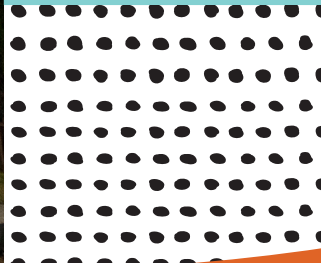




CITY OF SOUTH PERTH  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED  
JUNE 2021



A CITY OF ACTIVE PLACES AND BEAUTIFUL SPACES





Kaartdjinin Nidja Nyungar Whadjuk Boodjar Koor Nidja Djining Noonakoort kaartdijin wangkiny, maam, gnarnk and boordier Nidja Whadjul kura kura.

We acknowledge and pay our respects to the traditional custodians of this land, the Whadjuk people of the Noongar nation and their Elders past and present.



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# ANNUAL FINANCIAL REPORT

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

**STATEMENT BY CHIEF EXECUTIVE OFFICER**

The attached Financial Report of the City of South Perth for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the City at 30 June 2021 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the *Australian Accounting Standards*.

Signed as authorisation of issue on the <sup>18<sup>th</sup></sup> day of November 2021.



Mike Bradford  
CHIEF EXECUTIVE OFFICER





## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2021 City of South Perth

To the Councillors of the City of South Perth

## Report on the audit of the annual financial report

### Opinion

I have audited the financial report of the City of South Perth (City) which comprises:

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature and Type, Statement of Comprehensive Income by Reporting Program, Statement of Changes in Equity, Statement of Cash Flows by Nature and Type and Rate Setting Statement by Nature and Type for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the City of South Perth:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2021 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities section below. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



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

The Chief Executive Officer (CEO) of the City is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for managing internal control (as required by the CEO) to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the City.

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

## **Auditor's responsibility for the audit of the financial report**

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

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

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

## **Report on other legal and regulatory requirements**

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matter indicates a significant adverse trend in the financial position of the City:
  - a) The Operating Surplus Ratio as reported in Note 31 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' basic standard of 0.01 for the last three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

## Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

## Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of South Perth for the year ended 30 June 2021 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Caroline Spencer  
Auditor General for Western Australia  
Perth, Western Australia  
19 November 2021



## STATEMENT OF COMPREHENSIVE INCOME BY NATURE AND TYPE

	Note	2020/21 Budget	2020/21 Actual	2019/20 Actual
<b>REVENUE</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
Rates revenue	24(a)	37,954,682	38,303,122	38,275,107
Fees and charges	2(a)	15,377,512	17,407,404	16,046,776
Operating grants subsidies and contributions	2(a)	1,461,910	1,632,007	2,494,834
Interest revenue	2(a)	999,956	856,835	1,522,400
Other revenue	2(a)	474,915	1,041,726	910,702
<b>TOTAL REVENUE</b>		<b>56,268,975</b>	<b>59,241,094</b>	<b>59,249,819</b>
<b>EXPENSES</b>				
Employee costs		(25,162,461)	(24,833,722)	(24,813,393)
Materials and contracts		(21,296,989)	(21,630,850)	(22,408,195)
Utility charges		(1,840,286)	(1,846,106)	(1,909,767)
Depreciation and amortisation	10(b)	(11,207,962)	(11,387,037)	(11,020,731)
Interest expenses	2(b)	(327,623)	(327,045)	(352,701)
Insurance expenses		(813,458)	(648,749)	(990,221)
Other expenditure	2(b)	(1,044,193)	(728,043)	(923,498)
<b>TOTAL EXPENSES</b>		<b>(61,692,972)</b>	<b>(61,401,552)</b>	<b>(62,418,505)</b>
<b>TOTAL</b>		<b>(5,423,997)</b>	<b>(2,160,458)</b>	<b>(3,168,686)</b>
Non-operating grants, subsidies and contributions	2(a)	3,179,363	2,387,143	2,331,567
Profit/(Loss) on asset disposal	10(a)	171,054	(743,991)	(11,529)
Fair value adjustment to financial assets at fair value through profit or loss	5	-	6,464	2,882
Share of net profit/(loss) of associates accounted for using the equity method	23	-	1,247	(43,374)
		<b>3,350,417</b>	<b>1,650,863</b>	<b>2,279,546</b>
<b>NET RESULT</b>		<b>(2,073,580)</b>	<b>(509,595)</b>	<b>(889,140)</b>
<b>OTHER COMPREHENSIVE INCOME/ (LOSS)</b>				
Changes on revaluation of non-current assets	13	-	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME/ (LOSS)</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS)</b>		<b>(2,073,580)</b>	<b>(509,595)</b>	<b>(889,140)</b>

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



## STATEMENT OF COMPREHENSIVE INCOME BY REPORTING PROGRAM

	Note	2020/21 Budget	2020/21 Actual	2019/20 Actual
<b>REVENUE</b>		\$	\$	\$
General purpose funding		39,467,873	40,142,350	40,583,277
Governance		70,000	174,810	129,430
Law, order and public safety		173,500	229,432	193,239
Health		90,000	82,673	172,662
Housing		1,958,634	2,062,175	2,271,493
Community amenities		7,805,884	7,897,938	7,926,916
Recreation and culture		4,387,084	5,796,697	4,870,823
Transport		1,913,000	2,041,079	2,510,066
Economic services		363,000	755,109	459,603
Other property and services		40,000	58,832	132,309
		<b>56,268,975</b>	<b>59,241,094</b>	<b>59,249,819</b>
<b>EXPENDITURE (excl. financial costs)</b>				
General purpose funding		(329,018)	(204,647)	(61,383)
Governance		(4,484,629)	(3,835,052)	(4,341,370)
Law, order and public safety		(1,116,637)	(1,006,944)	(1,218,703)
Health		(805,474)	(796,554)	(802,205)
Education and welfare		(795,493)	(693,525)	(964,546)
Housing		(2,951,356)	(2,877,293)	(2,669,835)
Community amenities		(13,111,391)	(12,882,718)	(11,946,572)
Recreation and culture		(19,972,851)	(21,282,004)	(20,437,575)
Transport		(16,645,150)	(16,629,452)	(18,023,313)
Economic services		(985,709)	(780,602)	(680,835)
Other property and services		(167,641)	(85,717)	(919,467)
		<b>(61,365,349)</b>	<b>(61,074,508)</b>	<b>(62,065,804)</b>
<b>FINANCE COSTS</b>				
General purpose funding		-	(242)	(176,922)
Recreation and culture		(150,346)	(150,736)	(175,779)
Transport		(177,277)	(176,066)	-
		<b>(327,623)</b>	<b>(327,045)</b>	<b>(352,701)</b>
<b>TOTAL</b>		<b>(5,423,997)</b>	<b>(2,160,458)</b>	<b>(3,168,686)</b>
Non-operating grants, subsidies and contributions	2(a)	3,179,363	2,387,143	2,331,567
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<b>OTHER COMPREHENSIVE INCOME/ (LOSS)</b>				
Changes on revaluation of non-current assets	13	-	-	-
<b>TOTAL OTHER COMPREHENSIVE INCOME/ (LOSS)</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME/ (LOSS)</b>		<b>(2,073,580)</b>	<b>(509,595)</b>	<b>(889,140)</b>

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





## STATEMENT OF FINANCIAL POSITION

	Note	2020/21 Actual	2019/20 Actual
<b>CURRENT ASSETS</b>		\$	\$
Cash and cash equivalents	3	24,133,645	16,238,253
Trade and other receivables	6(a)	3,826,300	4,325,660
Other financial assets	5(a)	33,256,763	28,805,930
Other current assets	7(a)	546,073	444,220
<b>TOTAL CURRENT ASSETS</b>		<b>61,762,781</b>	<b>49,814,063</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	6(b)	609,565	596,084
Other financial assets	5(b)	509,287	549,720
Other non-current assets	7(b)	416,786	-
Investment in associate accounted for using the equity method	23	37,949	36,703
Property, plant and equipment	8(a)	371,121,797	374,941,733
Infrastructure	9(a)	355,731,449	356,977,086
Intangible assets	12	440,283	645,062
<b>TOTAL NON-CURRENT ASSETS</b>		<b>728,867,116</b>	<b>733,746,388</b>
<b>TOTAL ASSETS</b>		<b>790,629,897</b>	<b>783,560,451</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	(7,213,682)	(4,805,189)
Leaseholder liability	15(a)	(26,124,645)	(27,003,565)
Borrowings	16(a)	(615,148)	(971,714)
Employee related provisions	17	(4,938,408)	(4,836,861)
Other liabilities	11	(7,118,322)	(465,834)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(46,010,205)</b>	<b>(38,083,162)</b>
<b>NON-CURRENT LIABILITIES</b>			
Leaseholder liability	15(b)	(799,228)	(903,446)
Borrowings	16(a)	(5,868,657)	(6,483,805)
Employee related provisions	17	(545,244)	(590,666)
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>(7,213,129)</b>	<b>(7,977,917)</b>
<b>TOTAL LIABILITIES</b>		<b>(53,223,334)</b>	<b>(46,061,079)</b>
<b>NET ASSETS</b>		<b>737,406,563</b>	<b>737,499,372</b>
<b>EQUITY</b>			
Retained surplus		132,892,710	134,835,750
Reserves - cash/financial asset backed	4	40,298,494	35,573,691
Revaluation surplus	13	564,215,359	567,089,931
<b>TOTAL EQUITY</b>		<b>737,406,563</b>	<b>737,499,372</b>

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



## STATEMENT OF CHANGES IN EQUITY

	Note	Retained Surplus	Cash Backed Reserves	Revaluation Surplus	Total Equity
		\$	\$	\$	\$
<b>BALANCE at 1 July 2019</b>		<b>135,089,660</b>	<b>36,112,909</b>	<b>567,185,944</b>	<b>738,388,514</b>
<b>COMPREHENSIVE INCOME</b>					
Net result for the period		(889,140)	-	-	(889,140)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(889,140)</b>	<b>-</b>	<b>-</b>	<b>(889,140)</b>
Revaluation write back on disposals	13	96,011	-	(96,011)	-
		<b>96,011</b>	<b>-</b>	<b>(96,011)</b>	<b>-</b>
Transfers to Reserves	4(a)	(7,345,806)	7,345,806	-	-
Transfers from Reserves	4(a)	7,885,025	(7,885,025)	-	-
<b>BALANCE at 30 June 2020</b>		<b>134,835,750</b>	<b>35,573,691</b>	<b>567,089,931</b>	<b>737,499,372</b>
Correction of prior year error	28	-	-	416,786	416,786
<b>RESTATED TOTAL EQUITY at 1 July 2020</b>		<b>134,835,750</b>	<b>35,573,691</b>	<b>567,506,717</b>	<b>737,916,158</b>
<b>COMPREHENSIVE INCOME</b>					
Net result for the period		(509,595)	-	-	(509,595)
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(509,595)</b>	<b>-</b>	<b>-</b>	<b>(509,595)</b>
Revaluation write back on disposals	13	3,291,358		(3,291,358)	-
		<b>3,291,358</b>	<b>-</b>	<b>(3,291,358)</b>	<b>-</b>
Transfers to Reserves	4(a)	(17,204,388)	17,204,388	-	-
Transfers from Reserves	4(a)	12,479,584	(12,479,584)	-	-
<b>BALANCE as at 30 June 2021</b>		<b>132,892,710</b>	<b>40,298,494</b>	<b>564,215,359</b>	<b>737,406,563</b>

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





## STATEMENT OF CASH FLOWS BY NATURE AND TYPE

	Note	2020/21 Budget	2020/21 Actual	2019/20 Actual
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		\$	\$	\$
<b>Receipts</b>				
Rates		37,987,994	38,772,115	37,908,250
Operating grants, subsidies and contributions		1,461,910	1,727,007	2,494,834
Fees and charges		15,377,512	17,795,246	15,923,170
Interest earnings		999,956	962,190	1,587,496
Goods and services tax		3,898,386	3,243,924	3,597,407
Other receipts		474,915	918,375	858,708
<b>Total Receipts</b>		<b>60,200,673</b>	<b>63,418,857</b>	<b>62,369,864</b>
<b>Payments</b>				
Employee costs		(24,862,461)	(25,036,916)	(24,908,751)
Materials and contracts		(21,940,542)	(19,090,284)	(22,867,681)
Utility charges		(1,840,286)	(1,846,106)	(1,909,767)
Interest expenses		(327,623)	(327,045)	(421,120)
Insurance expenses		(813,458)	(648,749)	(990,221)
Goods and services tax		(3,898,386)	(3,126,073)	(3,640,199)
Other payments		(1,044,193)	(728,043)	(923,498)
<b>Total Payments</b>		<b>(54,726,949)</b>	<b>(50,803,216)</b>	<b>(55,661,235)</b>
<b>Net Cash Flow from Operating Activities</b>	18	<b>5,473,724</b>	<b>12,615,641</b>	<b>6,708,629</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		3,179,364	8,942,190	3,582,950
Proceeds from sale of plant & equipment	10(a)	318,500	3,614,928	163,136
Payments for purchase of property, plant & equipment	8(a)	(4,974,977)	(3,337,876)	(3,462,290)
Payments for construction of infrastructure	9(a)	(10,681,189)	(7,580,704)	(9,037,866)
Investments in term deposits		(139,565,500)	(139,395,979)	(149,476,542)
Matured term deposits		143,935,942	134,947,164	141,404,424
<b>Net Cash Flow from Investing Activities</b>		<b>(7,787,860)</b>	<b>(2,810,277)</b>	<b>(16,826,188)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings	16(b)	(971,713)	(971,713)	(1,208,077)
Collier Park Retirement Village net contribution		-	(983,138)	(307,136)
Self Supporting Loan Receipts		44,879	44,879	322,664
<b>Net Cash Flow from Financing Activities</b>		<b>(926,834)</b>	<b>(1,909,972)</b>	<b>(1,192,549)</b>
<b>Net Increase / (Decrease) in Cash Held</b>		<b>(3,240,970)</b>	<b>7,895,392</b>	<b>(11,310,108)</b>
Cash and Cash Equivalents at Beginning of Year		7,306,620	16,238,253	27,548,361
<b>Cash and Cash Equivalents at End of Year</b>	18	<b>4,065,650</b>	<b>24,133,645</b>	<b>16,238,253</b>

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



## RATES SETTING STATEMENT BY NATURE AND TYPE

	Note	2020/21 Budget	2020/21 Actual	2019/20 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>	25(b)	2,930,730	4,087,606	6,741,209
		<b>2,930,730</b>	<b>4,087,606</b>	<b>6,741,209</b>
<b>OPERATING REVENUE (excluding Rates)</b>				
Operating grants subsidies and contributions		1,461,910	1,632,007	2,494,834
Fees and charges		15,377,512	17,407,404	16,046,776
Interest revenue		999,956	856,835	1,522,400
Other revenue		474,915	1,041,726	910,702
<b>Total Operating Revenue (excluding Rates)</b>		<b>18,314,293</b>	<b>20,937,972</b>	<b>20,974,712</b>
<b>OPERATING EXPENDITURE</b>				
Employee costs		(25,162,461)	(24,833,722)	(24,813,393)
Materials and contracts		(21,296,989)	(21,630,850)	(22,408,195)
Utility charges		(1,840,286)	(1,846,106)	(1,909,767)
Depreciation on non-current assets		(11,207,962)	(11,387,037)	(11,020,731)
Interest expenses		(327,623)	(327,045)	(352,701)
Insurance expenses		(813,458)	(648,749)	(990,221)
Other expense		(1,044,193)	(728,043)	(923,498)
<b>Total Operating Expenditure</b>		<b>(61,692,972)</b>	<b>(61,401,552)</b>	<b>(62,418,506)</b>
<b>Operating activities excluded from budgeted deficiency</b>				
Non-cash amounts excluded from operating activities	25(a)	11,207,962	11,771,115	11,172,367
<b>Amount attributable to Operating Activities</b>		<b>(29,239,987)</b>	<b>(24,604,859)</b>	<b>(23,530,218)</b>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions	2(a)	3,179,363	2,387,143	2,331,567
Proceeds from disposal of assets	10(a)	318,500	3,614,928	163,136
Payments for purchase of property, plant & equipment	8(a)	(4,974,977)	(3,337,876)	(3,462,290)
Payments for construction of infrastructure	9(a)	(10,681,189)	(7,580,704)	(9,037,866)
<b>Amount attributable to Investing Activities</b>		<b>(12,158,303)</b>	<b>(4,916,509)</b>	<b>(10,005,453)</b>
<b>FINANCING ACTIVITIES</b>				
Loan principal repayments	16(b)	(971,713)	(971,713)	(1,208,077)
Proceeds from self supporting loans		44,879	44,879	322,664
Transfers to cash backed reserves (restricted assets)	4(a)	(3,478,805)	(17,204,388)	(7,345,806)
Transfers from cash backed reserves (restricted assets)	4(a)	7,849,247	12,479,584	7,885,025
Collier Park Retirement Village Leaseholder Contribution		-	(983,138)	(307,136)
Movement current unspent non-operating grants (restricted cash)		-	5,500,000	1,500
<b>Amount attributable to Financing Activities</b>		<b>3,443,608</b>	<b>(1,134,776)</b>	<b>(651,830)</b>
<b>Budgeted deficiency before general rates</b>		<b>(37,954,682)</b>	<b>(30,656,144)</b>	<b>(34,187,501)</b>
Total amount raised from general rates	24(a)	37,954,682	38,303,122	38,275,107
<b>Surplus/(deficit) after imposition of general rates</b>	25(b)	<b>-</b>	<b>7,646,978</b>	<b>4,087,606</b>

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



## NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

### 1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with *Australian Accounting Standards* (as they apply to local governments and not-for-profit entities) and interpretations of the *Australian Accounting Standards Board*, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over the *Australian Accounting Standards*. Prior to 1 July 2019, *Regulation 16* arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the City. This was not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

From 1 July 2019, the City has applied *AASB 16 Leases* which requires leases to be included by lessees in the balance sheet. Also, the *Financial Management Regulations* have been amended to specify that vested land is a right-of-use (ROU) asset to be measured at cost. All ROU assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the balance sheet) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from *AASB 16* which would have required the City to measure any vested improvements at zero cost.

The City has accounted for the removal of the relevant vested land values by removing the land value and associated revaluation reserve as at 1 July 2019.

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 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.

#### Initial Application of Accounting Standards

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

These were:

- *AASB 1059 Service Concession Arrangements: Grantors*
- *AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Materiality*

The adoption of these standards had no material impact on the 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 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current*
- *AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments*
- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

It is not expected these standards will have an impact on the financial report.

#### Critical Accounting Estimates

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of 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 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.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated.

As at the 30 June 2021, the City did not hold any Trust Funds.

## 2. REVENUE & EXPENSES

### SIGNIFICANT ACCOUNTING POLICIES

#### Revenue Recognition

Recognition of revenue is dependent on the source of revenue and the associated terms and conditions associated with each source of revenue.

Revenue is recognised and measured at the fair value of the consideration received or receivable to the extent that the performance obligations under contracts have been satisfied and the revenue can be reliably measured. Contract receivables and contract liabilities are recognised at stages to reflect entitlements and obligations within the agreements. The following specific recognition criteria must also be met before revenue is recognised:

Fees and charges, excluding infringements, are recognised either on the date on which the services were provided, or over the period, based on the conditions as per the City's published Fees and Charges Schedule.

Interest revenue is recognised as interest and accrued using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate (EIR), which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Rental income is accounted for on a straight-line basis over the lease term.

Revenue from other services is generally recognised on the date the services are provided to the customer.

Rates revenue is recognised as income when the associated taxable event occurs (i.e. when the rate in the dollar is struck and the invoice is issued). Prepaid rates are a financial liability and not recorded as revenue until the associated taxable event occurs. Similarly, infringements are recognised as income when the associated transgression event occurs (i.e. when the infringement notice is issued).

For operating grants, subsidies and contribution, the City assessed funding agreements with grant providers to determine the accounting standard that is applicable to individual funding streams. Wherever applicable, revenue is recognised when the City satisfies sufficiently specific performance obligations. Contract receivables and contract liabilities are recognised at stages to reflect entitlements and obligations within the agreements. For funding agreements that do not contain sufficiently specific performance obligations, revenue is recognised when the City gains control of the funds.

Non-operating grants, subsidies and contributions are recognised as revenue when the City satisfies the obligations specified in the grant agreements. The City relies on percentage of completion confirmed by the project manager when evaluating the City's progress towards complete satisfaction of the obligation at the end of each reporting period.

Volunteer services are not recognised as revenue as the fair value of the services cannot be reliably estimated.



## 2(a). Revenue

	2020/21 Budget	2020/21 Actual	2019/20 Actual
<b>Fees and Charges Revenue</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
General purpose funding	311,494	298,388	282,518
Law, order and public safety	164,500	217,703	188,499
Health	25,000	31,289	55,759
Housing	1,640,904	1,812,327	1,804,385
Community amenities	7,680,000	7,725,501	7,745,970
Recreation and culture	3,661,114	5,430,135	3,689,833
Transport	1,534,500	1,384,020	1,927,371
Economic services	360,000	508,041	351,433
Other property and services	-	-	1,008
<b>Total</b>	<b>15,377,512</b>	<b>17,407,404</b>	<b>16,046,776</b>
<b>Operating grants and subsidies and contributions</b>			
General purpose funding	487,940	895,327	974,212
Governance	-	-	10,000
Health	5,000	12,180	4,844
Community amenities	-	-	8,131
Recreation and culture	585,470	83,463	840,395
Transport	363,500	627,680	560,007
Other property and services	20,000	13,357	97,245
<b>Total</b>	<b>1,461,910</b>	<b>1,632,007</b>	<b>2,494,834</b>
<b>Interest Revenue</b>			
Municipal fund and other	251,287	154,235	416,257
Reserves fund	351,175	286,260	616,405
Rates instalment and penalty interest	397,494	416,340	489,739
<b>Total</b>	<b>999,956</b>	<b>856,835</b>	<b>1,522,400</b>
<b>Other Revenue</b>			
Miscellaneous Revenue (Including other recoveries)	357,215	911,142	773,963
Recovery - Utilities cost	117,700	76,794	136,739
Insurance Claims Received	-	53,790	-
<b>Total</b>	<b>474,915</b>	<b>1,041,726</b>	<b>910,702</b>
<b>Non-Operating grants, subsidies and contributions</b>			
Recreation and culture	1,887,017	1,246,725	1,259,840
Transport	1,292,346	1,140,418	1,071,727
<b>Total</b>	<b>3,179,363</b>	<b>2,387,143</b>	<b>2,331,567</b>

**2(b). Expenses**

	<b>2020/21 Budget</b>	<b>2020/21 Actual</b>	<b>2019/20 Actual</b>
<b>Audit Remuneration</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Audit of Financial Report	65,000	66,600	63,000
Acquittal of certifications	-	2,000	1,200
<b>Total</b>	<b>65,000</b>	<b>68,600</b>	<b>64,200</b>
<b>Interest Expenses</b>			
Borrowings	327,623	327,045	352,701
<b>Total</b>	<b>327,623</b>	<b>327,045</b>	<b>352,701</b>
<b>Other Expenditure</b>			
Sundry Expenses	843,193	677,363	717,510
Impairment loss trade and other receivables	201,000	50,680	205,988
<b>Total</b>	<b>1,044,193</b>	<b>728,043</b>	<b>923,498</b>

### 3. CASH AND CASH EQUIVALENTS

	Note	2020/21 Actual	2019/20 Actual
<b>Cash and Cash Equivalents</b>		\$	\$
Cash at Bank / On Hand		3,380,323	711,036
At Call / Term Deposits (less than 3 months)		20,753,322	15,527,217
<b>Total Cash and Cash Equivalents</b>		<b>24,133,645</b>	<b>16,238,253</b>

#### Restricted Cash and Financial Assets

The following classes of 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	14,206,950	7,278,474
Financial assets at amortised cost	33,209,866	28,761,051
	<b>47,416,816</b>	<b>36,039,525</b>

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

Reserves - cash/financial asset backed	4	40,298,494	35,573,691
Obligations from transfers for non operating grants	11	7,118,322	465,834
<b>Total Restricted Assets</b>		<b>47,416,816</b>	<b>36,039,524</b>

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

##### Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, 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.

#### 4. RESERVES – CASH/FINANCIAL ASSET BACKED

	2020/21 Budget	2020/21 Actual	2019/20 Actual
<b>Reserves - Cash/Financial assets backed</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Plant Replacement Reserve	-	-	212,163
Collier Park Residents Offset Reserve	20,868,056	19,744,048	20,330,325
Waste Management Reserve	5,785,581	2,997,531	7,231,475
Reticulation & Pump Replacement Reserve	-	53,071	84,660
Information Technology Reserve	-	-	16,035
Employee Entitlement Reserve	-	4,938,408	405,092
Community Facilities Reserve	2,193,556	10,680,511	5,080,376
Underground Power Reserve	118,121	117,987	117,069
Parking Facilities Reserve	100,312	262,119	254,369
Collier Park Village Reserve	1,221,495	917,609	1,370,018
Riverwall Reserve	-	167,708	180,306
Public Art Reserve	139,272	419,504	291,804
<b>Total Reserve Funds</b>	<b>30,426,391</b>	<b>40,298,494</b>	<b>35,573,691</b>

#### 4(a). Reserve Funds

	2020/21 Budget	2020/21 Actual	2019/20 Actual
<b>Plant Replacement Reserve</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July	158,687	212,163	315,984
Transfers in	1,594	1,285	5,536
Funds applied	(160,281)	(213,448)	(109,357)
Balance as at 30 June	-	-	<b>212,163</b>
<b>Collier Park Residents Offset Reserve</b>			
Balance at 1 July	20,660,501	20,330,325	20,220,502
Transfers in	2,307,555	1,301,575	2,080,437
Funds applied	(2,100,000)	(1,887,852)	(1,970,614)
Balance as at 30 June	<b>20,868,056</b>	<b>19,744,048</b>	<b>20,330,325</b>
<b>Waste Management Reserve</b>			
Balance at 1 July	6,309,496	7,231,475	5,363,438
Transfers in	74,085	1,107,490	1,883,037
Funds applied	(598,000)	(5,341,434)	(15,000)
Balance as at 30 June	<b>5,785,581</b>	<b>2,997,531</b>	<b>7,231,475</b>



	2020/21 Budget	2020/21 Actual	2019/20 Actual
<b>Reticulation and Pump Replacement Reserve</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Balance at 1 July	81,692	84,660	241,978
Transfers in	821	190	4,240
Funds applied	(82,513)	(31,779)	(161,557)
Balance as at 30 June	-	<b>53,071</b>	<b>84,660</b>
<b>Information Technology Reserve</b>			
Balance at 1 July	16,909	16,035	83,280
Transfers in	170	231	255
Funds applied	(17,079)	(16,266)	(67,500)
Balance as at 30 June	-	-	<b>16,035</b>
<b>Employee Entitlements Reserve</b>			
Balance at 1 July	404,664	405,092	398,116
Transfers in	4,065	4,900,792	6,975
Funds applied	(408,729)	(367,476)	-
Balance as at 30 June	-	<b>4,938,408</b>	<b>405,092</b>
<b>Community Facilities Reserve</b>			
Balance at 1 July	5,044,805	5,080,376	4,169,580
Transfers in	50,680	8,835,151	2,910,790
Funds applied	(2,901,929)	(3,235,016)	(1,999,994)
Balance as at 30 June	<b>2,193,556</b>	<b>10,680,511</b>	<b>5,080,376</b>
<b>Underground Power Reserve</b>			
Balance at 1 July	116,946	117,069	115,053
Transfers in	1,175	918	2,016
Funds applied	-	-	-
Balance as at 30 June	<b>118,121</b>	<b>117,987</b>	<b>117,069</b>
<b>Parking Facility Reserve</b>			
Balance at 1 July	228,021	254,369	426,237
Transfers in	2,291	7,750	27,259
Funds applied	(130,000)	-	(199,127)
Balance as at 30 June	<b>100,312</b>	<b>262,119</b>	<b>254,369</b>

	2020/21 Budget	2020/21 Actual	2019/20 Actual
<b>Collier Park Village Reserve</b>			
Balance at 1 July	1,358,950	1,370,018	1,517,823
Transfers in	365,261	209,681	417,457
Funds applied	(502,716)	(662,090)	(565,262)
Balance as at 30 June	<b>1,221,495</b>	<b>917,609</b>	<b>1,370,018</b>
<b>Riverwall Reserve</b>			
Balance at 1 July	179,270	180,306	177,202
Transfers in	668,730	668,342	3,105
Funds applied	(848,000)	(680,940)	-
Balance as at 30 June	-	<b>167,708</b>	<b>180,306</b>
<b>Public Art Reserve</b>			
Balance at 1 July	236,892	291,804	287,351
Transfers in	2,380	170,986	4,699
Funds applied	(100,000)	(43,286)	(246)
Balance as at 30 June	<b>139,272</b>	<b>419,504</b>	<b>291,804</b>
<b>In accordance with the 2019/20 budget the below reserves were merged with the Major Community Facilities Reserve and renamed Community Facilities Reserve, resulting in zero balances.</b>			
<b>Railway Station Precincts Reserve</b>			
Balance at 1 July	-	-	815,372
Transfers in	-	-	-
Funds applied	-	-	(815,372)
Balance as at 30 June	-	-	-
<b>Sustainable Infrastructure Reserve</b>			
Balance at 1 July	-	-	1,980,996
Transfers in	-	-	-
Funds applied	-	-	(1,980,996)
Balance as at 30 June	-	-	-
<b>Total Cash Backed Reserves</b>	<b>30,426,391</b>	<b>40,298,494</b>	<b>35,573,691</b>
<b>Summary of Cash Backed Reserves</b>			
Balance at 1 July	34,796,833	35,573,691	36,112,909
Transfers in	3,478,805	17,204,388	7,345,806
Funds applied	(7,849,247)	(12,479,584)	(7,885,025)
Balance as at 30 June	<b>30,426,391</b>	<b>40,298,494</b>	<b>35,573,691</b>

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves – cash/financial assets backed.

In accordance with Council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside are on the following pages.

### **Plant Replacement Reserve**

This reserve is used to fund the balance of the purchase price of plant and equipment associated with City works (after trade-in, discounts and allowances). Funds in the reserve can be used to fund the City's short-term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.

### **Collier Park Residents Offset Reserve**

This reserve was established to partially cash back the loan liability due to residents on departing the village complex. The reserve is funded by the premium on the difference between the sale price of the units in the village to the ingoing resident and the amount of the refund to the departing resident. Funds in the reserve are maintained at an appropriate level to ensure that the draw of funds by departing residents in any given year is fully cash backed and available on demand. Funds in the reserve can be used to fund the City's short-term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.

### **Waste Management Reserve**

This reserve was established to provide for investment in new waste management initiatives as well as capital requirements funded by an annual allocation equal to the operating surplus/(deficit) from the waste operations. Funds in the reserve can be used to fund the City's short-term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.

### **Reticulation and Pump Replacement Reserve**

This reserve was established to provide funds for the replacement of reticulation and pumps at various parks and gardens. Funds in the reserve can be used to fund the City's short-term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.

### **Information Technology Reserve**

This reserve was established to finance the acquisition and enhancement of technology and digital service delivery initiatives. The municipal fund provides ongoing appropriations as and when needed. Funds in the reserve can be used to fund the City's short-term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.

### **Employee Entitlements Reserve**

This reserve was established to fund the current portion of the City's leave liability and is maintained by an annual contribution to ensure the current portion City employees leave entitlements are cash backed. Funds in the reserve can be used to fund the City's short term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.

### **Community Facilities Reserve**

This reserve was established to accumulate funds including those from major strategic land sales for significant discretionary community facility projects in future years alleviating the impacts of intergenerational equity in funding major facilities. Funds in the reserve can be used to fund the City's short-term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.

### **Underground Power Reserve**

This reserve was established to accumulate funding to support the City's contribution to the undergrounding of existing overhead electrical cables within specified precincts in the City. Funds in the reserve can be used to fund the City's short-term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.

### **Parking Facilities Reserve**

This reserve is used to quarantine funds contributed by developers in lieu of providing parking facilities. Funds are used to provide parking facilities and associated infrastructure within the district as needs arise. Funds in the reserve can be used to fund the City's short-term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.

### **Collier Park Village Reserve**

This reserve accumulates the lease premium and refurbishment levy paid by ingoing residents of the retirement village as well as the operating result (adjusted for depreciation) for the Village each year. Capital purchases and refurbishment costs associated with this complex are funded from this reserve. In the event of an operating shortfall, the reserve is expected to subsidise the difference so that the facility's operations do not impose a financial burden upon the City's ratepayers. Funds in the reserve can be used to fund the City's short-term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.

### **River Wall Reserve**

This reserve was established to quarantine monies to be used to attract matching funding from state government with a view towards sharing financial responsibility for maintaining the River Walls and foreshore river management systems. Funds in the reserve can be used to fund the City's short-term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.

### **Public Art Reserve**

This reserve was created to quarantine contributions obtained under the Public Art (Percent for Art) policy and to support the creation of public art pieces within City precincts. Funds in the reserve can be used to fund the City's short-term liquidity requirements should the operational need arise, funds utilised in this manner must be returned as soon as possible.



**In accordance with the 2019/20 budget the below reserves were merged with the Major Community Facilities Reserve and renamed Community Facilities Reserve, resulting in zero balances.**

### **Railway Station Precincts Reserve**

This was established to quarantine monies to be used to provide streetscapes and infrastructure around (future) railway stations constructed as part of the Perth to Mandurah railway.

### **Sustainable Infrastructure Reserve**

This reserve was created to support the financially sustainable management of our community infrastructure including roads, drainage, paths, parks and river walls.

### **Reserve Fund Movements**

All active reserves may have funds applied to projects or may be reimbursed from the Municipal Funds as determined by Council during the budget process.

The City's Long Term Financial Plan details funding plans for all major discretionary capital projects. These specified funding plans incorporate funding from sources including grants, land sale proceeds, municipal funds and cash backed reserves created specifically to support those projects.

Any change in the purpose of reserve funds is made in accordance with the *Local Government Act* and *Local Government Financial Management Regulations*.

All of the reserve accounts are supported by money held in financial institutions as per the amount shown as restricted cash in Note 3 in this financial report.

## 5. OTHER FINANCIAL ASSETS

	2020/21 Actual	2019/20 Actual
<b>(a)Current Assets</b>	\$	\$
Financial assets at amortised cost	33,256,763	28,805,930
	<b>33,256,763</b>	<b>28,805,930</b>
<b>Other financial assets at amortised cost</b>		
Term Deposits (longer than 3 months)	33,209,866	28,761,051
Self Supporting Loans	46,897	44,879
	<b>33,256,763</b>	<b>28,805,930</b>
<b>(b)Non-Current Assets</b>		
Financial assets at amortised cost	324,770	371,667
Financial assets at fair value through profit/(loss)	184,517	178,053
	<b>509,287</b>	<b>549,720</b>
<b>Financial assets at amortised cost</b>		
Self Supporting Loans	324,770	371,667
	<b>324,770</b>	<b>371,667</b>
<b>Financial assets at fair value through profit/(loss)</b>		
Local Government House Trust*	184,517	178,053
	<b>184,517</b>	<b>178,053</b>
<b>Total Other Financial Assets</b>	<b>33,766,050</b>	<b>29,355,650</b>
*Movement in Local Government House Trust (10 units)		
Opening Balance	178,053	175,171
Adjustment for the current year	6,464	2,882
<b>Balance as at 30 June</b>	<b>184,517</b>	<b>178,053</b>

### SIGNIFICANT 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 cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

#### Financial Assets at Fair Value through Profit and Loss

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

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

#### Impairment and Risk

Information regarding impairment and exposure to risk can be found at Note 26.

## 6. TRADE AND OTHER RECEIVABLES

	2020/21 Actual	2019/20 Actual
<b>(a)Current</b>	<b>\$</b>	<b>\$</b>
Rates receivable	2,141,674	2,533,011
Sundry debtors	861,905	666,935
Pensioner rebate receivable	34,321	50,053
Underground power	8,391	8,590
ESL Debtor	247,163	308,412
Infringement Debtor	528,810	638,577
GST receivable from ATO	416,154	534,006
Allowance for impairment of receivables	(412,119)	(413,924)
<b>Total Current</b>	<b>3,826,300</b>	<b>4,325,660</b>
<b>(b)Non-Current</b>		
Pensioner rebate receivable	526,318	516,276
ESL Pensioner postpone	83,247	79,808
<b>Total Non-Current</b>	<b>609,565</b>	<b>596,084</b>
<b>Total Trade and Other Receivables</b>	<b>4,435,865</b>	<b>4,921,744</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and Other Receivables

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

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

#### Impairment and Risk Exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 26.

#### Classification and Subsequent Measurement

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

Trade receivables are held with the objective to collect the contractual cash flows and therefore 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. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

## 7. OTHER ASSETS

	2020/21 Actual	2019/20 Actual
<b>(a)Current</b>	\$	\$
Accrued - Interest revenue reserves	30,746	127,114
Accrued - Interest revenue general	5,399	14,386
Accrued - Other revenue	341,480	45,415
Prepayments	168,448	257,305
<b>Total Current Assets</b>	<b>546,073</b>	<b>444,220</b>
<b>(b)Non-Current</b>		
Other non-current assets	416,786	-
<b>Total Non-Current</b>	<b>416,786</b>	<b>-</b>
<b>Total Other Assets</b>	<b>962,859</b>	<b>444,220</b>

### SIGNIFICANT 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.



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8. PROPERTY, PLANT AND EQUIPMENT

**8(a). Movements in Carrying Amounts**

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

	Land	Buildings	Artwork	Technology	Furniture & Fittings	Mobile Plant	Plant & Equipment	Work in Progress	TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1st July 2019</b>	<b>273,173,000</b>	<b>98,343,035</b>	<b>1,260,129</b>	<b>534,380</b>	<b>48,290</b>	<b>2,475,003</b>	<b>752,165</b>	<b>720,986</b>	<b>377,306,988</b>
Additions	-	1,343,969	238,246	20,438	-	520,044	392,807	946,786	3,462,290
Disposals	-	(76,372)	-	-	-	(15,800)	-	-	(92,173)
Reversal of vested land valuation due to change in legislation	(3,000,000)	-	-	-	-	-	-	-	(3,000,000)
Transfer (from)/ to	-	25,806	-	-	-	-	-	(25,806)	-
Depreciation (expense)	-	(2,018,142)	(25,742)	(179,206)	(16,918)	(424,620)	(70,747)	-	(2,735,375)
<b>Carrying Amount at 30th June 2020</b>	<b>270,173,000</b>	<b>97,618,296</b>	<b>1,472,633</b>	<b>375,612</b>	<b>31,372</b>	<b>2,554,628</b>	<b>1,074,224</b>	<b>1,641,966</b>	<b>374,941,733</b>
<b>Comprises:</b>									
Gross carrying amount	<b>270,173,000</b>	<b>130,583,447</b>	<b>1,524,093</b>	<b>1,799,883</b>	<b>506,039</b>	<b>7,856,793</b>	<b>1,543,484</b>	<b>1,641,966</b>	<b>415,628,705</b>
Accumulated Depreciation	-	(32,965,151)	(51,459)	(1,424,271)	(474,667)	(5,302,166)	(469,259)	-	(40,686,972)
<b>Carrying Amount at 30th June 2020</b>	<b>270,173,000</b>	<b>97,618,296</b>	<b>1,472,633</b>	<b>375,612</b>	<b>31,372</b>	<b>2,554,628</b>	<b>1,074,224</b>	<b>1,641,966</b>	<b>374,941,733</b>
<b>Carrying Amount at 30th June 2020</b>	<b>270,173,000</b>	<b>97,618,296</b>	<b>1,472,633</b>	<b>375,612</b>	<b>31,372</b>	<b>2,554,628</b>	<b>1,074,224</b>	<b>1,641,966</b>	<b>374,941,733</b>
<b>Carrying Amount at 30th June 2020</b>	<b>270,173,000</b>	<b>97,618,296</b>	<b>1,472,633</b>	<b>375,612</b>	<b>31,372</b>	<b>2,554,628</b>	<b>1,074,224</b>	<b>1,641,966</b>	<b>374,941,733</b>
Additions	-	1,460,128	65,453	119,713	-	1,134,359	16,538	541,684	3,337,876
Disposals	(3,960,000)	-	-	-	-	(137,140)	-	-	(4,097,140)
Transfer (from)/ to	-	687,657	-	287,253	-	-	355,137	(1,330,047)	-
Transfer to Operations	-	-	-	-	-	-	-	(263,255)	(263,255)
Depreciation (expense)	-	(2,042,875)	(34,863)	(155,424)	(11,022)	(464,839)	(88,393)	-	(2,797,417)
<b>Carrying Amount at 30th June 2021</b>	<b>266,213,000</b>	<b>97,723,206</b>	<b>1,503,223</b>	<b>627,154</b>	<b>20,350</b>	<b>3,087,008</b>	<b>1,357,506</b>	<b>590,348</b>	<b>371,121,797</b>
<b>Comprises:</b>									
Gross carrying amount	266,213,000	132,731,232	1,589,546	2,162,589	494,039	8,014,104	1,915,158	590,348	413,710,017
Accumulated Depreciation	-	(35,008,026)	(86,322)	(1,535,435)	(473,689)	(4,927,096)	(557,652)	-	(42,588,220)
<b>Carrying Amount at 30th June 2021</b>	<b>266,213,000</b>	<b>97,723,206</b>	<b>1,503,223</b>	<b>627,154</b>	<b>20,350</b>	<b>3,087,008</b>	<b>1,357,506</b>	<b>590,348</b>	<b>371,121,797</b>

**8(b). Fair Value Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land - Freehold land	2	Market approach using recent observable market data for similar properties	Independent registered valuer	June 2018	Comparable sales / Price per square metre
Buildings	3	Cost approach using depreciated replacement cost adjusted for estimates of residential value, useful life, condition and pattern of consumption	Independent registered valuer	June 2018	Construction costs and current condition, residual value, remaining useful life and pattern of consumption assessments inputs
Artwork	2	Market approach using estimated value expected to be realised adjusted for condition and comparability	Independent registered valuer	June 2018	Comparison to recent sales of Artwork with similar characteristics

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 to determine the fair value of property, plant or equipment using level 2 or level 3 inputs.

There were no transfers in or out of Level 3 during the year.

Refer to Note 8 (a) for the reconciliation of the opening to closing balances of Level 3 assets.

Refer to Note 8 (a) for the fair value movements during the reporting period.

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9. INFRASTRUCTURE

**9(a). Movements in Carrying Amounts**

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

	Infrastructure Roads	Infrastructure Footpaths	Infrastructure Drainage	Infrastructure Parks & Ovals	Infrastructure Foreshore	Infrastructure Other	Work in Progress	Infrastructure TOTAL
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1st July 2019</b>	<b>185,222,812</b>	<b>43,908,162</b>	<b>29,289,293</b>	<b>68,428,558</b>	<b>15,942,847</b>	<b>9,663,544</b>	<b>3,686,080</b>	<b>356,141,296</b>
Additions	2,802,165	1,532,339	333,669	2,605,507	-	294,397	1,469,788	9,037,866
Disposals	-	-	-	(82,499)	-	-	-	(82,499)
Transfer (from)/ to	-	18,045	34,818	3,652,459	70,343	-	(3,775,665)	-
Depreciation (expense)	(4,113,602)	(1,110,964)	(679,306)	(1,297,770)	(592,560)	(325,374)	-	(8,119,576)
<b>Carrying Amount at 30th June 2020</b>	<b>183,911,375</b>	<b>44,347,582</b>	<b>28,978,474</b>	<b>73,306,253</b>	<b>15,420,631</b>	<b>9,632,567</b>	<b>1,380,204</b>	<b>356,977,086</b>
<b>Comprises:</b>								
Gross carrying amount	287,905,766	66,602,793	67,069,700	83,932,885	30,291,403	18,192,874	1,380,204	555,375,625
Accumulated Depreciation	(103,994,391)	(22,255,211)	(38,091,226)	(10,626,632)	(14,870,772)	(8,560,307)	-	(198,398,539)
<b>Carrying Amount at 30th June 2020</b>	<b>183,911,375</b>	<b>44,347,582</b>	<b>28,978,474</b>	<b>73,306,253</b>	<b>15,420,631</b>	<b>9,632,567</b>	<b>1,380,204</b>	<b>356,977,086</b>
<b>Carrying Amount at 30th June 2020</b>	<b>183,911,375</b>	<b>44,347,582</b>	<b>28,978,474</b>	<b>73,306,253</b>	<b>15,420,631</b>	<b>9,632,567</b>	<b>1,380,204</b>	<b>356,977,086</b>
Additions	1,746,381	443,228	198,955	2,545,125	66,297	111,165	2,469,552	7,580,704
Disposals	-	(73,405)	(1,067)	(12,544)	-	(174,763)	-	(261,779)
Transfer (from)/ to	39,064	57,854	241	650,050	19,643	4,815	(771,667)	-
Work in Progress Transfer to Operations	-	-	-	-	-	-	(179,719)	(179,719)
Depreciation (expense)	(4,170,700)	(1,136,689)	(681,408)	(1,473,630)	(591,450)	(330,965)	-	(8,384,842)
<b>Carrying Amount at 30th June 2021</b>	<b>181,526,120</b>	<b>43,638,569</b>	<b>28,495,195</b>	<b>75,015,254</b>	<b>14,915,121</b>	<b>9,242,820</b>	<b>2,898,370</b>	<b>355,731,449</b>
<b>Comprises:</b>								
Gross carrying amount	289,691,211	66,836,191	67,265,563	87,092,437	30,377,343	17,973,930	2,898,370	562,135,045
Accumulated Depreciation	(108,165,091)	(23,197,622)	(38,770,368)	(12,077,183)	(15,462,222)	(8,731,109)	-	(206,403,596)
<b>Carrying Amount at 30th June 2021</b>	<b>181,526,120</b>	<b>43,638,569</b>	<b>28,495,195</b>	<b>75,015,254</b>	<b>14,915,121</b>	<b>9,242,820</b>	<b>2,898,370</b>	<b>355,731,449</b>

**9(b). Fair Value Measurement**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	3	Cost approach using depreciated replacement costs	Management valuation	June 2019	Construction costs and current condition, residual value, remaining useful life and pattern of consumption assessments inputs
Infrastructure - Drains	3	Cost approach using depreciated replacement costs	Management valuation	June 2019	Construction costs and current condition, residual value, remaining useful life and pattern of consumption assessments inputs
Infrastructure - Paths	3	Cost approach using depreciated replacement costs	Management valuation	June 2019	Construction costs and current condition, residual value, remaining useful life and pattern of consumption assessments inputs
Infrastructure - Parks	3	Cost approach using depreciated replacement costs	Management valuation	June 2019	Construction costs and current condition, residual value, remaining useful life and pattern of consumption assessments inputs
Infrastructure - Street Furniture	3	Cost approach using depreciated replacement costs	Management valuation	June 2019	Construction costs and current condition, residual value, remaining useful life and pattern of consumption assessments inputs
Infrastructure - Foreshore Assets	3	Cost approach using depreciated replacement costs	Management valuation	June 2019	Construction costs and current condition, residual value, remaining useful life and pattern of consumption assessments inputs
Infrastructure - Car Parking	3	Cost approach using depreciated replacement costs	Management valuation	June 2019	Construction costs and current condition, residual value, remaining useful life and pattern of consumption assessments inputs

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 to determine the fair value of infrastructure using level 3 inputs.

There were no transfers in or out of Level 3 during the year.

Refer to Note 9 (a) for the reconciliation of the opening to closing balances of Level 3 assets.

Refer to Note 9 (a) for the fair value movements during the reporting period.

## 10. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### Fixed Assets

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

#### Initial Recognition and Measurement between Mandatory Revaluation Dates

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management 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.

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

The City's leased assets at 30 June 2021 were immaterial and therefore no right-of-use assets and associated liability were recognised as required by *AASB 16 Leases*.

#### Revaluation

The fair value of land, buildings, artwork and infrastructure are determined at least once every five years in accordance with the regulatory framework, or when Council is of the opinion that the fair value of an asset is materially different from its carrying amount. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulations*.

*Regulation 17A (2)(a)* requires the following non-financial assets to be shown at fair value;

- land and buildings that are classified as property, plant and equipment;
- infrastructure and
- vested improvements that the City controls.

Plant and equipment and right-of-use assets (other than vested improvements as per *Regulation 17A (2)(a)*) are shown at cost.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Vested improvements

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. See Note 1 for more information.

**10(a). Disposal of Assets**

The following assets were disposed of during the year:

	2020/21 Budget Net Book Value	2020/21 Budget Sale Proceeds	2020/21 Budget Profit	2020/21 Budget Loss	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2019/20 Actual Net Book Value	2019/20 Actual Sale Proceeds	2019/20 Actual Profit	2019/20 Actual Loss
Buildings (Gazebo)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,365	\$ -	\$ -	\$ (76,365)
Mobile Plant	147,446	318,500	171,054	-	137,140	382,928	256,940	(11,152)	15,800	163,136	150,305	(2,969)
Parks and Ovals	-	-	-	-	12,544	-	-	(12,544)	82,499	-	-	(82,499)
Land	-	-	-	-	3,960,000	3,220,000	-	(740,000)	-	-	-	-
Car Parking	-	-	-	-	150,861	-	-	(150,861)	-	-	-	-
Computer Equipment	-	-	-	-	-	12,000	12,000	-	-	-	-	-
Footpaths	-	-	-	-	73,405	-	-	(73,405)	-	-	-	-
Drains	-	-	-	-	1,067	-	-	(1,067)	-	-	-	-
Street Furniture	-	-	-	-	23,902	-	-	(23,902)	-	-	-	-
<b>Total</b>	<b>147,446</b>	<b>318,500</b>	<b>171,054</b>	<b>-</b>	<b>4,358,919</b>	<b>3,614,928</b>	<b>268,940</b>	<b>(1,012,931)</b>	<b>174,665</b>	<b>163,136</b>	<b>150,305</b>	<b>(161,833)</b>

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	2020/21 Actual Net Book Value	2020/21 Actual Sale Proceeds	2020/21 Actual Profit	2020/21 Actual Loss	2020/21 Total Profit/(Loss)
<b>Car Parking</b>	\$	\$	\$	\$	\$
Transport	150,861	-	-	(150,861)	(150,861)
<b>Computer Equip</b>					
Recreation & Culture	-	12,000	12,000	-	12,000
<b>Drains</b>					
Transport	1,067	-	-	(1,067)	(1,067)
<b>Land</b>					
Transport	3,960,000	3,220,000	-	(740,000)	(740,000)
<b>Mobile Plant</b>					
Community Amenities	137,140	382,928	256,940	(11,152)	245,788
<b>Parks and Ovals</b>					
Other Property Services	12,544	-	-	(12,544)	(12,544)
<b>Footpaths</b>					
Transport	73,405	-	-	(73,405)	(73,405)
<b>Street Furniture</b>					
Other Property Services	23,902	-	-	(23,902)	(23,902)
<b>Total</b>	<b>4,358,919</b>	<b>3,614,928</b>	<b>268,940</b>	<b>(1,012,931)</b>	<b>(743,991)</b>



## 10(b). Depreciation

	2020/21 Budget	2020/21 Actual	2019/20 Actual
Asset/Category	\$	\$	\$
Artworks	25,717	34,863	25,742
Buildings	2,013,506	2,042,875	2,018,142
Information Technology	128,760	155,424	179,206
Furniture and Fittings	65,078	11,022	16,918
Mobile Plant	446,084	464,839	424,620
Plant and Equipment	81,426	88,393	70,747
Infrastructure - Roads	4,312,163	4,170,700	4,113,602
Infrastructure - Footpaths	1,109,900	1,136,689	1,110,964
Infrastructure - Drainage	678,750	681,408	679,306
Infrastructure - Parks & Ovals	1,344,823	1,473,630	1,297,770
Infrastructure - Foreshore	578,046	591,450	592,560
Infrastructure - Other	218,931	330,965	325,374
Intangible Assets	204,778	204,779	165,780
<b>Total Depreciation</b>	<b>11,207,962</b>	<b>11,387,037</b>	<b>11,020,731</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Depreciation

Land and work in progress are not depreciated. The depreciable amount of all other fixed assets 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.

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 in the period in which they arise.

#### Depreciation on Revaluation

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

- (a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

#### Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

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

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Depreciation Rates

Typical estimated useful lives for the different asset classes for the current and prior years are included in the table below:

Artworks	50 years
Buildings (based on components)	15 - 200 years
Plant and Equipment	10 - 25 years
Furniture and Fittings	10 - 20 years
Technological Equipment (includes optic fibre)	3 - 25 years
Mobile Plant	3 - 10 years
Infrastructure - Roads	20 - 100 years
Infrastructure - Drains	up to 100 years
Infrastructure - Paths (dependent on path type)	30 - 65 years
Infrastructure - Street Furniture	20 - 30 years
Infrastructure - Parks Equipment (Based on components)	10 - 50 years
Infrastructure - Car Parking (Based on components)	25-100 years
Foreshore Assets	up to 80 years
Intangible Assets	10 years

## 11. OTHER LIABILITIES

	2020/21 Actual	2019/20 Actual
<b>Current</b>	\$	\$
Obligations from transfers for non operating grants	7,118,322	465,834
<b>Total Other Liabilities</b>	<b>7,118,322</b>	<b>465,834</b>

	2020/21 Actual	2019/20 Actual
Performance obligations from transfers for non-operating grants to be recognised as revenue in accordance with the following time bands:	\$	\$
Less than 1 year	2,018,322	465,834
1 to 2 years	5,100,000	-
	<b>7,118,322</b>	<b>465,834</b>

## SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### Contract liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

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

### Liabilities under transfers to acquire or construct non-financial assets to be controlled by the entity

Grant liabilities represent the City's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

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

## 12. INTANGIBLE ASSETS

### Computer Software

	2020/21 Actual	2019/20 Actual
<b>Non-Current</b>	<b>\$</b>	<b>\$</b>
Computer Software value	1,373,816	1,373,816
Less: Accumulated amortisation	(933,533)	(728,754)
	<b>440,283</b>	<b>645,062</b>

Movements in carrying amounts of computer software during the financial year are shown as follows:

Balance at 1 July	645,062	810,842
Amortisation	(204,779)	(165,780)
<b>Carrying amount at 30 June</b>	<b>440,283</b>	<b>645,062</b>
<b>Total Intangible Assets</b>	<b>440,283</b>	<b>645,062</b>

## SIGNIFICANT ACCOUNTING POLICIES

### Computer Software

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

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software;
- it can be demonstrated how the software will generate probable future economic benefits;

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and

- the expenditure attributable to the software during its development can be reliably measured.

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

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

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13. REVALUATION SURPLUS

Asset Class/Category	2020/21 Opening Balance	2020/21 Revaluation Increment/ (Decrement)	2020/21 Revaluation Increment Prior Year Error	2020/21 Transfer to/from Retained Surplus	2020/21 Closing Balance	2019/20 Opening Balance	2019/20 Revaluation Increment/(Decre ment)	2019/20 Transfer to Retained Surplus	2019/20 Closing Balance
Land	\$ 213,116,078	-	-	\$(3,123,701)	\$ 209,992,377	\$ 213,116,078	-	-	\$ 213,116,078
Artworks	916,635	-	-	-	916,635	916,635	-	-	916,635
Buildings	42,970,680	-	-	-	42,970,680	43,005,048	-	\$(34,368)	42,970,680
Infrastructure - Roads Network	186,717,370	-	416,786	-	187,134,156	186,717,370	-	-	186,717,370
Infrastructure - Path Network	35,557,417	-	-	-	35,557,417	35,557,417	-	-	35,557,417
Infrastructure - Drainage	18,422,922	-	-	-	18,422,922	18,422,922	-	-	18,422,922
Infrastructure - Street Furniture	791,944	-	-	-	791,944	791,944	-	-	791,944
Infrastructure - Parks Assets	45,620,876	-	-	\$(4,721)	45,616,155	45,682,519	-	\$(61,643)	45,620,876
Infrastructure - Foreshore Assets	14,533,775	-	-	-	14,533,775	14,533,775	-	-	14,533,775
Infrastructure - Car Parking	8,442,236	-	-	\$(162,936)	8,279,300	8,442,236	-	-	8,442,236
<b>Total Revaluation</b>	<b>567,089,931</b>	<b>-</b>	<b>416,786</b>	<b>\$(3,291,358)</b>	<b>564,215,359</b>	<b>567,185,944</b>	<b>-</b>	<b>\$(96,011)</b>	<b>567,089,931</b>

#### 14. TRADE AND OTHER PAYABLES

	2020/21 Actual	2019/20 Actual
<b>Current</b>	<b>\$</b>	<b>\$</b>
Accounts payable	4,156,442	1,933,044
Income in advance including prepaid rates	720,440	493,757
Accrued employee expenses	176,490	435,808
Bond payables	2,018,343	1,632,066
Other payables	141,967	310,515
<b>Total current</b>	<b>7,213,682</b>	<b>4,805,189</b>
<b>Total Trade and Other Payables</b>	<b>7,213,682</b>	<b>4,805,189</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Trade and Other Payables

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

The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

##### 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 revenue for the prepaid rates that have not been refunded.

## 15. LEASEHOLDER LIABILITY

	2020/21 Actual	2019/20 Actual
<b>(a)Current</b>	\$	\$
Refundable leaseholder liability	25,883,503	26,724,315
Non refundable - Ingoing payment - Collier Park Village	241,142	279,250
<b>Total current</b>	<b>26,124,645</b>	<b>27,003,565</b>
<b>(b)Non-Current</b>		
Non refundable - Ingoing payment - Collier Park Village	799,228	903,446
<b>Total non-current</b>	<b>799,228</b>	<b>903,446</b>
<b>Total Leaseholder Liability</b>	<b>26,923,873</b>	<b>27,907,011</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Leaseholder Liabilities

The City disclose the liability for monies to be refunded to outgoing residents of the Collier Park Village in the primary financial statements at their nominal values, which are more meaningful, objective and useful disclosure to users of the financial statements – including the residents of the Collier Park Village for the following reasons:

- The liability to each individual resident of the Retirement Complex has no defined term – and is subject to change according to the state of health of each individual resident.
- There is therefore considerable subjectivity in determining the likely due dates for repayment of refundable monies to departing residents.
- The aggregate liability is partially ‘cash backed’ by quarantined Reserve Funds rather than being represented by unspecified assets.
- All transactions relating to leasehold obligations in the village, whether incoming or outgoing are transacted through the related cash backed reserve funds.

The leaseholder liability represents the City’s obligation to repay the unit lease purchase price (less the deposit premium and refurbishment levy) paid by the residents of the Collier Park Village upon individual leaseholders relinquishing their leases. As the City does not have a right to defer settlement of the refund for more than one year upon a lease being relinquished, the entire liability is required to be disclosed as a Current Liability.

Notwithstanding this, the City recognises that only a portion of the leases for units within the complex will be relinquished in the next twelve months. Whilst there is some subjectivity in establishing the rate of turnover in tenancies and the quantum of payments to individual leaseholders in different stages of the complex, the City establishes a historical rolling five-year average of the number of vacated units and then applies that percentage (7.1%) to the overall leaseholder liability to determine the anticipated obligation likely to become due in the next twelve months.

#### Ingoing Payment

The City offers incoming residents to the Collier Park Retirement Village the option of a lease for life or a 12-month rental agreement. Residents choosing to take up the lease for life option must pay the City an Ingoing Payment (management fee) for the right to occupy the Premises. The legal basis for occupancy of the Premises is as non-owner lessee. The City recognises the Ingoing Payment as a liability in terms of an operating lease and recognises income on a systematic basis over the expected occupancy term. The occupancy term is determined based on historical average periods of occupation.

## 16. INFORMATION ON BORROWINGS

### 16(a). Borrowings

	2020/21 Actual	2019/20 Actual
Current	\$ 615,148	\$ 971,714
Non-Current	5,868,657	6,483,805
<b>Total Borrowings</b>	<b>6,483,805</b>	<b>7,455,519</b>

### 16(b). Repayments on Borrowings

Purpose	Institution	Interest Rate	Budget Principal 1st July 2020	2020/21 Budget Interest Repayments	Budget Principal Outstanding 30 June 2021	2020/21 Actual Balance 1st July 2020	2020/21 Actual Principal Repayments	2020/21 Actual Interest Repayments	Actual Total Repayments 30 June 2021	Balance 30 June 2021	Current	Non Current	Actual Balance 1st July 2019	2019/20 Actual Principal Repayments	2019/20 Actual Interest Repayments	Balance 30 June 2020
<b>Recreation and Culture</b>																
227 - Collier Park Golf Course	WATC*	4.57%	2,417,689	129,832	2,079,401	2,417,689	338,287	112,522	450,809	2,079,402	355,488	1,723,913	2,739,607	321,919	146,821	2,417,688
<b>Total Golf Course Loans</b>			<b>2,417,689</b>	<b>129,832</b>	<b>2,079,401</b>	<b>2,417,689</b>	<b>338,287</b>	<b>112,522</b>	<b>450,809</b>	<b>2,079,402</b>	<b>355,488</b>	<b>1,723,913</b>	<b>2,739,607</b>	<b>321,919</b>	<b>146,821</b>	<b>2,417,688</b>
<b>225 A - Municipal Works</b>	WATC*	5.48%	252,663	10,238	-	252,663	252,663	7,563	260,225	-	-	-	491,882	239,219	24,343	252,663
<b>225 B - Municipal Works</b>	WATC*	4.02%	129,834	4,192	-	129,834	129,834	2,844	132,678	-	-	-	254,561	124,727	9,653	129,834
<b>231 - Municipal Works</b>	WATC*	3.21%	4,238,786	162,848	4,032,736	4,238,786	206,050	133,051	339,101	4,032,736	212,763	3,819,974	4,438,336	199,549	168,871	4,238,787
<b>Total City Loans</b>			<b>4,621,283</b>	<b>177,277</b>	<b>4,032,736</b>	<b>4,621,283</b>	<b>588,547</b>	<b>143,458</b>	<b>732,005</b>	<b>4,032,736</b>	<b>212,763</b>	<b>3,819,974</b>	<b>5,184,779</b>	<b>563,495</b>	<b>202,867</b>	<b>4,621,284</b>
<b>Self Supporting Loans **</b>																
<b>Health</b>																
224 - South Perth Hospital	WATC*	6.15%	-	-	-	-	-	-	-	-	-	-	279,715	279,715	7,146	-
<b>Recreation and Culture</b>																
228 - South Perth Bowling Club	WATC*	4.65%	48,670	2,505	43,113	48,670	5,557	2,167	7,724	43,113	5,820	37,294	53,975	5,305	2,452	48,670
229 - South Perth Bowling Club	WATC*	4.42%	298,980	14,752	265,879	298,980	33,102	12,671	45,773	265,879	34,589	231,290	330,658	31,678	14,405	298,980
230 - South Perth Bowling Club	WATC*	4.22%	68,896	3,257	62,675	68,896	6,221	2,788	9,009	62,675	6,489	56,186	74,861	5,965	3,330	68,896
<b>Total Self Supporting Loans</b>	WATC*		<b>416,546</b>	<b>20,514</b>	<b>371,667</b>	<b>416,546</b>	<b>44,879</b>	<b>17,626</b>	<b>62,506</b>	<b>371,667</b>	<b>46,897</b>	<b>324,770</b>	<b>739,209</b>	<b>322,663</b>	<b>27,333</b>	<b>416,546</b>
<b>Total Loans</b>			<b>7,455,519</b>	<b>327,623</b>	<b>6,483,805</b>	<b>7,455,519</b>	<b>971,713</b>	<b>273,607</b>	<b>1,245,320</b>	<b>6,483,805</b>	<b>615,148</b>	<b>5,869,657</b>	<b>8,663,595</b>	<b>1,208,077</b>	<b>377,021</b>	<b>7,455,519</b>

\* Western Australia Treasury Corporation

\*\* Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.



## 16(c). Undrawn Credit Facilities

	2020/21 Actual	2019/20 Actual
<b>Undrawn Credit Facilities</b>	<b>\$</b>	<b>\$</b>
Credit card limit	40,000	40,000
Credit card balance at balance date	(11,401)	(24,719)
<b>Total amount of credit unused</b>	<b>28,599</b>	<b>15,281</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Financial Liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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 the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

#### 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.

#### Risk

Information regarding exposure to risk can be found at Note 26.

17. EMPLOYEE RELATED PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
<b>Opening Balances as at 1 July 2020</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Current Provisions	2,735,852	2,101,009	4,836,861
Non-Current Provisions	-	590,666	590,666
<b>Total Employee Provisions 1 July 2020</b>	<b>2,735,852</b>	<b>2,691,675</b>	<b>5,427,527</b>
Additional provision	1,872,092	240,098	2,112,190
Amounts used	(1,998,216)	(80,769)	(2,078,986)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	4,653	18,267	22,921
<b>Balance at 30 June 2021</b>	<b>2,614,381</b>	<b>2,869,271</b>	<b>5,483,652</b>
<b>Comprises</b>			
Current Provisions	2,614,381	2,324,027	4,938,408
Non-Current Provisions	-	545,244	545,244
<b>Balance at 30 June 2021</b>	<b>2,614,381</b>	<b>2,869,271</b>	<b>5,483,652</b>
	<b>2020/21 Actual</b>	<b>2019/20 Actual</b>	
<b>Amounts are expected to be settled on the following basis:</b>	<b>\$</b>	<b>\$</b>	
Less than 12 months after the reporting date	2,116,632	2,149,781	
More than 12 months from the reporting date	3,379,669	3,287,532	
Expected reimbursements from other WA LG	(12,649)	(9,787)	
<b>Total Employee Provisions</b>	<b>5,483,652</b>	<b>5,427,527</b>	

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

## **SIGNIFICANT ACCOUNTING POLICIES**

### **Employee Benefits**

#### **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 sick 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 sick leave are recognised as a part of current trade and other payables in the statement of financial position.

#### **Other Long-term Employee Benefits**

The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits 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 re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

### **Provisions**

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

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

## 18. NOTES TO THE STATEMENT OF CASH FLOWS

### Reconciliation of Cash

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

	2020/21 Budget	2020/21 Actual	2019/20 Actual
	\$	\$	\$
<b>Reconciliation of Cash</b>			
Cash at Bank / On Hand	4,065,650	3,380,323	711,036
Cash Equivalents at call/term deposits (less than 3 months)	-	20,753,322	15,527,217
Cash and Cash Equivalents	<b>4,065,650</b>	<b>24,133,645</b>	<b>16,238,253</b>

### Reconciliation of Net Cash provided by Operating Activities to Net Result

Net result	(2,073,580)	(509,595)	(889,140)
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### Non-cash flows in Net result:

Depreciation and amortisation	11,207,962	11,387,037	11,020,731
(Profit)/Loss on Sale of Assets	(171,054)	743,991	11,529
Share of profit of Associates accounted for using the equity	-	(1,247)	43,374
Adjustment to Financial Assets at Fair Value through profit and loss	-	(6,464)	(2,882)
Work in Progress Expensed	-	442,981	-

### Non-operating items:

Non operating grants, subsidies and contribution	(3,179,363)	(2,387,143)	(2,331,567)
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### Changes in Operating Assets and Liabilities during Year

(Increase)/decrease in current receivables	33,312	499,360	(718,264)
(Increase)/decrease in prepayments	-	88,857	2,756
(Increase)/decrease in accrued income	-	(93,265)	185,553
Increase/(Decrease) in current payables	(643,553)	1,010,873	478,351
Increase/(Decrease) in income in advance	-	226,683	14,506
Increase/(Decrease) in accrued expenses	-	926,810	(1,399,242)
Increase/(Decrease) in current provisions	300,000	101,546	(69,170)
Increase/(Decrease) in other payables	-	(142,151)	39,995
Increase/(Decrease) in bond payables	-	386,270	170,463
(Increase)/Decrease in non current receivables	-	(13,480)	(24,528)
Increase/(Decrease) in non current other payables	-	-	(96,363)
Increase/(Decrease) in non current provisions	-	(45,422)	272,528
<b>Net cash from operating activities</b>	<b>5,473,724</b>	<b>12,615,641</b>	<b>6,708,629</b>

19. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020/21 Actual	2019/20 Actual
Function/Activity	\$	\$
General Purpose Funding	66,825,084	54,018,738
Governance	27,155,465	27,238,612
Law, Order and Public Safety	1,405,714	1,444,797
Education and Welfare	2,473,402	2,507,184
Welfare	8,583,603	8,636,112
Health	-	20,580
Housing	23,567,622	23,501,926
Community Amenities	17,817,739	16,669,250
Recreation and Culture	251,487,005	251,922,412
Transport	310,476,239	318,347,454
Economic Services	113,599	115,058
Other Property and Services	80,724,425	79,138,327
<b>Total Assets</b>	<b>790,629,897</b>	<b>783,560,451</b>

20. CONTINGENT LIABILITIES

The City has no contingent liabilities at the reporting date.

## 21. COMMITMENTS

### 21(a). Capital Commitments

	2020/21 Actual	2019/20 Actual
Contracted for:	\$	\$
not later than one year	2,242,670	2,027,917
<b>Total Capital Commitments</b>	<b>2,242,670</b>	<b>2,027,917</b>

The City has contracted for items of capital expenditure that were not recognised as liabilities in the statement of financial position at reporting date but are detailed as capital commitments because they are the subject of an irrevocable commitment for the goods or services as at reporting date.

### 21(b). Operating Commitments

	2020/21 Actual	2019/20 Actual
Contracted for:	\$	\$
not later than one year	13,182,011	-
<b>Total Operating Commitments</b>	<b>13,182,011</b>	<b>-</b>

The City has entered into a funding agreement with Western Power for the provision of underground electricity in Collier and Maning, as part of the State Underground Power Program (SUPP). The infrastructure is not City owned but Western Power owned. Payments in terms of the funding agreement fall due in the 2021/2022 financial year. Expenditure are detailed as operating commitments because they are the subject of an irrevocable commitment for the 2021/22 financial year at the reporting date.

## 22. RELATED PARTY TRANSACTIONS

### 22(a). Elected Members Remuneration and Expenditure (Key Management Personnel)

	2020/21 Budget	2020/21 Actual	2019/20 Actual
<b>Elected Members Remuneration (Short term benefit)</b>	\$	\$	\$
The following fees, expenses and allowances were paid to council members and/or the Mayor			
<b>Elected member Mayor Greg Milner</b>			
Mayor's annual allowance	63,354	63,354	43,900
Meeting attendance fees	31,149	31,149	28,717
Other expenses	-	143	23
Annual allowance for ICT expenses	3,500	2,845	2,979
	<b>98,003</b>	<b>97,491</b>	<b>75,619</b>
<b>Elected member Deputy Mayor Blake D'Souza</b>			
Deputy Mayor's annual allowance	15,838	15,838	10,975
Meeting attendance fees	23,230	23,230	23,230
Other expenses	-	349	196
Annual allowance for ICT expenses	3,500	3,282	3,282
	<b>42,568</b>	<b>42,699</b>	<b>37,683</b>
<b>Elected member Cr Glen Cridland</b>			
Deputy Mayor's annual allowance	-	-	4,734
Meeting attendance fees	23,230	23,230	23,230
Annual allowance for ICT expenses	3,500	3,282	3,282
	<b>26,730</b>	<b>26,512</b>	<b>31,246</b>
<b>Elected member Cr Ken Manolas</b>			
Meeting attendance fees	23,230	23,230	23,041
Annual allowance for ICT expenses	3,500	3,282	3,255
	<b>26,730</b>	<b>26,512</b>	<b>26,296</b>
<b>Elected member Cr Andre Brender-A-Brandis</b>			
Meeting attendance fees	23,230	23,230	16,097
Annual allowance for ICT expenses	3,500	3,282	2,274
	<b>26,730</b>	<b>26,512</b>	<b>18,371</b>
<b>Elected member Cr Carl Celedin</b>			
Meeting attendance fees	23,230	23,230	16,097
Other expenses	-	-	-
Annual allowance for ICT expenses	3,500	3,282	2,274
	<b>26,730</b>	<b>26,512</b>	<b>18,371</b>



	2020/21 Budget	2020/21 Actual	2019/20 Actual
	\$	\$	\$
<b>Elected member Cr Mary Choy</b>			
Meeting attendance fees	23,230	23,230	16,097
Annual allowance for ICT expenses	3,500	3,282	2,274
	<b>26,730</b>	<b>26,512</b>	<b>18,371</b>
<b>Elected member Cr Stephen Russell</b>			
Meeting attendance fees	23,230	23,230	16,097
Other expenses	-	55	-
Annual allowance for ICT expenses	3,500	3,282	2,274
	<b>26,730</b>	<b>26,567</b>	<b>18,371</b>
<b>Elected member Cr Samantha Bradder</b>			
Meeting attendance fees	23,230	23,230	7,637
Annual allowance for ICT expenses	3,500	3,282	1,079
	<b>26,730</b>	<b>26,512</b>	<b>8,716</b>
<b>Retired members:</b>			
<b>Elected member Mayor Sue Doherty</b>			
Mayor's annual allowance	-	-	18,907
Meeting attendance fees	-	-	9,296
Other expenses	-	-	1,000
Annual allowance for ICT expenses	-	-	851
	-	-	<b>30,053</b>
<b>Elected member Cr Cheryle Irons</b>			
Meeting attendance fees	-	-	6,944
Other expenses	-	-	600
Annual allowance for ICT expenses	-	-	981
	-	-	<b>8,525</b>
<b>Elected member Cr Colin Cala</b>			
Meeting attendance fees	-	-	6,944
Other expenses	-	-	1,000
Annual allowance for ICT expenses	-	-	981
	-	-	<b>8,925</b>
<b>Elected member Cr Tracie McDougall</b>			
Meeting attendance fees	-	-	6,944
Annual allowance for ICT expenses	-	-	981
	-	-	<b>7,925</b>

	2020/21 Budget	2020/21 Actual	2019/20 Actual
	\$	\$	\$
<b>Elected member Cr Travis Burrows</b>			
Meeting attendance fees	-	-	6,944
Other expenses	-	-	400
Annual allowance for ICT expenses	-	-	981
	-	-	<b>8,325</b>
<b>Fees, expenses and allowances to be paid or reimbursed to elected council members.</b>	<b>327,681</b>	<b>325,829</b>	<b>316,798</b>
Mayor's annual allowance	63,354	63,354	62,807
Deputy Mayor's annual allowance	15,838	15,838	15,709
Meeting attendance fees	216,989	216,989	207,315
Other expenses	-	547	3,219
Annual allowance for ICT expenses	31,500	29,101	27,748
	<b>327,681</b>	<b>325,829</b>	<b>316,798</b>
<b>Other Elected Members Expenditure</b>			
Insurance	35,000	38,050	33,358
Training and Conferences	30,000	5,065	34,077
Election Expenses	-	-	130,886
Subscriptions	55,000	46,347	35,106
Depreciation	64,915	64,915	65,145
Other Elected Member's expenditure	55,000	13,880	5,287
	<b>239,915</b>	<b>168,257</b>	<b>303,859</b>
<b>Total Elected Member's expenditure</b>	<b>567,596</b>	<b>494,086</b>	<b>620,657</b>

## 22(b). Senior Officers Remuneration (Key Management Personnel)

	2020/21 Actual	2019/20 Actual
<b>Senior Officer Remuneration (KMP) Disclosure</b>	\$	\$
The total of remuneration paid to KMP of the City during the year are as follows:		
Short-term employee benefits	870,953	840,987
Post-employment benefits	115,434	111,272
Other long-term benefits	99,722	101,346
	<b>1,086,109</b>	<b>1,053,605</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Short-term Employee Benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to senior officers, except for details in respect to fees and benefits paid to elected members which may be found above.

#### Post-Employment Benefits

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

#### Other Long-term Benefits

This represents benefits not expected to be wholly settled within 12 months of the reporting period.

#### Termination Benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

## **22(c). Related Parties**

The City's main related parties are as follows:

i. **Key management personnel**

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

ii. **Entities subject to significant influence by the City**

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

iii. **Associates accounted for under the equity method**

The City has an interest in the Rivers Regional Council, which is accounted for in these financial statements using the equity method. For details of interests held in Associates, refer to Note 23.

The City's interest in the Rivers Regional Council is based on the tonnes of waste delivered during the previous financial year, which is included in the financial statements. The percentage interest for year on year tonnage contributions (from the Cities of Armadale, Gosnells, Mandurah, South Perth and the Shires of Serpentine Jarrahdale and Murray) was 11% representing an interest of \$37,949 (2020: 11.48% and \$36,703). The total contribution paid to Rivers Regional Council during the year were \$43,097 (2020: \$0).

iv. **Related Parties accounted for under the equity method**

The City has an ownership interest in the Local Government House Trust, which is included in the financial statements, comprising of 10 units. This ownership interest represents 1.61% and \$184,517 (2020: 1.61% and \$178,053), refer to Note 5.

### **Transactions with related parties**

Transactions between the City and related parties in the ordinary course of business are undertaken at arm's length, and are no more favourable than those available to other parties and have been identified to be transactions an ordinary citizen would undertake with the City. These Ordinary Citizen Transactions have been determined to be immaterial in nature and are excluded from related party disclosure.

## 23. INVESTMENT IN ASSOCIATE

	2020/21 Actual	2019/20 Actual
<b>Equity share in Associates - Rivers Regional Council</b>	<b>\$</b>	<b>\$</b>
Opening Balance (11.48% share of Net Assets of \$319,709)	36,703	80,077
Adjustment for the current period	1,247	(43,374)
<b>Balance as at 30 June (11% of Net Assets of \$344,995)</b>	<b>37,949</b>	<b>36,703</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Investment in Associates

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

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

Profits and losses resulting from transactions between the City and the associate are eliminated to the extent of the City's interest in the associate. When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

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24. RATING INFORMATION

**24(a). Rates**

RATE TYPE	Rate in	Number of Properties	2020/21 Rateable Value	2020/21 Actual Rate Revenue	2020/21 Actual Interim Rates	2020/21 Total Revenue	2020/21 Budget Rate Revenue	2020/21 Budget Interim Rates	2020/21 Budget Total Rates	2019/20 Actual
	\$		\$	\$	\$	\$	\$	\$	\$	\$
<b>Differential general rate or general rate</b>										
<b>Gross rental valuations</b>										
Residential	0.077065	16,728	388,453,722	29,936,189	-	29,936,189	29,924,149	-	29,924,149	31,456,963
Interim rates		-	-	-	322,873	322,873	-	-	-	749,193
Commercial	0.077065	673	64,021,716	4,933,834	-	4,933,834	4,920,307	-	4,920,307	4,264,841
<b>Sub Totals</b>		<b>17,401</b>	<b>452,475,438</b>	<b>34,870,023</b>	<b>322,873</b>	<b>35,192,896</b>	<b>34,844,456</b>	<b>-</b>	<b>34,844,456</b>	<b>36,470,997</b>
<b>Minimum</b>										
<b>Minimum payment</b>										
<b>Gross rental valuations</b>										
Residential	994	3,050	34,287,887	3,031,700	-	3,031,700	3,031,700	-	3,031,700	1,734,530
Commercial	994	79	871,778	78,526	-	78,526	78,526	-	78,526	69,580
<b>Sub Totals</b>		<b>3,129</b>	<b>35,159,665</b>	<b>3,110,226</b>	<b>-</b>	<b>3,110,226</b>	<b>3,110,226</b>	<b>-</b>	<b>3,110,226</b>	<b>1,804,110</b>
<b>Discounts/concessions</b>										
Total amount raised from general rates		<b>20,530</b>	<b>487,635,103</b>	<b>37,980,249</b>	<b>322,873</b>	<b>38,303,122</b>	<b>37,954,682</b>	<b>-</b>	<b>37,954,682</b>	<b>38,275,107</b>
<b>Total Rates</b>						<b>38,303,122</b>				<b>38,275,107</b>
									<b>37,954,682</b>	<b>38,275,107</b>
									<b>37,954,682</b>	<b>38,275,107</b>

**24(b). Interest Charges and Instalments**

The following instalment options were available to ratepayers for the payment of rates and services charges:

Instalment Options	Date Due	Instalment Plan Admin		Instalment Plan Interest		Unpaid Rates Interest	
		Charge	\$	Rate	%	Rate	%
<b>Option One</b>							
Single Full Payment	26th August 2020	0.00		0.0%		0.0%	
<b>Option Two</b>							
First Instalment	26th August 2020	0.00		0.0%		0.0%	
Second Instalment	4th November 2020	10.00		5.5%		8.0%	
<b>Option Three</b>							
First Instalment	26th August 2020	0.00		0.0%		0.0%	
Second Instalment	4th November 2020	10.00		5.5%		8.0%	
Third Instalment	6th January 2021	10.00		5.5%		8.0%	
Fourth Instalment	10th March 2021	10.00		5.5%		8.0%	

The City does not offer any discounts, incentives, concession and write-off schemes.

	2020/21 Budget	2020/21 Actual	2019/20 Actual
	\$	\$	\$
Instalment plan admin charge revenue	150,000	133,618	150,072
Instalment plan interest earned	170,000	165,602	171,640
Unpaid rates and interest earned	200,000	250,737	318,099
<b>Total</b>	<b>520,000</b>	<b>549,957</b>	<b>639,811</b>



## 25. RATE SETTING STATEMENT INFORMATION

### 25(a). Non-cash amounts excluded from operating activities

		2020/21 Budget (30 June 2021)	2020/21 (30 June 2021)	2019/20 (30 June 2020)
	Note	Carried Forward	Carried Forward	Carried Forward
<b>Non-cash amounts excluded from operating activities</b>		\$	\$	\$
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 36</i>				
<b>Adjustments to operating activities</b>				
Movement: in Retention (non-current)		-	-	96,363
Movement: in pensioner deferred rates (non-current)		-	13,481	24,529
Movement: in employee benefit provisions (non-current)		-	45,422	(272,528)
Movement: in Work In Progress (expense)		-	(442,981)	-
Add: Depreciation on non-current assets	10(b)	(11,207,962)	(11,387,037)	(11,020,731)
<b>Non cash amounts excluded from operating activities</b>		<b>(11,207,962)</b>	<b>(11,771,115)</b>	<b>(11,172,367)</b>

### 25(b). Surplus/(deficit) after imposition of general rates

		2020/21 Budget (30 June 2021)	2020/21 (30 June 2021)	2019/20 (30 June 2020)
	Note	Carried Forward	Carried Forward	Carried Forward
<b>Surplus / (deficit) after imposition of general rates</b>		\$	\$	\$
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 36</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserves - cash/financial asset backed	4	(30,426,391)	(40,298,494)	(35,573,691)
Less: Financial assets at amortised cost - self supporting loans	5(a)	(44,879)	(46,897)	(44,879)
Add: Current liabilities not expected to be cleared at end of year				
current portion of borrowings	16(a)	971,713	615,148	971,714
current portion of lease holder liabilities	15(a)	27,511,234	25,883,503	26,724,315
movement in current unspent non-operating grants associated with restated cash		-	5,500,000	-
current portion of ingoing payment	15(a)	-	241,142	279,250
<b>Total adjustments to net current assets</b>		<b>(1,988,323)</b>	<b>(8,105,598)</b>	<b>(7,643,292)</b>
<b>Net current assets used in the Rate Setting Statement</b>				
Total current assets		40,218,281	61,762,781	49,814,063
Less: Total current liabilities		(38,229,958)	(46,010,205)	(38,083,162)
Less: Total adjustments to net current assets		(1,988,323)	(8,105,598)	(7,643,292)
<b>Total net current assets used in the Rate Setting</b>		<b>-</b>	<b>7,646,978</b>	<b>4,087,606</b>

## 26. 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.

The City held the following financial instruments at balance date:

	2020/21 Carrying Value	2019/20 Carrying Value
<b>Financial Assets</b>	\$	\$
Cash and Cash equivalents	24,133,645	16,238,253
Financial Assets measured at amortised cost	38,395,023	34,286,256
Financial Assets measured at fair value through profit and loss	184,517	178,053
<b>Total Financial Assets</b>	<b>62,713,185</b>	<b>50,702,562</b>
<b>Financial Liabilities</b>		
Financial Liabilities measured at amortised cost	39,580,990	38,985,023
<b>Total Financial Liabilities</b>	<b>39,580,990</b>	<b>38,985,023</b>

Risk	Exposure arising from	Measurement	Management
<b>Market risk - interest rate</b>	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
<b>Credit risk</b>	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits, investment policy
<b>Liquidity risk</b>	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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

Financial risk management is carried out by the finance area under policies approved by the Council.

The Finance area 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.

## 26(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. The City does not have an overdraft facility.

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:

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
<b>30 June 2021</b>		\$	\$	\$	\$
Cash at Bank/On Hand	0.02%	3,380,323	-	3,375,633	4,690
At Call/Term Deposits (less than 3 months)	0.24%	20,753,322	16,053,260	4,700,062	-
Financial assets at amortised cost - term deposits	0.42%	33,209,866	33,209,866	-	-
<b>Total</b>		<b>57,343,511</b>	<b>49,263,126</b>	<b>8,075,695</b>	<b>4,690</b>
<b>30 June 2020</b>					
Cash at Bank/On Hand	0.24%	711,036	-	706,146	4,890
At Call/Term Deposits (less than 3 months)	1.03%	15,527,217	14,326,142	1,201,076	-
Financial assets at amortised cost - term deposits	1.56%	28,761,051	28,761,051	-	-
<b>Total</b>		<b>44,999,304</b>	<b>43,087,192</b>	<b>1,907,222</b>	<b>4,890</b>

### Sensitivity

As most of the City's Cash and Cash Equivalents are invested in short term deposits with fixed interest rates the City's exposure is limited only to those deposits that are at call with variable interest rates. These deposits are minimal and are available only for a short duration of time before being used to meet the City's day to day obligations. This coupled with the current low interest rates mean the City's risk exposure is very minimal.

### 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 terms and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings.

Details of interest rates applicable to each borrowing can be found at Note 16.

## 26(b). Credit Risk

### Trade and Other Receivables

The City's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk, that is the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies.

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The City is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourage payment. The City adopted policy P697 Financial Hardship Assistance as a mechanism to assist those willing but unable to pay their rates when it falls due.

The level of outstanding receivables is reported to Council monthly and benchmarks are set and monitored for acceptable collection performance.

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2020 or 1 July 2021 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

No expected credit loss was forecast for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed to recover unpaid rates.

The loss allowance for sundry receivables and infringements receivable was determined as follows and takes into account the impact of COVID-19.

	Current	More than 30 days past	More than 60 days past	More than 90 days past	Total
	\$	\$	\$	\$	\$
<b>30 June 2021</b>					
Sundry receivables and infringements					
Expected credit loss	0.20%	5.33%	0.00%	76.87%	29.63%
Gross carrying amount	763,479	33,768	61,644	531,825	1,390,716
Loss allowance	1,530	1,799	-	408,790	412,119
<b>30 June 2020</b>					
Sundry receivables and infringements					
Expected credit loss	0.00%	0.00%	0.00%	57.98%	31.71%
Gross carrying amount	277,513	249,366	64,704	713,929	1,305,511
Loss allowance	-	-	-	413,924	413,924

## 26(c). Liquidity Risk

### Payables and Borrowings

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.

Financial assets utilised to minimise the City's liquidity risk are term deposits (disclosed in Notes 3 and 5). The maturity profiles of these term deposits are planned for and scheduled taking into account the City's expectation of cash inflows generated from trade and other receivables. Thereby ensuring adequate liquidity is maintained to meet the City's payment obligations as and when they fall due. Payment terms can be extended if required.

The contractual undiscounted cash flows of the City's financial liabilities 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 within 1 to 5 years	Due after 5 years	Total contractual cash flows	Carrying values
<b>30 June 2021</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Payables	7,213,682	-	-	7,213,682	7,213,682
Borrowings	896,621	3,544,995	3,734,502	8,176,118	6,483,805
Refundable leaseholder liability	25,883,503	-	-	25,883,503	25,883,503
<b>Total</b>	<b>33,993,806</b>	<b>3,544,995</b>	<b>3,734,502</b>	<b>41,273,303</b>	<b>39,580,990</b>

### 30 June 2020

Payables	4,805,189	-	-	4,805,189	4,805,189
Borrowings	1,296,223	3,561,990	4,614,128	9,472,340	7,455,519
Refundable leaseholder liability	26,724,315	-	-	26,724,315	26,724,315
<b>Total</b>	<b>32,825,727</b>	<b>3,561,990</b>	<b>4,614,128</b>	<b>41,001,844</b>	<b>38,985,023</b>

## 27. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There have been no significant events after the reporting period that are required to be included in the 2020/21 Annual Financial Report.

## 28. CORRECTION OF PRIOR YEAR ERROR

In the 2018/19 financial year the City made payments to Western Power amounting to \$416,786 for design work relating to the future undergrounding of the overhead electricity supply network in Hurlingham. During the 2018/19 year end asset capitalisation and revaluation process this amount was capitalised out of work in progress to the City's Roads Network asset class, instead of being reclassified as a prepayment of future expenditure relating to the Hurlingham Underground Power project. The capitalisation of the \$416,786 to the City's Roads Network asset class resulted in the revaluation adjustment being understated by the same amount. Effective 1 July 2020 the City recognises the prepayment of \$416,786 and the equivalent value increase to the Road Network Revaluation Reserve. The City did not restate the prior year comparative as this adjustment is immaterial.

	Note	Initial Carrying amount 1 July 2020	Adjustment	Restated Carrying amount 1 July 2020
<b>Prepayment Underground Power</b>		\$	\$	\$
Non Current Prepayments	7(b)	-	416,786	416,786
Roads Network Revaluation Reserve	13	186,717,370	416,786	187,134,156

## 29. OTHER SIGNIFICANT ACCOUNTING POLICIES

### OTHER SIGNIFICANT 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.

#### c) Rounding off Figures

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

#### d) Comparative Figures

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

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

## OTHER SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### f) Superannuation

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

### g) Fair Value of Assets and Liabilities

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

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

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

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

### h) Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

### i) 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.

## OTHER SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 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.

### j) Impairment of Assets

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

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

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

For non-cash generating specialised assets that are measured under the revaluation model such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather *AASB 116.31* applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

### k) Critical Accounting Estimates

The preparation of these financial statements 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.

All such estimates are based on historical experience and other factors that are believed to be reasonable under the circumstances. This experience and other relevant factors combine to form the basis for making professional judgements about the carrying values of assets and liabilities that may not otherwise be readily apparent. Realised actual results may therefore differ from these professional estimates.

### l) Allocation of Corporate Costs

Allocation of corporate costs using Activity Based Costing principles has been included in this financial report. This allocation of costs has a neutral impact upon the overall operating result of the City but results in a more accurate reflection of the costs of providing specific services by incorporating an allocation for corporate services provided to service areas.



### 30. ACTIVITIES/PROGRAMS

City operations as disclosed in these financial statements encompass the following service oriented activities/programs:

#### KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS

##### **OBJECTIVE**

##### **GOVERNANCE**

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

##### **ACTIVITIES**

The programme reflects the statutory element of local government operations including Council Member support, community consultation and involvement, statutory reporting, compliance and accountability.

##### **GENERAL PURPOSE FUNDING**

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

##### **LAW, ORDER, PUBLIC SAFETY**

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

This programme embraces parking management, animal control, fire prevention and Safer Cities.

##### **HEALTH**

To provide an operational framework for environmental and community health.

The health programme includes food premises inspections pest control, environmental health administration, and operation and maintenance of the buildings and grounds of child health centres.

##### **EDUCATION AND WELFARE**

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

The education programme includes the maintenance of pre-school facilities including the operating costs for utilities, building maintenance and grounds maintenance for each of these facilities.

The welfare programme includes the operation and maintenance of the buildings and grounds of senior citizens' centres located at Manning and South Perth which represent the major components of this programme.

Also included are staff costs for coordinators at the centre and other voluntary services.

##### **HOUSING**

To provide and maintain elderly residents housing.

The largest single component of this programme is the operation and maintenance of the Collier Park Retirement Village. This includes all operating costs for the facilities and the revenue streams arising from residents' fees.

##### **COMMUNITY AMENITIES**

To provide services required by the community.

This programme includes household rubbish collection services, recycling collections and operation of the waste transfer station. The other major component of the Community Amenities programme is administration of the town planning scheme and orderly planning of the district.

**KEY TERMS AND DEFINITIONS - REPORTING PROGRAMS (CONTINUED)**

**OBJECTIVE**

**RECREATION AND CULTURE**

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

**ACTIVITIES**

This programme includes operation and maintenance of our halls and recreation centre. The operation of two libraries and a local studies facility falls within this programme which also includes the maintenance and upkeep of sporting and passive reserves, sporting pavilions and public facilities. Another major component of the revenue stream for this programme is the operation of a 27-hole golf course at Collier Park. The City of South Perth community events forms part of the Recreation & Culture programme as do activities associated with supporting community and cultural organisations.

**TRANSPORT**

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

The transport programme includes the maintenance and rehabilitation of roads, drainage works, paths, parking facilities streetscape and verge maintenance as well as maintenance of traffic devices and traffic signs and expenses relating to street lighting.

**ECONOMIC SERVICES**

To help promote the local government and its economic wellbeing.

This programme includes building control, pool inspections and the operation of the City's plant nursery.

**OTHER PROPERTY AND SERVICES**

To monitor and control operating accounts.

This programme includes public works overheads and operation of the City's fleet and plant services.

### 31. FINANCIAL RATIOS

	2020/21 Actual	2019/20 Actual	2018/19 Actual
<b>Ratios</b>			
Current Ratio	1.49	0.86	1.03
Asset Consumption Ratio	0.65	0.66	0.67
Asset Renewal Funding Ratio	1.05	1.09	1.00
Asset Sustainability Ratio	0.81	1.03	1.01
Debt Service Cover Ratio	6.79	5.22	4.64
Operating Surplus Ratio	(0.05)	(0.06)	(0.05)
Own Source Revenue Coverage Ratio	0.93	0.91	0.93

The above ratios have been calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

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We hope you enjoyed reading our Annual Financial Report for 2020/21 and invite you to provide feedback by emailing [enquiries@southperth.wa.gov.au](mailto:enquiries@southperth.wa.gov.au)

Annual Report 2020/21 supplied as a separate document.

## USEFUL CONTACTS

### **Civic Centre**

**9474 0777**

Cnr Sandgate St & South Tce,  
South Perth WA 6151

Fax 9474 2425

[enquiries@southperth.wa.gov.au](mailto:enquiries@southperth.wa.gov.au)  
[southperth.wa.gov.au](http://southperth.wa.gov.au)

### **Animal Care Facility**

**9474 0777**

199 Thelma St, Como

### **Collier Park Golf Course**

**9484 1666**

Hayman Rd, Como

[collierparkgolf.com.au](http://collierparkgolf.com.au)

### **Collier Park Village**

**9313 0200**

16 Morrison St, Como

### **Ferry Tram**

Windsor Park, South Perth

### **Graffiti Hotline 1800 007 774**

### **George Burnett Leisure Centre**

**9474 0855**

Manning Rd, Karawara  
[leisurecentre@southperth.wa.gov.au](mailto:leisurecentre@southperth.wa.gov.au)

### **South Perth Library**

**9474 0800**

Cnr Sandgate St & South Tce, South Perth  
[southperthlib@southperth.wa.gov.au](mailto:southperthlib@southperth.wa.gov.au)

### **Manning Library**

**9474 0822**

2 Conochie Cres, Manning  
[manninglib@southperth.wa.gov.au](mailto:manninglib@southperth.wa.gov.au)

### **Old Mill**

**9367 5788**

Melville Pl, South Perth  
[oldmill@southperth.wa.gov.au](mailto:oldmill@southperth.wa.gov.au)

### **South Perth Senior Citizens**

**9367 9880**

53 Coode St, South Perth  
[spsc@bigpond.com](mailto:spsc@bigpond.com)

### **Manning Senior Citizens**

**9450 6273**

3 Downey Dr (off Ley St), Manning  
[manning seniors@bigpond.com](mailto:manning seniors@bigpond.com)

### **Recycling Centre**

**9474 0970**

Hayman Rd & Thelma St, Como  
[enquiries@southperth.wa.gov.au](mailto:enquiries@southperth.wa.gov.au)

9474 0777 | [enquiries@southperth.wa.gov.au](mailto:enquiries@southperth.wa.gov.au)

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