198,460	3,331,378
Total significant capital expenditure commitments	77,266,019	36,101,301
Payable:		
Not later than one year	62,218,386	36,101,301
Later than one year but not later than five years	15,047,633	–
Total significant capital expenditure commitments	77,266,019	36,101,301

Notes to the Financial Report

for the year ended 30 June 2025

Note 22. Related party transactions

	2025 Actual $	2025 Budget $	2024 Actual $
(a) Council Member Remuneration			
Fees, expenses and allowances paid or reimbursed to elected council members.			
Mayor's annual allowance	96,787	97,115	93,287
Deputy Mayor's annual allowance	24,197	24,279	22,365
Meeting attendance fees	532,299	531,304	488,193
Annual allowance for ICT expenses	52,500	52,500	52,500
Travel and other expenses	7,447	15,500	23,856
Total Payment of Council member costs	713,230	720,698	680,201

	2025 Actual $	2024 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	1,717,899	1,697,126
Post-employment benefits	206,235	187,148
Employee - other long-term benefits	261,737	376,925
Total	2,185,871	2,261,199

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 22(a) and 22(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.

City of Wanneroo

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

Note 23. Investment in associates

	City's share of net income		City's share of net assets	
	Actual 2025 $	Actual 2024 $	Actual 2025 $	Actual 2024 $
Associated entities	(1,636,561)	1,540,874	27,032,853	33,837,020
Total	(1,636,561)	1,540,874	27,032,853	33,837,020

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	2025 $	2024 $
Catalina Regional Council (CRC)	16.67	16.67	5,122,370	10,286,618
Mindarie Regional Council (MRC)	16.67	16.67	21,810,959	23,446,438
Local Government House Trust (LGHT)	0.8	0.8	99,524	103,964
Total equity-accounted investments			27,032,853	33,837,020

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Note 23. 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.

The City's interest in the Catalina Regional Council as at 30 June 2025 and 30 June 2024 is as follows:

	2025 Actual $	2024 Actual $
Summarised statement of comprehensive income		
Interest revenue	1,954,526	2,502,910
Finance charge	(2,078)	(2,913)
Depreciation	(37,320)	(37,053)
Profit/(loss) from continuing operations	1,278,794	2,556,064
Profit/(loss) for the period	1,278,794	2,556,064
Other comprehensive income	–	–
Total comprehensive income for the period	**1,278,794**	**2,556,064**
Summarised statement of financial position		
Cash and cash equivalents	14,925,208	22,602,158
Other current assets	16,814,972	35,992,662
Total current assets	31,740,180	58,594,820
Non-current assets	56,606	3,841,864
Total assets	31,796,786	62,436,684
Current financial liabilities	39,371	37,365
Other current liabilities	985,045	590,751
Total liabilities	1,024,416	628,116
Non-current financial liabilities	22,207	59,843
Other non-current liabilities	15,947	29,019
Total non-current liabilities	38,154	88,862
Total liabilities	1,062,570	716,978
Net assets	**30,734,216**	**61,719,706**

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Notes to the Financial Report

for the year ended 30 June 2025

Note 23. Investment in associates (continued)

	2025 Actual $	2024 Actual $
Reconciliation to carrying amounts		
Balance at the beginning of the year	61,719,706	46,839,922
Change in member contributions	(32,264,284)	12,323,720
Share of Profit/(loss) from operating activities after tax	1,278,794	2,556,064
Other comprehensive income	–	–
Closing net assets 30 June	30,734,216	61,719,706
Carrying amount at 1 July	10,286,618	7,806,654
Share of associates net profit/(loss) from operating activities after tax	213,132	426,011
Share of associates other comprehensive income arising during the period	–	–
Distribution to participants	(11,666,667)	(5,000,000)
Contributions to equity in associates	6,289,287	7,053,953
Carrying amount at 30 June	**5,122,370**	**10,286,618**

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Note 23. 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 2025 and 30 June 2024 is as follows:

	2025 Actual $	2024 Actual $
Summarised statement of comprehensive income		
Interest revenue	3,905,924	3,098,542
Finance charge	(1,625,092)	(1,255,386)
Depreciation	(9,311,232)	(8,451,384)
Profit/(loss) from continuing operations	(11,071,520)	6,676,564
Profit/(loss) for the period	(11,071,520)	6,676,564
Other comprehensive income	1,258,643	1,287,255
Total comprehensive income for the period	**(9,812,877)**	**7,963,819**
Summarised statement of financial position		
Cash and cash equivalents	12,356,926	21,681,423
Other current assets	76,582,737	57,745,265
Total current assets	88,939,663	79,426,688
Non-current assets	100,809,040	103,118,451
Total assets	189,748,703	182,545,139
Current financial liabilities	738,124	680,492
Other current liabilities	26,348,670	15,889,908
Total current liabilities	27,086,794	16,570,400
Non-current financial liabilities	5,145,302	5,702,532
Other non-current liabilties	26,650,855	19,593,578
Total non-current liabilities	31,796,157	25,296,110
Total liabilities	58,882,951	41,866,510
Net assets	**130,865,752**	**140,678,629**
Reconciliation to carrying amounts		
Balance at beginning of the financial year	140,678,629	132,714,810
Profit/(loss) for the period	(11,071,520)	6,676,564
Other comprehensive income	1,258,643	1,287,255
Closing net assets at 30 June	130,865,752	140,678,629
Carrying amount at 1 July	23,446,438	22,119,135
Share of associates net profit/(loss) for the period	(1,845,253)	1,112,761
Share of associates other comprehensive income arising during the period	209,774	214,542
Carrying amount at 30 June	**21,810,959**	**23,446,438**

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Notes to the Financial Report

for the year ended 30 June 2025

Note 23. 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).

The LGHT investment value is recognised based on the unit value confirmed by the WALGA in February 2025. The change in the investment value based on 30 June 2025 LGHT audited financial report is not material on the City's Annual Financial Report as a whole.

The City's interest in Local Government House Trust as at 30 June 2025 and 30 June 2024 is as follows:

	2025 Actual $	2024 Actual $
Summarised statement of comprehensive income		
Interest revenue	–	222,883
Finance charge	–	(885,002)
Depreciation	–	(699,147)
Profit/(loss) from continuing operations	–	(550,457)
Profit/(loss) for the period	–	(550,457)
Total comprehensive income for the period	**–**	**(550,457)**
Summarised statement of financial position		
Cash and cash equivalents	7,096,751	984,497
Other current assets	154,021	5,573,352
Total current assets	7,250,772	6,557,849
Non-current assets	20,750,629	21,309,870
Total assets	28,001,401	27,867,719
Current financial liabilities	14,640,000	14,640,000
Other current liabilities	1,020,377	336,238
Total liabilities	15,660,377	14,976,238
Net assets	**12,341,024**	**12,891,481**
Reconciliation to carrying amounts		
Opening net assets at 1 July	12,341,024	12,891,481
Profit/(loss) for the period	–	(550,457)
Closing net assets at 30 June	12,341,024	12,341,024
Carrying amount at 1 July	103,964	101,862
Share of associates net profit/(loss) for the period	(4,440)	2,102
Carrying amount at 30 June	**99,524**	**103,964**

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Note 23. 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 24. 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.

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for the year ended 30 June 2025

Note 24. 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 2025 and 30 June 2024.

	Weighted average interest rate %	Carrying amounts $	Fixed interest rate $	Variable interest rate $
2025				
Cash and cash equivalents	0.25%	42,062,366	35,036,000	7,026,366
Financial assets at amortised cost - term deposits	4.90%	505,291,295	505,291,295	–
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	–

Sensitivity

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

	2025 $	2024 $
Impact of a 1% movement in interest rates on profit or loss and equity *	70,264	130,119

(*) 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 30(b).

(b) Credit risk

Trade and Other Receivables

The City's major trade and other receivables comprise rates, contractual non-statutory user feess 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 encouorages 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.

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Notes to the Financial Report

for the year ended 30 June 2025

Note 24. 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 2025 and 30 June 2024 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 2025					
Other receivables					
Expected credit loss	0.00%	0.00%	0.00%	25.00%	
Gross carrying amount	5,444,957	792,945	258,494	2,478,639	8,975,035
Loss allowance	–	–	–	623,629	623,629
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

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

	Trade or other receivables 2025 Actual $	 2024 Actual $
Opening loss allowance as at 1 July	529,681	833,292
Increase/ (Decrease) in loss allowance recognised in profit or loss during the year	102,383	(303,611)
Receivables written off during the year as uncollectible	(8,435)	–
Closing loss allowance at 30 June	623,629	529,681

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.

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Note 24. 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 19(d).

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

	Due within 1 year $	Due between 1 & 5 years $	Due after 5 years $	Total contractual cash flows $	Carrying values $
2025					
Trade and other payables	80,847,401	–	–	80,847,401	80,847,401
Borrowings **	4,838,295	82,069,527	2,579,905	89,487,727	74,334,488
Lease liabilities	238,217	379,701	–	617,918	617,918
	85,923,913	82,449,228	2,579,905	170,953,046	155,799,807
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
	64,088,154	73,277,620	14,504,410	151,870,184	133,819,556

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

Note 25. Events occurring after the end of the reporting period

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

Note 26. 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 report that has a material effect on the statement of financial position, an additional (third) statement of financial

continued on next page ...

Note 26. Other Material Accounting Policies (continued)

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.

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Note 26. 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 2025

Note 27. Function and activity

(a) Service objectives and descriptions

City operations as disclosed in this financial report 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.

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Notes to the Financial Report

for the year ended 30 June 2025

Note 27. Function and activity (continued)

(b) Income and expenses

	2025 Actual $	2024 Actual $
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	2,759,020	5,529,380
General purpose funding	195,616,900	176,141,288
Law, order, public safety	584,495	643,435
Health	409,565	402,570
Education and welfare	7,762	33,491
Community amenities	38,913,619	36,911,934
Recreation and culture	8,117,378	15,778,522
Transport	2,393,254	1,896,675
Economic services	4,213,357	3,202,379
Other property and services	38,427,100	9,740,262
	291,442,450	250,279,936
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	1,338,999	1,050,981
General purpose funding	7,193,797	10,475,346
Law, order, public safety	2,436,448	674,685
Health	–	828
Education and welfare	178,175	185,378
Community amenities	919,770	369,034
Recreation and culture	13,429,493	11,737,627
Transport	72,360,868	33,688,188
Economic services	12,920	235,264
Other property and services	6,688,349	157,807
	104,558,819	58,575,138
Total income	396,001,269	308,855,074
Expenses		
Governance	(26,541,211)	(15,649,025)
General purpose funding	(3,013,693)	(5,094,802)
Law, order, public safety	(6,528,133)	(7,711,640)
Health	(3,501,731)	(4,021,293)
Education and welfare	(4,454,906)	(5,933,071)
Community amenities	(51,158,577)	(56,203,755)
Recreation and culture	(84,484,640)	(74,232,587)
Transport	(48,091,218)	(45,489,906)
Economic services	(9,706,125)	(6,642,283)
Other property and services	(43,636,922)	(13,216,613)
	(281,117,156)	(234,194,975)
Net result for the period	114,884,113	74,660,099

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Notes to the Financial Report

for the year ended 30 June 2025

Note 27. Function and activity (continued)

(c) Assets

	2025 Actual $	2024 Actual $
Governance	190,465,093	183,378,388
General purpose funding	534,875,886	520,444,721
Law, order, public safety	2,187,374	1,989,208
Health	51,613	25,054
Education and welfare	12,794,580	6,144,218
Community amenities	277,914,228	268,049,750
Recreation and culture	342,163,081	344,890,819
Transport	2,109,550,869	2,023,560,094
Economic services	1,140,981	518,917
Other property and services	244,731,969	240,136,157
Total assets	3,715,875,674	3,589,137,326

Notes to the Financial Report

for the year ended 30 June 2025

Note 28. Rating information

Rate type	Basis of valuation	Rate in the $	Number of Properties	2024/25 Actual Rateable Value $	2024/25 Actual Rate Revenue $	2024/25 Actual Interim Rates $	2024/25 Actual Back Rates $	2024/25 Actual Total Revenue $	2024/25 Budget Rate Revenue $	2024/25 Budget Interim Rate $	2024/25 Budget Total Revenue $	2023/24 Actual Total Revenue $
(a) General Rates												
Rate Description												
GRV - Residential Improved	Gross rental valuation	6.88370	67,110	1,465,886,487	100,907,224	2,592,161	62,828	103,562,213	100,858,950	1,950,000	102,808,950	97,067,941
GRV - Residential Vacant	Gross rental valuation	13.76730	2,837	42,861,540	5,900,876	223,955	426	6,125,257	5,896,956	–	5,896,956	5,728,586
GRV - Commercial/Industrial Improved	Gross rental valuation	8.01340	3,093	374,133,070	29,980,780	434,914	14,044	30,429,738	29,980,779	650,000	30,630,779	29,061,867
GRV - Commercial/Industrial Vacant	Gross rental valuation	7.82800	175	12,036,899	942,248	125,754	32,942	1,100,944	942,248	–	942,248	884,160
GRV - Strata Titled Caravan Parks	Unimproved valuation	–	–	–	–	–	–	–	51,903	–	51,903	–
UV - Residential Improved	Unimproved valuation	0.36510	186	168,330,000	614,573	(3,218)	4,988	616,343	614,632	–	614,632	612,314
UV - Residential Vacant	Unimproved valuation	0.55260	243	643,715,000	3,557,169	124,097	41,274	3,722,540	3,895,646	–	3,895,646	3,756,170
UV - Commercial/Industrial Improved	Unimproved valuation	0.29240	42	87,446,195	255,693	7,441	–	263,134	255,710	–	255,710	236,788
UV - Commercial/Industrial Vacant	Unimproved valuation	0.32460	9	28,920,000	93,874	(8,780)	847	85,941	93,861	–	93,861	103,160
UV - Rural and Mining Improved	Unimproved valuation	0.36020	374	561,209,721	2,021,477	(8,402)	7,845	2,020,920	2,022,795	–	2,022,795	1,993,435
UV - Rural and Mining Vacant	Unimproved valuation	0.47140	75	83,614,860	394,160	(66,610)	(18,540)	309,010	409,226	–	409,226	384,056
Total general rates			74,144	3,468,153,772	144,668,074	3,421,312	146,654	148,236,040	145,022,706	2,600,000	147,622,706	139,828,477

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Notes to the Financial Report

for the year ended 30 June 2025

Note 28. Rating information (continued)

Rate type	Basis of valuation	Rate in the $	Number of Properties	2024/25 Actual Rateable Value $	2024/25 Actual Rate Revenue $	2024/25 Actual Interim Rates $	2024/25 Actual Back Rates $	2024/25 Actual Total Revenue $	2024/25 Budget Rate Revenue $	2024/25 Budget Interim Rate $	2024/25 Budget Total Revenue $	2023/24 Actual Total Revenue $
Minimum payment												
GRV - Residential Improved	Gross rental valuation	1,105.00	11,134	159,156,740	12,303,070	–	–	12,303,070	12,307,396	–	12,307,396	11,896,794
GRV - Residential Vacant	Gross rental valuation	921.00	2,477	12,651,850	2,281,317	–	–	2,281,317	2,280,871	–	2,280,871	2,461,182
GRV - Commercial/Industrial Improved	Gross rental valuation	1,505.00	954	13,007,577	1,435,770	–	–	1,435,770	1,437,113	–	1,437,113	1,335,354
GRV - Commercial/Industrial Vacant	Gross rental valuation	1,505.00	33	420,380	49,665	–	–	49,665	49,659	–	49,659	51,135
GRV - Commercial/Industrial Improved - Lesser Minimum Strata	Gross rental valuation	–	–	–	–	–	–	–	–	–	–	–
UV - Residential Improved	Unimproved valuation	1,105.00	1	203,805	1,105	–	–	1,105	1,105	–	1,105	1,073
UV - Residential Vacant	Unimproved valuation	921.00	31	4,507,500	28,551	–	–	28,551	28,545	–	28,545	4,185
UV - Commercial/Industrial Improved	Unimproved valuation	1,505.00	6	1,506,000	9,030	–	–	9,030	7,524	–	7,524	7,305
UV - Rural and Mining Improved	Unimproved valuation	1,098.00	4	673,279	4,392	–	–	4,392	4,392	–	4,392	4,264
UV - Rural and Mining Vacant	Unimproved valuation	1,038.00	32	293,123	33,216	–	–	33,216	33,224	–	33,224	32,256
Total minimum payments			14,672	192,420,254	16,146,116	–	–	16,146,116	16,149,829	–	16,149,829	15,793,548
Total general rates and minimum payments			88,816	3,660,574,026	160,814,190	3,421,312	146,654	164,382,156	161,172,535	2,600,000	163,772,535	155,622,025
Ex-gratia rates												
Other		–	–	–	13,199	–	–	13,199	24,000	–	24,000	30,021
Total amount raised from rates (excluding general rates)			–	–	13,199	–	–	13,199	24,000	–	24,000	30,021
Total rates								**164,395,355**			**163,796,535**	**155,652,046**

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

Notes to the Financial Report

for the year ended 30 June 2025

Note 29. Determination of surplus or deficit

	Note	2024/25 30 June 2025 Carried Forward $	2024/25 Budget 30 June 2025 Carried Forward $	2023/24 30 June 2024 Carried Forward $
(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 *Financial Management Regulation 32*.				
Adjustments to operating activities				
Less: Profit on asset disposals		(8,518,276)	(7,532,083)	(7,808,549)
Less: Share of net profit of associates and accounted for using the equity method		1,636,561	–	(1,540,874)
Add: Loss on disposal of assets		573,116	124,684	478,073
Add: Depreciation		50,087,758	49,388,309	49,247,380
Non-cash movements in non-current assets and liabilities:				
Investment property	12	(545,259)	–	–
Pensioner deferred rates		(139,126)	–	(364,642)
Employee benefit provisions		519,352	–	(478,051)
Other provisions		1,667,024	–	–
Contract liabilities		(2,183,591)	–	10,444,760
Inventory		(2,186,803)	–	138,109
Lease liabilities	11	21,610	–	(47,818)
Non-cash amounts excluded from operating activities		40,932,366	41,980,910	50,068,388
(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 *Financial Management Regulation 32.*				
Adjustments to investing activities				
Infrastructure received for substantially less than fair value		(59,397,310)	(45,000,000)	(26,154,871)
Right of use assets received - non cash	11a	276,465	–	–
Movement in non-current capital expenditure provisions		(7,869,353)	–	(5,000,000)
Non-cash amounts excluded from investing activities		(66,990,198)	(45,000,000)	(31,154,871)

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Notes to the Financial Report

for the year ended 30 June 2025

Note 29. Determination of surplus or deficit (continued)

	2024/25 30 June 2025 Carried Forward $	2024/25 Budget 30 June 2025 Carried Forward $	2023/24 30 June 2024 Carried Forward $
(c) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	(378,183,263)	(353,633,860)	(345,616,648)
Less: Current portion of lease liabilities	238,217	36,197	178,871
Add: Current liabilities not expected to be cleared at end of year			
Cash Backed Employee Provisions	14,610,817	17,334,647	14,389,566
Non cash movement in current liabilities	(10,146,579)	–	(2,240,000)
Contract Liabilities	26,293,706	23,250,000	32,056,986
Term Deposit - Restricted	(105,397,006)	(77,588,154)	(120,892,801)
Cash - Restricted	(6,326)	–	(6,082)
Total adjustments to net current assets	(452,590,434)	(390,601,170)	(422,130,108)
Net current assets used in the Statement of Financial Activity			
Total current assets	590,359,571	457,054,298	559,032,609
Less: Total current liabilities	(134,027,767)	(65,598,455)	(114,000,708)
Less: Total adjustments to net current assets	(452,590,434)	(390,601,170)	(422,130,108)
Surplus or deficit after imposition of general rates	3,741,370	854,673	22,901,793

Notes to the Financial Report

for the year ended 30 June 2025

Note 30. Borrowing and lease liabilities

(a) Borrowings

Purpose	Note	Actual Principal at 1 July 2023	Actual Principal at 30 June 2024	Actual Principal at 30 June 2025	Budget Principal at 1 July 2024	Budget Principal at 30 June 2025
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 Dundebar 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	**15**	74,334,488	74,334,488	74,334,488	74,334,488	74,334,488

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Notes to the Financial Report

for the year ended 30 June 2025

Note 30. 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 2025	Actual for year ending 30 June 2024	Budget for year ending 30 June 2025
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	410,497
Pinjar Road - Wanneroo & Carosa Road	WATC	6.07%	01/12/2026	49,343	49,343	49,343
Upgrade Rocca Way Dundebar 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	117,647
Lot 12 Fowey Loop	WATC	6.07%	01/12/2026	122	122	122
Yanchep District Playing Fields	WATC	5.13%	23/06/2030	264,873	263,591	259,709
Yanchep Active Open Space Oval Ground Works	CBA	6.42%	08/09/2030	157,618	156,862	195,920
Yanchep District Playing Fields - CBA Loans	CBA	6.40%	10/09/2030	113,652	113,107	170,640
Yanchep District Sports Amenities Building Stage 1	CBA	6.37%	13/08/2030	99,777	99,299	157,750
Yanchep Surf Life Saving Club - CBA Loans	CBA	6.46%	08/07/2030	205,761	204,774	22,190
Total Finance Cost Payments				4,956,364	4,952,316	4,920,892

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Notes to the Financial Report

for the year ended 30 June 2025

Note 30. Borrowing and lease liabilities (continued)

(b) New Borrowings - 2024/25

The Council does not have any new borrowing for FY2024/25.

(c) Unspent Borrowings

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2024 $	Expended During Year $	Unspent Balance 30 June 2025 $
Southern Suburbs Library	WATC	01/12/2006	5,504,728	(5,504,728)	–
Develop Wangara Industrial Area (Lot 15)	WATC	01/12/2006	4,328	(4,328)	–
Yanchep Development Area Projects	CBA	20/12/2019	635,162	(635,162)	–
			6,144,218	(6,144,218)	–

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Notes to the Financial Report

for the year ended 30 June 2025

Note 30. Borrowing and lease liabilities (continued)

(d) Lease liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2023 $	New leases during 2023-24 $	Principal repayments during 2023-24 $	Principal at 30 June 2024 $	New leases during 2024-25 $	Principal repayments during 2024-25 $	Principal at 30 June 2025 $	Principal at 1 July 2024 $	New leases during 2024-25 $	Principal repayments during 2024-25 $	Principal at 30 June 2025 $
Aquamotion Cardio Equipment		–	191,652	(60,599)	131,053	–	(63,827)	67,226	131,053	–	(63,827)	67,226
Aquamotion Gym Equipment		–	–	–	–	276,465	(16,363)	260,102	–	428,601	(65,484)	363,117
Two-way radio network		516,053	–	(110,144)	405,909	–	(115,319)	290,590	403,895	–	(114,334)	289,561
Total lease liabilities	**11b**	516,053	191,652	(170,743)	536,962	276,465	(195,509)	617,918	534,948	428,601	(243,645)	719,904

Purpose	Institution	Lease interest rate	Date final payment is due	Actual for year ending 30 June 2025 $	Actual for year ending 30 June 2024 $	Lease term
Aquamotion Cardio Equipment	Fleet Commercial Gymnasiums Pty Ltd	5.20%	30/06/2026	67,226	131,053	3 years
Aquamotion Gym Equipment	Fleet Commercial Gymnasiums Pty Ltd	5.50%	28/02/2030	260,102	–	5 years
Two-way radio network	CSM Crosscom	4.60%	30/10/2027	290,590	405,909	5 years
Total Finance Cost Payments				617,918	536,962	

Notes to the Financial Report

for the year ended 30 June 2025

Note 31. Reserve accounts

	2025 Opening Balance Actual $	2025 Transfer to Actual $	2025 Transfer (from) Actual $	2025 Closing Balance Actual $	2025 Opening Balance Budget $	2025 Transfer to Budget $	2025 Transfer (from) Budget $	2025 Closing Balance Budget $	2024 Opening Balance Actual $	2024 Transfer to Actual $	2024 Transfer (from) Actual $	2024 Closing Balance Actual $
Restricted by legislation/agreement												
(a) Alkimos/Eglinton Coastal Corridor Community	33,137,718	9,706,714	(5,440,220)	37,404,212	30,876,106	6,028,839	(48,653)	36,856,292	24,223,653	8,952,761	(38,696)	33,137,718
(b) Cash Paid in Lieu of Public Open Space prior to 10 April 2006 and post 12 September 2020 Reserve	2,776,914	167,095	–	2,944,009	2,786,203	122,489	–	2,908,692	2,657,233	128,903	(9,222)	2,776,914
(c) Section 152 Reserve (formerly Section 20A Land Reserve)	804,856	38,943	–	843,799	804,671	35,376	–	840,047	767,421	37,435	–	804,856
(d) Clarkson Butler Planning District (TPS 20) Reserve	9,464,916	457,937	(56,171)	9,866,682	9,550,080	548,295	(149,927)	9,948,448	7,633,490	1,873,539	(42,113)	9,464,916
(e) Yanchep/Two Rocks Coastal Corridor Community Facilities	4,720,724	5,113,159	(1,924,080)	7,909,803	4,158,907	2,371,174	(3,013,122)	3,516,959	2,294,783	3,285,505	(859,564)	4,720,724
	50,905,128	15,483,848	(7,420,471)	58,968,505	48,175,967	9,106,173	(3,211,702)	54,070,438	37,576,580	14,278,143	(949,595)	50,905,128
Restricted by council												
(f) Asset Replacement/Enhancement Reserve	83,329,700	8,294,355	(18,423,405)	73,200,650	81,916,514	6,101,275	(10,346,198)	77,671,591	73,811,110	13,932,864	(4,414,274)	83,329,700
(g) Carried Forward Capital Projects Reserve	3,978,559	1,632,806	(3,978,559)	1,632,806	3,978,559	–	(3,978,559)	–	6,684,976	3,978,559	(6,684,976)	3,978,559
(h) Coastal Infrastructure Management Reserve	11,095,228	534,813	(130,732)	11,499,309	11,198,723	492,327	(210,000)	11,481,050	13,989,982	575,505	(3,470,259)	11,095,228
(i) Waste Management Reserve	14,378,096	717,688	(1,245,462)	13,850,322	12,900,931	1,154,989	(650,000)	13,405,920	13,056,511	4,782,365	(3,460,780)	14,378,096
(j) Golf Course Reserve	3,058,269	5,073,022	(52,268)	8,079,023	3,164,378	3,678,115	(100,000)	6,742,493	2,607,808	920,461	(470,000)	3,058,269
(k) Strategic Land Reserve	12,315,077	899,177	(90,687)	13,123,567	12,374,999	544,039	(142,735)	12,776,303	13,289,638	2,084,186	(3,058,747)	12,315,077
(l) Leave Liability Reserve	16,312,703	789,290	–	17,101,993	16,508,872	825,775	–	17,334,647	15,553,972	758,731	–	16,312,703
(m) Loan Repayment Reserve	66,320,708	3,339,185	(8,881,705)	60,778,188	66,982,780	2,944,747	(8,881,705)	61,045,822	55,536,080	10,784,628	–	66,320,708
(n) Neerabup Development Reserve	8,236,044	6,855,032	(698,624)	14,392,452	8,163,341	4,858,883	(561,013)	12,461,211	6,302,006	2,379,024	(444,986)	8,236,044
(o) Plant Replacement Reserve	15,733,659	6,213,212	(2,013,175)	19,933,696	18,541,289	6,000,976	(1,122,120)	23,420,145	14,416,610	3,780,538	(2,463,489)	15,733,659
(p) Regional Recreational Reserve	31,485,412	17,786,760	(2,639,900)	46,632,272	31,353,702	14,260,100	(2,187,944)	43,425,858	27,327,382	4,458,030	(300,000)	31,485,412
(q) Strategic Projects/Initiatives Reserve	16,331,284	18,483,642	(9,575,234)	25,239,692	16,168,510	1,710,812	(9,090,078)	8,789,244	18,601,036	3,624,784	(5,894,536)	16,331,284
(r) Information, Communication & Technology Reserve	12,136,781	2,625,191	(1,011,184)	13,750,788	10,517,031	2,462,358	(1,970,251)	11,009,138	7,191,106	5,530,589	(584,914)	12,136,781
	294,711,520	73,244,173	(48,740,935)	319,214,758	293,769,629	45,034,396	(39,240,603)	299,563,422	268,368,217	57,590,264	(31,246,961)	294,711,520
Total	345,616,648	88,728,021	(56,161,406)	378,183,263	341,945,596	54,140,569	(42,452,305)	353,633,860	305,944,797	71,868,407	(32,196,556)	345,616,648

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:

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Notes to the Financial Report

for the year ended 30 June 2025

Note 31. Reserve accounts (continued)

Name of Reserve	Purpose of the reserve
Restricted by legislation/ agreement	
(a) 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.
(b) Cash Paid in Lieu of Public Open Space prior to 10 April 2006 and post 12 September 2020 Reserve	To be used for holding any remaining unexpended funds received in lieu of Public Open Space prior to 10 April 2006 and post 12 September 2020 under the Planning and Development Act 2005. Separate sub-reserve accounts are maintained for each sub-division.
(c) 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.
(d) Clarkson Butler Planning District (TPS 20) Reserve	To be used for the construction of District Distribution Roads associated with Town Planning Scheme 20.
(e) 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.
Restricted by council	
(f) Asset Replacement/Enhancement Reserve	To be used for the funding of renewal, upgrade and acquisition of new or replacement assets for the City.
(g) Carried Forward Capital Projects Reserve	To be used for the municipally funded carried forward capital works.
(h) Coastal Infrastructure Management Reserve	To be used for Coastal Infrastructure capital works.
(i) Waste Management Reserve	To be used for requirements specifically needed for the provision of the domestic collection service.
(j) Golf Course Reserve	To be used for the capital improvements of the Carramar and Marangaroo Golf Courses.
(k) 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.
(l) Leave Liability Reserve	To be used for long service leave and annual leave liability of the City.
(m) Loan Repayment Reserve	To be used for setting aside adequate funds over time to repay loan commitments.
(n) Neerabup Development Reserve	To be used for meeting the associated cost of developing the City's investment land in Neerabup.
(o) Plant Replacement Reserve	To be used for replacing City's plant and equipment.
(p) Regional Recreational Reserve	To be used to support regional recreational capital works.
(q) 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.
(r) Information, Communication & Technology Reserve	To be used for the purpose of Information, Communication and Technology capital and operating projects.

City of Wanneroo

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

Note 32. Trust funds

	1-Jul-2024 $	Amounts received $	Amounts paid/ Transferred $	30 June 2025 $
Funds held at balance date which are required to be held in trust and which are not included in the financial report are as follows:				
Miscellaneous/Appeals	37,736	3,718	(13,580)	27,874
Public Open Spaces	839,176	2,100	–	841,276
	876,912	5,818	(13,580)	869,150

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 31 for details on the reserve.

Notes to the Financial Report

for the year ended 30 June 2025

Note 33. Development Contribution Plans

Development Contribution Plans:
The Development Contribution Plans (DCPs) and other Cost Sharing Arrangements relate to the provision of various infrastructure defined in Distric Planning Scheme No. 2 (DPS2), including the development of district community facilities, significant roads and public open spaces.

East Wanneroo Development Area for Cells 1-9 are governed by Schedule 14 of DPS2, which does not require the City to establish and maintain a reserve account for each DCP.

The Yanchep/Two Rocks Community and Alkimos/Eglinton Community DCPs are governed by the Schedule 12 and 13 of DPS2 and State Planning Policy 3.6 (SPP 3.6), which requires the City to establish and maintain a reserve account for each DCP in accordance with the Act.

Annual review of costs is performed for East Wanneroo (Cells 1-9), Alkimos/Eglinton and Yanchep/Two Rocks DCPs in accordance with the requirements of the District Planning Scheme No 2.

DCP Income and Expenditure are included within the Statement of Comprehensive Income under the captions of Development Contribution Plan Expenses and Development Contribution Plan Income and forms part of the City's Annual Financial Report. Final Income and Expenditure Statements are published on the City's website once the Annual Financial Report is 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 Gnangara Road. The total area of the scheme is approximately 100 hectares (ha). An internal audit of the remaining works has occurred and all works are complete with the exception of several minor land acquisitions along Gnangara Road (between Atwell Street and Mirrabooka Avenue). The upgrade/construction of Gnangara Road will be partly funded by DCP5 and the East Wanneroo Cell 8 Cost Sharing Arrangement.

Statement of Comprehensive Income -

	2025 Actual $	2024 Actual $
Operating Income		
Development Headworks Levy Including Interest on Investments	157,502	124,116
Transfers to Deferred Revenue	–	–
Subtotal	157,502	124,116
Operating Expense		
Administration Allocation	(157,502)	(124,116)
Subtotal	(157,502)	(124,116)
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	76,533	78,999
Subtotal	76,533	78,999
Operating Expense		
Administration Allocation	(76,533)	(78,999)
Subtotal	(76,533)	(78,999)
Net Result	–	–