



City of **Perth**

Agenda

Annual General Meeting of Electors

31 January 2023

Notice of Meeting

To the Lord Mayor and Councillors

The next Electors General Meeting of the City of Perth will be held on Tuesday, 31 January 2023 in the Council Chamber, Level 9, 27 St Georges Terrace, Perth commencing at 5.00pm.

Michelle Reynolds

Chief Executive Officer

27 January 2023

Electors' General Meeting Procedure

Regulation 18 states that the procedure to be followed at a general meeting of electors' is to be determined by the Presiding Person at the meeting. In accordance with clause 5.30 of the *Local Government Act 1995*, the Lord Mayor is to preside at the electors' meetings, and has determined the procedure to be followed as below:

1. All present are required to sign the attendance register upon entry to the Council Chamber, including name and address.
2. Speakers must be electors of the City of Perth.
3. The proceedings will be recorded for the purpose of production of minutes, and speakers are requested to use the lectern microphone when speaking.
4. No other audio-visual recordings are to be undertaken without permission from the Lord Mayor.
5. The order of proceedings will firstly be reference to these rules by the Lord Mayor followed by:
 - a. Declaration of opening and welcome
 - b. Acknowledgement of Elected Members in attendance
 - c. Lord Mayor's message
 - d. 2019-20 Annual Report, Financial Statements and Auditor's Report
 - e. General business
 - f. Closure
6. During general business, questions, motions or statements may only relate to the matters that affect the local government and will be accepted at the discretion of the Lord Mayor.

Electors proposing motions to the meeting

7. Proposed motions must be submitted no later than 24 hours prior to the meeting. Forms are available on the City's website www.cityofperth.wa.gov.au
8. Motions from the floor may be ruled out of order at the discretion of the Lord Mayor.
9. The Lord Mayor will call for a mover and seconder for a motion.
10. No motion is open to debate until it has been seconded. Only one motion shall be received at a time.
11. Upon a motion being proposed, the Lord Mayor will call for speakers to address the meeting.
12. When addressing the meeting, a speaker is to:
 - a. Move to the lectern (unless able to do so due to sickness or a disability)
 - b. State their name and address
 - c. Address the meeting through the Lord Mayor
 - d. Limit the question/ statement to fact, not opinion or supposition
13. The mover of a motion has the right of reply and closes the debate.

Voting at the meeting

14. Once a motion has been moved and seconded, the Lord Mayor will ask for a vote on the motion from the electors.
15. Each Elector has one vote. An elector is not required to vote
16. Voting is determined by a show of hands.
17. A simple majority carries the vote.

Decisions made at the meeting


18. The decisions of this meeting are not binding on the City of Perth Council. All decisions made at the meeting will be presented to Council for its consideration at its next practicable meeting.
19. Minutes of this meeting will be available on the City's website as soon as practicable after the meeting and before the next Ordinary Council meeting.

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1. Declaration of Opening, Acknowledgement of Country/Prayer and Welcome
2. Attendance
 - 2.1 Acknowledgement of Elected Members in Attendance
3. Lord Mayor's Message
4. Annual Report, Financial Statement and Auditor's Report
 - 4.1 2021/22 Annual Report, Financial Statements and Auditor's Report

Attachments

Attachment 4.1A – 2021/22 Annual Report [↓](#) 

Recommendation

That the 2021/22 Annual Report for the City of Perth be ACCEPTED.

5. General Business
6. Closure



Annual Report 2021/22





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Acknowledgement

The City of Perth acknowledges the Whadjuk Nyoongar people as the Traditional Owners of the lands and waters where Perth city is situated today and pays respects to Elders past, present and emerging.



About The Annual Report

The Local Government Act 1995 requires local governments to adopt an Annual Report by 31 December each year or within two months of the Auditor General's report on the City's financial statement being available. The City of Perth (the City) meets this requirement by producing a detailed report annually.

Everything we do at the City of Perth is guided by the Strategic Community Plan 2022-32. This plan was developed in consultation with the community and includes three strategic pillars, which are the community's aspirations for the city.

We also have a fourth internally-focused pillar of Well Governed - The City of Perth will be renowned for its excellence and professionalism with a workforce committed to accountability, integrity and respect.

This Annual Report is a snapshot of our performance against these pillars and an overview of the City's outlook for the future.

In line with the City's sustainability goals, a limited number of hard copies of this Annual Report were produced. It can be downloaded electronically at perth.wa.gov.au

For any enquiries, contact the City of Perth on

(08) 9461 3333 or email info@cityofperth.wa.gov.au



Liveable

A community that is safe, socially cohesive, inclusive and activated.



Sustainable

A healthy environment, with social and economic systems in balance.



Prosperous

A successful, flourishing and thriving city.



Basil Zempilas
Lord Mayor

Lord Mayor’s Message

It’s my great pleasure to present this foreword for the Annual Report 2021-2022 – a period of consolidation and growth at the City of Perth.

Our new Council, first elected in October 2020, received strong endorsement when councillors, Clyde Bevan, Brent Fleeton, Liam Gobbert and Viktor Ko were all re-elected for a further four-year term.

During this period, we focused on critical issues for the ratepayers.

We continued our advocacy for more police in the Perth CBD and Northbridge and have been rewarded with a significantly increased police presence. Most pleasing is our excellent working relationship with WA Police. We are partners.

The City of Perth Safe Night Space has been heralded in our community. In the first 12 months of operation, more than 1000 women took shelter on more than 4000 occasions.

Our three-month trial of the Safe Night Shelter for men highlighted the importance of such a resource and shortly after we were pleased to see the State Government open a permanent facility on Wellington Street.

In May of 2022 I addressed the Parliamentary Inquiry into homelessness and advocated for more accommodation to be found, a network of support workers to be put in place to support those going into accommodation, staggering or extending the hours of the day centres operate and decentralising the services and accommodation.

We endorsed a budget which delivered a zero per cent rate rise and no increases in parking fees and charges.

It was a community focused budget, a \$260 million blueprint for our future, designed to enhance Perth as a liveable, sustainable and prosperous capital city.

Our Bounce-back strategy introduced free night-time parking, free alfresco dining permits and free busking permits. In addition, we made quick cash available to support small business and awarded business improvement grants to help revitalise the city.

One of our significant priorities is ensuring Perth is a City for everyone.

Our continued work with the City’s Access and Inclusion Advisory Group, Aboriginal Elders Advisory Group and the LGBTQIA+ Advisory Group, plus the regular engagement with our Neighbourhood groups has helped us to deliver on this key objective.

The City of Perth re-established its credentials as the events capital of our state.

The AFL Grand Final celebrations in September were unforgettable. The People’s Parade on the Friday prior and the Melbourne Football Club premiership presentation on the Sunday resulted in some of the biggest Forrest Place crowds this century.

Our family favourite Christmas Lights Trail won gold at the 2021 Perth Airport WA Tourism Awards in the Major Festivals and Events category. More than 400,000 people visited our CBD to see the brilliant installations.

In February we celebrated 60 years of John Glenn’s City of Light orbit with a stunning drone show over Elizabeth Quay.

A huge crowd joined us as we re-embraced the “City of Light” theme for our capital and unveiled a refreshed brand and municipal logo to capture that spirit.

The City of Light brand has always had great significance for Perth and is as relevant today as it has ever been.

It’s that spirit of connection, creativity, teamwork and positivity which drives your City of Perth Council, and we are excited to continue to deliver now and into the future for our glorious capital city.

Basil Zempilas

March 2023



Michelle Reynolds
Chief Executive Officer

CEO’s Message

The past 12 months have been an extremely productive time for the City of Perth, as this report outlines.

Our focus for 2021-22 has been to reset how we operate to provide timely, efficient and effective service and project delivery and I believe we have achieved that in spades.

When I joined the City in 2020 my priority was to establish a strong foundation to rebuild the organisation into one which is renowned for its excellence and professionalism and, with our Evolution to Excellence strategy as a guide, this is being achieved.

With a \$261.7 million budget, the City has prioritised its spending to ensure we meet the needs of our ratepayers, residents, tenants, retailers and visitors as to the level expected of a capital city.

There are many competing priorities, but the City is committed to keeping the community at the forefront of all we do and ensures our city flourishes and provides a safe and welcoming environment for exciting ideas and people to thrive for generations to come.

It is an exciting time for our magnificent City of Light and I am pleased to present this annual report which demonstrates our commitment to ensuring Perth continues to be one of the most liveable, sustainable and prosperous cities in the world.



March 2023



Council



Basil Zempilas
Lord Mayor

Basil Zempilas became the 18th Lord Mayor of the City of Perth in October 2020.

He is also the chair of the Council of Capital City Lord Mayors and the Lord Mayor’s Distress Relief Fund, which was activated twice in 2021.

His first foray into local government comes after a successful and ongoing broadcasting career in television and radio and as a newspaper columnist with The West Australian.

Basil began his television career at Channel 7 in Perth in 1994 and for 20 years was the station’s senior sports presenter on 7NEWS and has been part of, or hosted, various AM and FM breakfast radio programs since the mid-1990s.

He has been a host and commentator at nine Olympic Games and four Commonwealth Games for the Seven Network.

For more than 10 years, he was a commentator and host of Seven’s Australian Open tennis coverage and for five years was Master of Ceremonies at the Melbourne Cup Carnival.

Between 2012 and 2021, Basil was a host and commentator on the Seven Network’s AFL coverage.

Away from sport, Basil spent two years from 2018 commuting from Perth to Sydney to co-host Seven’s Weekend Sunrise. Since 2010, Basil has been host of the world-renowned 26-hour live television charity fundraiser, Telethon.

Basil was educated at Hale School and gained a Bachelor of Arts Degree and a Graduate Diploma of Journalism from Murdoch University. In 2019, he was honoured with a Distinguished Alumni Award.



Di Bain
Deputy Lord Mayor

Di Bain is a company director, business founder and communications industry professional. Following her journalism career with the Australian Broadcasting Corporation, Di established her own successful marketing agency, Bain Media. Her firm developed communication strategies and delivered cross-platform brand campaigns for high-profile clients in government, property development, cybersecurity and tourism.

Di is a Commissioner of Tourism Western Australia and was a founding member of Activate Perth. She also helped establish the fundraising committee at the Perth Zoo following her tenure on the board. She personally champions the arts scene and has been a director of Perth’s contemporary dance company Co3, a trustee of the Perth Theatre Trust and sits on the advisory board of the Black Swan State Theatre Company.

She has earned producer credits for the Australian motion picture Red Dog: True Blue and the documentary film Yagan.

Di is a graduate of the Western Australian Academy of Performing Arts and a member of the Australian Institute of Company Directors. Di is also an aviator holding both fixed wing and helicopter pilot licences.



Sandy Anghie
Councillor

Elected to the City of Perth Council in October 2020, Councillor Sandy Anghie (LLB, BCom ‘97, BEnvDes ‘11, March ‘14) holds degrees in law, commerce, design and architecture, and has 25 years’ experience across these fields.

Starting her career as a corporate tax lawyer in 1997, Sandy was admitted to the Supreme Court as a Barrister and Solicitor in 1999. She worked in Australia’s leading law and accounting firms, before returning to the University of Western Australia in 2006 to become an architect.

Now a registered architect, Sandy has her own residential architecture practice and is actively involved in WA’s architecture community, with current roles including President of the Australian Institute of Architects WA, co-founder Perth Design Week, editor of The Architect magazine, and contributor to CO-architecture and the Property Tribune.

Sandy has served on a number of not-for-profit boards for the past decade, including the Constable Care Child Safety Foundation and the West Australian Ballet. She is currently a member of the Law Society’s Old Court House Law Museum Foundation Committee and represents the City of Perth on the State Library Board.



Catherine Lezer
Councillor

Councillor Catherine Lezer was elected to the City of Perth Council in October 2020. Born and raised in Perth, Catherine lives in the heart of Perth in postcode 6000.

After various finance positions and property directorships, in Perth and Sydney, Catherine developed a passion for adding value to apartments and apartment buildings. Catherine is a passionate advocate for strata living with practical experience in environmental sustainability, community building, asset management and aesthetic improvements.

Keen to see the CBD stay vibrant, Catherine is committed to its evolution to a CED (Central Experience District) with events, art and new technology playing a role alongside business and increased residential development.

Catherine is a council member of Heritage Council WA and President of Strata Community Association WA.

She completed a Bachelor of Business and Master of Business Administration, and is a graduate of the Australian Institute of Company Directors.

Catherine serves on many City of Perth and external committees.

Rebecca Gordon
Councillor

Councillor Rebecca Gordon was elected to City of Perth Council in October 2020 and is a member of the CEO Performance Review Committee, Policy Committee and Deputy Member of the Audit and Risk Committee.

Councillor Gordon possesses a Bachelor of Laws, Bachelor of Commerce and Master of Business Administration. She is also a graduate of the Australian Institute of Company Directors course and is a Certified Information Privacy Manager.

As a lawyer and company secretary, Councillor Gordon's day job focuses on the governance and compliance of a global group of more than 100 entities.

She is also the chairperson for the professional standards panels for health practitioners, Australia-wide.

Rebecca was a member of the Mindarie Regional Council, a deputy mayor at the City of Melville (one of Western Australia's largest and most-awarded councils), a member of the Local Government Standards Panel and a member of the Metro Central Development Assessment Panel.

Councillor Gordon is committed to ensuring the good governance of the City of Perth. Having owned an apartment in Perth for more than a decade, she is also passionate about making Perth an attractive city to live, work and play.

Liam Gobbert
Councillor

Liam was elected to the City of Perth Council in October 2020. He served as the inaugural Chair of the Policy Committee and is now a member of the Audit and Risk Committee. He is the City's delegate to the Mindarie Regional Council, the WALGA Central Zone, Deputy Member to the Local Development Assessment Panel, and the Metropolitan (Deputy) Local Government Representative to the Western Australian Planning Commission.

Liam is an East Perth resident working in rail infrastructure project management and is passionate about creating vibrant and liveable communities. He is focused on improving safety and security, lighting, cultural experiences, public amenities, and attracting residents and businesses into Perth.

He holds qualifications in urban planning, project management, music and retail, with a law degree underway.

Liam served as a Councillor from 2009-2017 at the City of Joondalup with a term as Deputy Mayor and is the current Vice-President of the Independent Theatre Association of WA. He is also a Justice of the Peace for the State of Western Australia.

Liam's previous volunteer involvement has included serving as the Secretary for urban think tank FuturePerth, as a committee member for the Cancer Council's Relay for Life, and as Musical and Orchestral Director for multiple community theatres. He has also volunteered with Open House Perth, Propel Youth Arts, and the YMCA's Youth Parliament.

Clyde Bevan
Councillor

Clyde Bevan was elected to the City of Perth Council in October 2020.

He has spent more than 30 years owning and running restaurants with his wife – including Friends Restaurant for more than two decades.

Clyde has won seven national awards, including Best Restaurant with Entertainment in Australia three times, Best Fine Dining Restaurant in Australia twice, and Best New Restaurant in Australia.

Further national recognition came when he was inducted into the Restaurant and Catering Association Hall of Fame for contributions to the hospitality industry.

He has regularly commented on food, wine and entertainment in the media and judged for numerous wine and food awards.

Clyde has worked as a Senior Policy Advisor for the WA Office of Premier and Cabinet.

He has been a Board Member and Chief Executive Officer of the WA Restaurant and Catering Association, the State Supply Commission and the Kalamunda and Districts Hospital Board. He was President of the Swan Valley Tourism Council for four years.

Clyde also served as Chairman of the Board for Lotterywest from 2004 to 2010.

Dr Viktor Ko
Councillor

Dr Viktor Ko is an Australian-born Chinese medical doctor who was elected to the City of Perth Council in October 2020.

Viktor completed his medical training in WA. He earned his Bachelor of Medicine, Bachelor of Surgery at Notre Dame University Fremantle, is a graduate of the Rural Clinical School of Western Australia and was a John Flynn Scholarship holder.

Professionally, Viktor has worked in Geraldton, Albany and Kalgoorlie, and has worked across all three major tertiary hospitals: Fiona Stanley, Sir Charles Gairdner and Royal Perth.

He currently serves on the Perth Local Development Assessment Panel, the Metropolitan Regional Road Group and works in general practice caring for homeless and low-income patients.

Brent Fleton
Councillor

Councillor Brent Fleton was re-elected to the City of Perth Council in October 2021 for a four-year term.

During the 2021/22 financial year, he chaired the Policy & Legislation Committee's red-tape reduction efforts and served on the Audit & Risk Committee. Additionally, he represented Perth on the Tamala Park Regional Council and served as a Deputy Member of the Development Assessment Panel.

Outside of his council duties, Brent is an experienced public relations consultant. He has previously worked at NBN, the Chamber of Commerce & Industry, and the Chamber of Minerals & Energy. He completed the UWA Business School Advanced Management Program in 2018 and the AICD Company Directors Course in 2017. He is a passionate follower of thoroughbreds and a lifelong member of Perth Racing.



Elected Member Attendance

Member	Ordinary Council Members	Special Council Meetings	Agenda Briefing Sessions	Audit and Risk Committee	Policy and Legislation Committee	CEO Performance Review Committee
	12 Held	4 Held	11 Held	4 Held	4 Held	4 Held
Lord Mayor Basil Zempilas	10	4	9	Non-member	Non-member	4
Deputy Lord Mayor Di Bain	11	3	9	Non-member	Non-member	Non-member
Councillor Sandy Anghie	11	3	10	3	2	Non-member
Councillor Clyde Bevan	11	4	11	Non-member	2	4
Councillor Brent Fleeton	12	4	9	4	3	Non-member
Councillor Liam Gobbert	12	4	10	3	3	Non-member
Councillor Rebecca Gordon	11	4	10	Non-member	4	4
Councillor Dr Viktor Ko	11	2	9	Non-member	Non-member	Non-member
Councillor Catherine Lezer	10	4	11	4	Non-member	Non-member

Register of complaints

The City did not record any complaints in the register of complaints kept in accordance with Section 5.121 of the Local Government Act 1995 during the 2021-22 financial year.

Leadership & Administration

The Chief Executive Officer (CEO) is responsible for the management of the City of Perth's Administration. It is the CEO's role to provide overall strategic direction, leadership and coordination of the organisation's day-to-day operation. Along with the general managers and staff, the CEO acts on Council decisions by developing and putting into practice the Council's policies and resolutions.

Supporting the CEO is the Executive Leadership Team (ELT). On 30 June 2022, the ELT comprised the following:

Office of the Chief Executive
Chief Executive Officer
Michelle Reynolds

The Office of the Chief Executive develops and implements strategic plans that enable the City to deliver its vision. It is responsible for Elected Member liaison, establishing inter-governmental frameworks and facilitating partnerships with key stakeholders. The Office of the Chief Executive includes Legal Services, Audit and Risk, Executive Services, Council Governance and Policy, Strategy, Council and Civic Support, and Corporate Communications and Marketing.

Commercial Services
General Manager
Steve Holden

The Commercial Services Alliance brings property management and maintenance together with the City's parking business. This commercially focused area aims to maximise the City's valuable property assets and income-generating services.

Community Development
General Manager
Kylie Johnson

The Community Development Alliance works to ensure a community that is safe, socially cohesive, inclusive and activated. The Alliance comprises City Events, Arts and Culture, Community Safety and Amenity, Customer Experience, and Community Services.

Corporate Services
General Manager
Melissa Murphy

The Corporate Services Alliance has responsibility for all corporate matters and provides services to internal teams. The alliance includes Financial Services, Corporate Planning and Performance, People and Culture, ICT Services, Procurement and Information and Records Management.

Infrastructure and Operations
General Manager
Allan Mason

The Infrastructure and Operations Alliance is responsible for the management and maintenance of the City's infrastructure, parks and public spaces as well as street cleaning and waste collection. The Alliance is also responsible for the delivery of capital projects within the public realm as well as buildings and fleet assets. The alliance includes Project Design, Project Delivery, Civil Maintenance, Asset Management, Waste and Cleaning, Fleet and Depot, Container Deposit Services and Parks and Environment service units.

Planning and Economic Development
General Manager
Dale Page

The Planning and Economic Development Alliance strategically plans, designs and provides the necessary support and guidance for the growth and future development of the city. Teams within this Alliance include City Planning, Development Approvals, Transport and Urban Design, Sustainability, Economic Development and City Future.

Well-governed

Disclosure of Annual Salaries

Regulation 19B of the Local Government (Administration) Regulations 1996, requires this Annual Report to contain information on the number of employees entitled to an annual salary of \$130,000 or more, and the number of those employees with an annual salary entitlement that falls within each band of \$10,000 over \$130,000.

Salary Range	No. of Employees
\$130,000 – \$139,999	17
\$140,000 – \$149,999	10
\$150,000 – \$159,999	7
\$160,000 – \$169,999	6
\$170,000 – \$179,999	5
\$180,000 – \$189,999	3
\$190,000 – \$199,999	1
\$200,000 – \$209,999	2
\$210,000 – \$219,999	1
\$220,000 – \$229,999	1
\$230,000 – \$239,999	1
\$240,000 – \$249,999	1
\$250,000 – \$259,999	0
\$260,000 – \$269,999	0
\$270,000 – \$279,999	1
\$280,000 – \$289,999	0
\$290,000 – \$299,999	0
\$300,000 – \$309,999	0
\$310,000 – \$319,999	0
\$320,000 – \$329,999	0
\$330,000 – \$339,999	0
\$340,000 – \$349,999	0
\$350,000 – \$359,999	1

The CEO remuneration package is \$379,532 (incl super) \$354,532 (excl super).

Workforce

As at 30 June 2022


637
Employees


Female
Employees
45.9%
Managers/ELT/CEO
50%

Male
Employees
53.6%
Managers/ELT/CEO
50%

Employees identifying as gender diverse/
non-binary, other, or prefer not to say
0.5%

Age Range
18-77
Average Age
45.2

 **Tenure**
The average tenure at the City of Perth is 6.9 years.

 Representation of approximately 109 different cultures and nationalities

Recordkeeping Statement

The City of Perth is committed to the reliable and systematic management of government records in accordance with legislative requirements and best practice standards.

Evaluation of Business and Recordkeeping Systems

The City Records team assessed or re-assessed the following systems and provided advice on the compliant management of records:

- EasyPark app
- CTM Portal
- Perth Trails app
- CPP Parking app
- City of Perth Library app
- EzeScan

The City Records team provided subject matter expert input on the following system upgrades or implementations:

- EzeScan
- Content Manager upgrade

Recordkeeping Training Program

New users are provided system training on the recordkeeping systems Content Manager and CEDREC (City Electronic Documents, Records and Collaboration). A new Content Manager Training and Support Hub, with updated guides and videos, was launched in conjunction with the Content Manager upgrade. Training modules are differentiated by competency levels and for specific roles.

Evaluation of the Recordkeeping Training Program

The Content Manager training program was reviewed resulting in a more user-oriented and streamlined program providing just-in-time training.

Training effectiveness is reviewed regularly via monitoring of survey responses from the online course and survey links sent after training sessions.

Recordkeeping Induction Program

All new staff to the City are required to complete recordkeeping awareness training using the online learning platform as part of the onboarding process. The course covers staff responsibilities, the Recordkeeping Policy and the Recordkeeping Plan.

This report has been published in accordance with the requirements of the State Records Act 2000.

Information Statement

Freedom of Information

In accordance with Sections 96 and 97 of the Freedom of Information Act 1992, the City is required to publish an annual Information Statement which details the process for applying for information under the Act, as well as information that the City provides outside the Act.

This document is available on the City of Perth website.

National Competition Policy

In 1995, the Council of Australian Governments entered into a number of agreements, collectively known as the National Competition Policy. Local government is affected mainly where it operates significant business activities which compete, or could compete, with private sector businesses. Local governments will also be affected where local laws unnecessarily affect competition.



About Perth

Perth (Boorloo) sits on Whadjuk Nyoongar land and includes the neighbourhoods of Crawley-Nedlands, East Perth, Northbridge, Central Perth, Claisebrook and West Perth.

As the capital city of Western Australia, Perth is the business, government, transport, cultural and entertainment hub of the metropolitan area. The city is dynamic, with diverse economic activity.

From an international perspective, Perth is located within the Asia Pacific Region: one of the world's fastest growing and developing economic zones.

The city's largest Industries, by number of people employed, are:

- Professional, scientific and technical services
- Public administration and safety
- Health care and social assistance
- Mining

The city also encompasses many entertainment/event precincts and public spaces including Kings Park (Kaarta Koomba), the Swan River (Derbarl Yerrigan) and Elizabeth Quay (Gumap). These contribute to Perth's distinctive character.

The city is in a period of unprecedented growth following the announcement of the \$1.5 billion Perth City Deal, which will re-energise Perth by bringing government and private investment into the Central Business District.

The Perth City Deal is an innovative and exciting 10-year partnership with the City of Perth and the Australian and Western Australian Governments.

Although the City of Perth has a relatively small residential population (an estimated 32,867 people in 2021), the population is rapidly growing.

Each day the city's daytime population swells to an estimated 205,000. This collection of workers, visitors, students, community and government service users, and people at leisure contributes to the city buzz, and creates both challenges and opportunities for the City of Perth.

Economic

135,026
Daily Workforce Population²

\$63.7B
Gross Regional Product²



2,218,719 sqm
Total Office Floorspace¹

Top Industry Sectors by Economic Output²

Mining

44.1%
\$48.3 BILLION



Financial & Insurance Services

11.1%
\$12.1 BILLION



Professional, Scientific & Technical Services

9.1%
\$9.9 BILLION



Environmental

26
Parks & Reserves⁷

546.68Ha
Total Area of Parkland & Reserves

13.3km
River Frontage⁷

113km
Total Length of Roads⁷

3.3km
Heirisson Island³

Residential

28,463
City of Perth Residents
(estimated population 2022)

17,630
Number of Dwellings

1.74
Average Household Size

18,118
Residents Born Overseas
(63.6%)

33
Residents Median Age
(City of Perth)

37
Residents Median Age
(Greater Perth)

1,347
Residents Attending
Education Facility
(Preschool to secondary)

5,361
Residents Attending
Tertiary Education

Residential Growth

	2026	2031	2036	2041	2045	2050
Forecast Growth ⁵	35,753	39,418	43,018	49,107		
City of Perth Aspirational Target ⁶			55,000			90,000

Sources

- 1 - Property Council Office Market Report - July 2022
- 2 - REMPLAN Perth (C) - Published Sept 2022
- 3 - City of Perth Open Space Study 2018
- 4 - Australian Bureau of Statistics (2016-2020)

- 5 - <https://forecast.id.com.au/perth/population-households-dwellings> - accessed 16/9/21
- 6 - City of Perth Strategic Community Plan 2019-2029
- 7 - Internal data

About The City of Perth

The City of Perth is Western Australia's capital city local government authority, proudly serving the people of Perth and their rapidly growing capital. The City of Perth's role is to recognise, promote and enhance the social, environmental, economic and cultural settings of the city for the community, now and into the future.

Constituted under the Local Government Act 1995, the City of Perth provides services and facilities to a broad range of stakeholders including its 14,000 businesses, more than 28,000 residents, 135,000 workers and 230,000 visitors.

The City of Perth has origins from 1829 when the Swan River Colony was established by the British Government and was named after Perth, in Scotland. For thousands of years before, the area was an important meeting place for the Whadjuk Nyoongar people who have lived in the South-West region of Western Australia for more than 35,000 years.

In 1856, Perth formally attained 'city' status when it was declared a Bishop's See by Queen Victoria. The first meeting of the Perth City Council was held on 10 December 1858. However, it was not until the Centenary of Foundation in 1929 that the position of Mayor was elevated to Lord Mayor.

The Council met at several locations over the years before moving to Council House in 1963. In 1994, the sprawling local government area was split into four separate authorities with the creation of the Towns of Vincent, Victoria Park and Cambridge. In May 2015, a Bill was introduced in State Parliament to establish the City of Perth Act 2016 to recognise Perth as the capital city of Western Australia and to establish the City of Perth Council as the State's preeminent local government authority. This came into effect on 1 July 2016.



City of Perth Inquiry

Between 2015 and late 2020, the City of Perth experienced a period of significant change, growth and disruption. In 2018, the City's Council was suspended and the Minister for Local Government announced there would be a formal inquiry into the City of Perth.

The inquiry, conducted under the Local Government Act 1995, was the largest and most complex conducted in Western Australia so far. In June 2020, the inquiry concluded and the Findings Report was released publicly. This outlined 341 recommendations, 215 of which were assigned to the City of Perth for action.

As at 30 June 2022, the City had completed 178 (83%) of those 215 recommendations.

Since the inquiry's findings were handed down, the City has been on a comprehensive and extensive journey of change. An entirely new leadership team has been established and a new Council was elected in October 2020. This era of stable, elected leadership signalled an exciting milestone for the City in its evolution to excellence. Together, the City's Administration and Council are committed to providing the leadership required to unlock Perth's potential to be increasingly liveable, sustainable and prosperous.

A number of the Inquiry's recommendations require the City to report on certain metrics and outcomes within its Annual Report. These are provided here.

Recommendation	Progress
37. If Recommendation 34 is not adopted, the City is to publish in its Annual Report its percentage of compliance for the financial year with the Code training requirement, according to the specified categories (as described in Recommendation 33).	Completion rates, split per the categories prescribed by Recommendation 33 are as follows: <ul style="list-style-type: none">• CEO – 100%• “Senior employees” or equivalent – Not applicable, as there are no “senior employees” designated under s5.37 of the Act.• Employees – 98%.• council members, committee members and candidates – 100%

For reference

Recommendations 33 and 34 state the following:

33. The Department to consider the inclusion of reporting against compliance with the Code training requirement in a local government's compliance audit return, split by category, namely, council members, committee members, candidates, the CEO, “senior employees” 1 or equivalent and employees.
34. Local governments be required to publish in their Annual Report their percentage of compliance for the financial year with the Code training requirement, according to the specified categories (as described in Recommendation 33).

Recommendation	Progress
322. The City publish in its Annual Report the findings of the audit described in Recommendation 321, along with the City's trend and outcome reporting on complaints and grievances.	Trend and outcome reporting, per recommendation 319 is not expected until early 2023. In June 2022 Council accepted a revised deadline of 30 June 2023.

For reference

Recommendations 319 and 321 state the following:

319. Trend and outcome reporting on complaints and grievances be reported in writing and at least quarterly to the City's executive and the Council.
321. The results of the audit are to be reported to the Audit Committee and the Council. (See recommendation 322).

International Relationships

Sister Cities

Kagoshima Japan (1974)	Vasto Italy (1989)
Houston United States (1984)	Nanjing China (1998)
Megisti, Kastellorizo Greece (1984)	Chengdu China (2012)
San Diego United States (1987)	

Charters of Mutual Friendship

Perth Scotland (2006)	Taipei Taiwan (1999)
Seocho Republic of Korea (2008)	

Despite the COVID-19 pandemic and related border closures, the City's international engagement function continued to maintain positive relationships with its key stakeholders in Perth and abroad. This was achieved through online meetings with international connections abroad, Ambassador/High Commissioner visits, delivering events with international business chambers and councils, and progressing the City's Memorandum of Understanding with Denpasar to develop linkages between the creative and startup ecosystems in both cities.





City Services



3,991t
Waste Recycled



229,849
Library Visits



12,984sqm
Graffiti Removed



95,000
Phone Calls Received



29,800
Emails Received



735,000
Social Media Followers



11,300
Visitors to Engage Perth
Engagement Platform



213
Events Facilitated
in Public Realm



540
Trees Planted



7
Kangaroos
Cared For

Planning & Key Achievements

On 26 April 2022 Council adopted the City's Strategic Community Plan 2022 – 2032 based upon input from the community, outlining the challenges and opportunities and importantly the community's aspirations for the future of where they work, live and recreate.

There were no amendments made to the Corporate Business Plan 2021/22 to 2024/25 during the 2021/22 Financial year.

Liveable

A community that is safe, socially cohesive, inclusive and activated.



Equity, diversity & inclusion:

In July 2021, the City established its Equity, Diversity and Inclusion Framework outlining its commitment to celebrating diversity, championing equity and promoting inclusion in the Perth community.

The framework provides an overarching set of five principles to ensure social justice is at the core of the City's actions.

The five principles are:

1. Actively embrace and celebrate diversity
2. Engage in meaningful community consultation
3. Address intersectionality
4. Foster fair and equitable participation
5. Model strong leadership and representation

Nearly 64 per cent of Perth's residents were born overseas and collectively speak more than 56 languages and practice over 28 religions.

About 2.2 per cent of Perth residents live with a disability, 11 per cent are within the LGBTQIA+ community and 1.2 per cent are Aboriginal or Torres Strait Islander people.

The City's Equity, Diversity and Inclusion Framework helps celebrate and value the strength of the city's diverse community.

The framework covers a range of new and existing plans as well as opportunities for further inclusion and support.



Disability Access & Inclusion Plan 2021-2025

The new Disability Access & Inclusion Plan 2021-2025, approved by Council on 27 July 2021, outlines the City's commitment to meeting the seven outcomes under the Disability Services Act.

They include, among other outcomes, giving people with disability the same access and opportunities as other people to the City's services, events, buildings and facilities.

Examples of the City's actions include creating a wheelchair accessible counter and hearing loop at the Citipace Community Centre on the upper level of the City Railway Station Complex.

The award-winning Wellington Square Playground was designed and built with accessible features such as a mounded accessible pathway to embankment slides, slides accessible by rubber softfall, a double flying fox with accessible seat, accessible waterplay, and accessible BBQ, seating and tables.

The Heritage Perth Weekend 2022 | Boorloo Kwedjang Bardip Yanginy, included Auslan interpreters, as well as audio descriptions, and sensory friendly and tactile elements in the program. The three-day event celebrated Perth's rich multicultural and Aboriginal history.

Yacker Danjoo Ngala Bidi document

On 5 October 2021, the City of Perth and representatives of the Whadjuk Nyoongar City of Perth Aboriginal Elders Group and other Aboriginal people who have a connection to the area jointly signed an historic dual-language document.

The Yacker Danjoo Ngala Bidi, which means Working Together Our Way in Nyoongar language, acknowledges that the Whadjuk Nyoongars are the Traditional Owners of Boorloo, the area on which Perth city sits.

The document has several aims that include building on trust, developing protocols for working together, acknowledging past injustices, ensuring a real voice for Aboriginal people who live, work and have connection to Boorloo and the City, and ensuring Perth is a welcoming and culturally safe environment for Aboriginal people in a spiritual, social and physical sense.

The Yacker Danjoo Ngala Bidi publicly communicates the desire of both parties to respectfully work together to improve the future of Aboriginal people and to ensure the true history and culture of Aboriginal people is visible throughout the City of Perth.



Reconciliation Action Plan 2022-2024

The City's second Reconciliation Action Plan (RAP) was approved by Council on 31 May, 2022 and is the next step on the City's reconciliation journey.

It builds on the historic Yacker Danjoo Ngala Bidi commitment, which was one of the key actions of the City's first Reconciliation Action Plan that focused on reflection.

The City's second RAP, which was developed after extensive internal and external stakeholder engagement, addresses the innovation stage of the reconciliation process and outlines the actions the City will take.

There are four pillars in the RAP, which was endorsed by the City's Elders Advisory Group:

- Relationships
- Respect
- Opportunities
- Governance

Each pillar has associated actions and deadlines with ongoing evaluation and reporting to the Elders Advisory Group and the Executive Leadership Team.

The RAP provides the framework to continually grow the relationships between Aboriginal and non-Aboriginal people, increase respect for Aboriginal culture and people, and enable Aboriginal people to access hope and opportunity available to all Australians.

Birak Concert

An estimated 5,000 people attended the free annual Birak Concert on 26 January 2022 to celebrate and recognise Aboriginal and Torres Strait Islander culture. Birak is the Nyoongar season for the hot, dry months of December and January.

The concert at the Supreme Court Gardens featured performances from Malachi Humphries, Rhys Bedford, South Summit and Flewnt.

There were community stalls, an Elders Marquee and the Perth Heat baseball team were in attendance. Nyoongar Radio also broadcast the event.

Bindaran

In collaboration with NAIDOC Perth, the City hosted Bindaran, a six-metre high spectacular being, who roamed Forrest Place at the end of April 2022.

Locally trained puppeteers guided Bindaran as she told stories shared by local female Elders about their connection to Boorloo and boodja (country).

Bindaran means the sound of thunder, the stormy weather in the Nyoongar language and the three-day event celebrated the Nyoongar season of Djeran: the season of adulthood when cooler weather begins.



Mia Mias artwork

A significant public artwork acknowledging the Stolen Generations was officially opened in Wellington Square on 24 November 2021.

It was created by artist Sandra Hill, an Elder and Custodian of the Wadandi (salt water) people of the southwest of WA, and sits in Mia Mias, a dedicated place of healing in the northwest corner of the square.

The artwork features a central beacon incorporating the male and female feathers of the red-tailed black cockatoo (Kaarak), surrounded by five traditional dwellings (mia mias).

To finalise the work, the footprints of Sandra's grandchildren were cemented into the concrete.

Ms Hill said that as a member of the Stolen Generations she understood the grief, loss and heartbreak the community continued to experience.

The area is now used as an educational, ceremonial and gathering place for the community at events such as Sorry Day.

The City of Perth worked closely with the Yokai initiative, the Bringing Them Home Committee WA and the broader Aboriginal community to commission this important public artwork.

The City of Perth enlisted Barking Wolf production company to put together a 15-minute documentary on the story of Mia Mias, which is available on the City's YouTube channel.

LGBTQIA+ Plan 2021-2024

The City has adopted its first LGBTQIA+ Plan, which outlines the City's role as a service provider, partner and facilitator in increasing the visibility, social inclusion and health and wellbeing of the LGBTQIA+ community.

The three-year plan, approved by Council in October 2021, was developed in collaboration with the City of Perth's LGBTQIA+ Advisory Group, and with input from the community across 523 engagements.

Seven key areas and associated actions have been identified in this first-of-its-kind plan:

- Safety
- Education
- Homelessness
- Healthcare
- Organisational Capability
- Welcoming and Accessible Services
- Visibility

Some of the actions include awareness and mental health training for Rangers and Safe City Officers, the inclusion of all-gender bathrooms, responding to incidents of discrimination and harassment, educational resources on how to be an ally, and encouragement of internal and external applications from LGBTQIA+ people to work at the City.

The plan also highlights the City's advocacy for LGBTQIA+ positions across such areas as policing, building codes, housing and health.

Evaluation of the plan is ongoing with a full review to be held after three years.

Grants and Sponsorships

To support Perth's broad community and business needs, the City offers a wide range of grants and sponsorship programs. Grants and sponsorships support recipients to deliver programs, events and services that bring social, cultural and economic return to Perth.

To help businesses and the community recover from the COVID-19 pandemic, the City also introduced specific COVID-19 recovery grants.

Sponsorship and Grant Guidelines

The Sponsorship and Grant Guidelines provided examples and a checklist to support applicants to adhere to Equity, Diversity and Inclusion principles and considerations.

Kaleidoscope Initiative Partnership

The City became a Kaleidoscope Initiative sponsorship partner, directly supporting a program that matches skilled migrants with trained mentors, aimed at meaningful employment for participants and building the capacity of employers to harness the rewards of a diverse workforce.

Homelessness

A multi-agency approach, primarily led by State and Federal Governments, is required to address the complex societal issues that lead to homelessness. The City is committed to working with these governments as well as service providers and other stakeholders as either a partner, facilitator or advocate.

The City's Homelessness Action Plan 2022-2024 was developed in the 2021/22 financial year and outlines how the City is providing support through direct initiatives, assistance for accredited service providers and advocacy and partnerships at state and federal levels. The plan follows the City's initial 2021/22 Rough Sleeper Plan.

Safe Night Space

More than 860 women experiencing homelessness found shelter at the City's Safe Night Space for women from May 2021 to May 2022. In total, the city-owned facility in East Perth provided 3,700 nights of shelter during the 12-month period.

The \$3.3 million trial service can shelter up to 30 women a night and is operated by Ruah Community Services. The facility is an interim measure for women to rest, access basic facilities, seek support and connect to other services in a safe and secure environment at night.

Moore Street Site

The City also provided \$462,000 to the Moore Street Accreditation Site, which is an open-air facility where people experiencing homelessness can have a shower, a meal, see a doctor and do their laundry.

The site has 25 service providers who provide food, donated items such as clothes and sleeping bags, health and hygiene services such as the mobile laundry, mobile shower and haircut services.

There is also a street doctor and visits from allied health services as well as outreach engagement for advice and referrals to other services.

In 2021/22, there were about 16,000 instances of support being provided to people experiencing homelessness.



Safe Perth City Initiative

This initiative is a collaborative partnership with the Department of Communities, WA Police and the City to create more resources on the ground, and support, for vulnerable people.

Some of the measures under the initiative include:

- A dedicated outreach support service that has been provided through the expansion of the Homeless Engagement Assessment Response Team (HEART). The team covers the Perth CBD, and the wider metropolitan area, and delivers rapid response to help chronic rough sleepers to find short-term accommodation and connect with services that can assist them in a respectful and culturally safe way; and
- Security patrols focusing on a community engagement and a safety approach.

Further Homelessness Initiatives

Following the City’s advocacy and input, the Department of Communities delivered or planned four new homelessness initiatives in the Perth area.

Boorloo Bidee Mia

Opened in August, 2021, this new \$6.7 million Aboriginal-led service on Wellington Street can provide transitional accommodation for up to 100 people sleeping rough in the Perth metropolitan area. The name translates to “Perth pathway to housing” in the Whadjuk dialect of the Nyoongar language. The Wungening Aboriginal Corporation and Nyoongar Mia deliver culturally informed responses, tenancy management and lodging support at the new facility.

Common Ground, East Perth

The State Government plans to build a \$45.4 million facility that is expected to provide up to 112 self-contained apartments and on-site support services for adults who have experienced chronic homelessness and low-income earners. It will also provide communal areas, on-site support services and commercial spaces.

Creation of the Office of Homelessness

In early 2022, the Department created the Office of Homelessness to work with the community services sector, Aboriginal organisations and Elders, people with lived experience, and local and State Government agencies to collectively achieve better outcomes for those experiencing, or at risk of, homelessness.

The new office is located in the city.

Koort Boodja

The Koort Boodja facility was opened in July 2021 in Northbridge and aims to provide an interim, low-barrier, supported-accommodation option that includes wrap-around support and case management to help people transition into long-term accommodation.

The facility, run by Uniting WA, is for singles, couples and families with adult children.

Koort Boodja has also helped people return to Country by providing temporary and short-term crisis accommodation before they return to their community.

Draft Local Planning Strategy

The draft Local Planning Strategy was certified by the Western Australian Planning Commission (WAPC) to be put out for consultation in late January 2022.

The City received 50 submissions, which will be presented to Council along with the final strategy and City responses. The final strategy will require approval from the Council and the WAPC.

The strategy will be one of the key guiding documents for the growth of Perth city over the next 10 to 15 years with the ambitious aim of reaching a residential population of more than 55,000 residents.

The draft strategy provides a range of planning directions and actions at a city-wide and neighbourhood level that seek to:

1. Create a LIVEABLE city of neighbourhoods where people love to live, work and play.
2. Build a SUSTAINABLE city that can meet growing economic, social and environmental challenges.
3. Strengthen Perth city as a PROSPEROUS globally competitive economic, social, cultural and civic centre.

The strategy responds to the dual role Perth plays as a city of six neighbourhoods with businesses, residents and visitors and the state’s capital city. It will provide the strategic basis for the preparation of the City of Perth’s new Local Planning Scheme and planning policies.

Light It Up – Adelaide Terrace Pedestrian Bridge

As part of the City’s efforts to add colour and life to Perth’s streets at night, an \$80,000 lighting display was installed along the historic Adelaide Terrace pedestrian bridge in January 2022.

The new lighting artwork, designed with input from local artists, highlights the bridge’s unique and elegant form and has helped create a new vibrant entrance statement to the eastern part of the city. It is complemented by upgraded lighting from Bennett Street to the Causeway.

The City is also investigating more opportunities for permanent and sustainable light installations.

Hay Street and Murray Street Malls Refresh

The Retail Core Refresh project aims to breathe new life into the Malls by encouraging more people to stay, improve sustainability, safety at night, and event and activation opportunities.

The project in Hay Street Mall was completed in early 2022 and included the installation of new lighting, renewal of street furniture, decluttering, creation of murals, and providing new seating choices for people to enjoy.

Following on from the success of the Hay Street Mall Refresh a similar program of works is underway in Murray Street Mall as part of phase two of the Retail Core Refresh.

The works include painting light poles and planter boxes, new murals that showcase the diversity of local artists and tell stories of place, new way-finding signage, a range of new seating and integrating lighting into the communal tables.

There will also be a refurbishment of the existing concrete seats created by Perth artist David Walker and enhanced lighting to trees and entry points. The works are expected to finish by June 2023.

Draft Open Space Framework

The City is finalising the draft Open Space Framework. This document will guide the future provision, design and management of open spaces across the city and each of its six neighbourhoods for the next 10 to 15 years.

Perth city has approximately 547ha of open space, which includes small parks such as Florence Hummerston Reserve, neighbourhood parks such as Totterdell Park, heritage-listed parks such as Queens Gardens and large green reserves such as Wellington Square and Perth’s riverfront.

As the city’s population increases and the climate changes, there will be more demand and pressure placed on these open spaces.

The draft Open Space Framework is a high-level document that sets out a range of projects, at both the city and neighbourhood scale, that will address gaps in the provision and quality of space. It will facilitate the development of an accessible open space network that meets current and future community needs and expectations.

The draft framework draws on findings from research studies, analysis of the City’s strategic objectives and major initiatives and a review of current best practice and case studies from a range of national and international capital cities.

Fenced, Off-Lead Dog Parks

A new fenced, off-lead dog park is due to be established at Railway Reserve at the northern end of Jewell Lane, Claisebrook by early 2023 and the existing fenced, off-lead dog park at Ozone Reserve on Plain Street will be expanded to make it about 40 per cent bigger.

The new and expanded parks are a result of the City’s Fenced Off-Lead Dog Park Study, which was approved by council on 21 December 2021, and examined several options for creating more spaces for the city’s more than 500 dogs and their owners.

Safer Spaces Grants

To help reduce crime and anti-social behaviour, the City awarded grants of up to \$15,000 to help eligible city businesses improve safety and security at their premises.

In total, \$372,953 was awarded under the Safer Spaces Grants program to 34 businesses.

Examples of security and safety enhancements included installation of new windows/doors, improved security to existing windows and doors, new CCTV and safety-related lighting enhancements and new or enhanced alfresco environments (capped at \$5,000).

High Pressure Cleaning

In response to requests from local businesses, the City has improved the amenity of James Street, Northbridge and introduced deep-cleaning cycles between Parker Street and the Perth Cultural Centre.

Empty tree wells were filled in or trees replanted, paving was levelled and the City’s cleaning contractor was engaged to thoroughly clean James Street to remove built-up chewing gum and other grime once a month.

Roe Street Enhancement Project

The first stage of the \$22 million Roe Street Enhancement Project to transform one of Perth’s oldest streets from a car-dominant corridor to a pedestrian and cycle-friendly, modern streetscape is nearing completion.

When complete the transformation will improve the amenity and vibrancy of this area of Northbridge adjacent to Perth City Link. Improvements include wider footpaths, separated cycle lanes, increased landscaping, new street trees and lighting, more CCTV to improve public safety and support the night-time economy and free public Wi-Fi to support activity.

The project is part of the \$1.5 billion City Deal, a joint agreement between the Australian Government, the State Government and the City of Perth, and complements the Perth City Link development, further reconnecting the CBD with Northbridge.

Trinity Shared Path Upgrade and Foreshore Stabilisation

The City Deal funded project delivers a high quality shared path that runs along the Derbarl Yerrigan (Swan River) in East Perth between Matagarup Bridge and the Causeway. The project upgraded the existing path and included enhanced lighting and CCTV to improve safety.

The foreshore environment has been enhanced with the construction of a rock revetment, remediation to the beach area outside Trinity College and extensive landscaping and tree planting. Better wayfinding and directional signage was also installed.

Lighting Upgrades

In early 2022, work began on the multi-million upgrade of lighting across several Perth locations. New energy efficient LED lighting has been installed along Adelaide Terrace from Bennett Street to the Causeway as well as at several locations in West Perth including Hay and Murray Streets and Harvest Terrace, and in East Perth along Royal Street. Lighting at the City’s Elder Street, Pier Street and His Majesty’s carparks was also upgraded. The new lighting improves amenity, increases safety and reduces energy costs and carbon emissions.



Town Hall Restoration

Perth’s historic town hall, built in 1870, underwent large-scale heritage maintenance repairs to protect and extend the life of its façade including the roof and clocktower.

The conservation works were undertaken with traditional methods and involved the cleaning, replacement and re-oiling of the sheoak timber roof shingles, mortar joint repairs, repair of cracking rendered elements and addressing water ingress issues.

Cracked glazing teardrops on the hall’s clock face were replaced and the original gold finishes to the clock were reinstated.

Fifteen tradespeople, including four apprentices, worked on the hall for a total of 5,188 hours (not including sub-contractors).

A total of 840 litres of a three-oil mix were applied to the approximately 127 square metres of shingles as well as 280 litres of pure gum turpentine, 280 litres of raw linseed oil and 280 litres of pine tar.

As part of the Heritage Perth Weekend | Boorloo Kwedjang Bardip Yanginy, the project team put on a public trade skills demonstration, which was sponsored by the City of Perth, to give people an opportunity to try their hand at conservation works, gain an appreciation of traditional skills and the ongoing need for training in traditional skills to conserve and protect heritage buildings.

Christmas Lights Trail

A rainbow Christmas tree, a giant snow dome, magical swans and a peacock were some of the 26 installations that brought Perth’s streets to life with Christmas cheer and wonder. Hundreds of thousands of lights dazzled across two illuminated trails through Central Perth and Northbridge during the festive period.

Crowd favourites such as the Christmas Projections at St Georges Cathedral, Council House Kangaroos (Mooditj Yongas) and the Constellation Tunnel presented by Lotterywest at Northbridge Piazza were on full display.

Creative young minds from Perth Children’s Hospital and Trinity College also designed their own Christmas decorations, which were turned into real-life streetlight decorations at Council House.

Library

It was a year of changes and adaptation for the City’s library as it managed COVID-19 and moved to programming online, promoting free online resources and helping people download the ServiceWA app.

As restrictions eased, the library launched the Busy People’s Book Club whose 300 members discuss e-books and their audio versions.

English Conversation Classes grew in popularity, and programs and events such as the film club series, children’s origami making and drawing classes, and Toddler Rhyme Time were all well received.

Sustainable

A healthy environment, with social and economic systems in balance.



Sustainability Strategy

The City has introduced its first Sustainability Strategy, which outlines the City’s commitment to sustainability and its approach to a sustainable future over the next 10 years. The strategy was developed in line with the United Nations’ Sustainable Development Goals.

Eight key themes, or areas of focus, were identified:

1. **A Climate-Focused City:** A climate-focused and resilient city that is transitioning to a low emissions and renewable energy future.
2. **A Green City:** Preserve and restore the city’s natural assets.
3. **A Resource-Conscious City:** Foster a culture of intelligent and considered resources use.
4. **A Well-Planned City:** A city of sustainable neighbourhoods and communities.
5. **A Vibrant and Inclusive City:** Represent and celebrate a diverse and engaged community.
6. **A Safe and Healthy City:** A safe, healthy and connected community.
7. **A Prosperous City:** A sustainable and inclusive economy.
8. **A Well-Governed City:** Maintain transparency throughout our sustainability journey.

The strategy outlines the City’s intent to work toward net zero emissions as an organisation, supporting the community to adapt and build resilience to climate change, increasing the city’s tree canopy and embedding sustainability into the City’s planning, operating and decision-making systems and processes.

An implementation plan will be developed in 2022/23 to identify priorities, responsibility, resources, budgets and timelines, as well as work towards setting targets and performance measures.

Harold Boas Gardens

The City’s commitments to sustainability and protecting the natural environment were key drivers in the recent upgrade of the Harold Boas Gardens’ irrigation system in West Perth.

The redesigned advanced irrigation system ensures a high level of water efficiency at the heritage-listed garden by hydro zoning and taking into account the microclimates created by the park’s significant trees.

The system is directly controlled by the City’s irrigation central control, which is informed by local weather station data.

The new irrigation system will improve the distribution of irrigation water across the site and has the potential to reduce irrigation demand by 1443 kilolitres over the irrigation season.

Thomas Street Median Irrigation Installation and Landscape Planting

A new irrigation system was installed on the Thomas Street median between Rokeby Road and Onslow Road.

West Australian natives were also planted along the median as part of the first stage of a project to create a wildflower drive into the city. The additional stages will be delivered in the coming years between Kings Park Road and Stirling Highway.

Waste Education

The City ran seven educational workshops for residents to help reduce, reuse and recycle.

Three of the workshops were at the Perth City Farm where residents learnt about Bokashi, a fermentation process to make fertiliser from organic waste. They were also given top tricks for using food scraps and garden waste to make compost and they learnt about book exchanges and shared compost systems. The remaining workshops were held online and covered such topics as decluttering, cutting kitchen waste, cleaning with chemistry and a kids’ workshop about turning rubbish into creative objects.



Waterwise Plantings

The City is increasingly using WA native plants throughout its garden schemes and various entry statements.

Several gardens have been designed with themes that include riverine endemics and Nyoongar significant species. When designing the gardens, the soil type, soil pH and aspect are some of the main characteristics used to create the plant palettes.

These common site characteristics generally mean that plant species with similar requirements are being planted together, which in turn is helping to reduce excess irrigation.

In general, waterwise plants have established themselves after two summers and should only need watering once or twice a week in the heat of summer.

The new Thomas Road median garden beds between Saw Ave and Onslow Rd are an example of waterwise plantings using Western Australian plant species.

National Tree Day and Corporate Volunteer Program

In celebration of National Tree Day on 1 August 2021, corporate volunteers began planting 7,000 native plants on Matagarup (Heirisson Island).

The 69 volunteers from Woodside, Peritas, Perenti Group, Clough group and WSP spent about 191 hours from August to October planting the tube stock.

Fifteen members of Conservation Volunteers Australia also spent about 45 hours removing rubbish from Matagarup and Point Fraser in August 2021.

Prosperous

A successful, flourishing and thriving city.



Perth Bounce Back

The City introduced the Perth Bounce Back support package in early 2022 to help local businesses affected by COVID-19 by waiving certain fees, offering business grants and creating incentives to attract people back to the city.

Round 1

• Free Parking

Free night parking was available at the City's more than 10,000 car bays.

The free parking, introduced on 25 February 2022, ran from 6pm to 6am at the City's 14 boom-gated carparks and 17 pay-and-display carparks.

Initial data showed an eight per cent increase in patronage from late February to the end of June at the City's boom-gated carparks compared to the same period the previous year.

About 2,667,968 night car park users have saved a total of \$1,339,840 in parking fees.

The free night parking will continue into the 2022/23 financial year.

• Alfresco Permits

Outdoor dining in the city continued to grow with 37 new, fast-tracked outdoor permits granted and 71 renewed. The permit period was also extended from one year to three. Outdoor dining permits have been free since 2019. In total, there are 214 active outdoor permits operating in the city helping to bring life and activity to the city's streets.

• Bounce Back Grants

Bounce Back Grants worth a total of \$339,505 were awarded to 118 businesses to help them develop capacity, invest in their premises, create additional spend, attract new customers, and improve streetscape interfaces and amenity.

Grants worth up to \$5,000 were awarded to 69 business for business growth initiatives and/or COVID-19 safety and hygiene measures.

Grants worth up to \$1,500 were awarded to 49 businesses for the lease of new co-working spaces in the city.

Under the Bounce Back program, businesses were able to invest in marketing strategies, signage, fit outs, website updates, lighting upgrades, alfresco areas, façade improvements and so on.

Round 2

• Parking Deal

City of Perth Parking Card users received a matching top-up bonus of up to \$100 when they recharged their card between 11 April 2022 and 8 May 2022.

In total, more than 1,350 card users, including 867 new users, received special bonuses totalling \$130,263.

The card also offers a five per cent bonus every time it's recharged.

• Busker Permits

To help bring more life, colour and sound to the city's streets and malls, the fee for busker permits was waived. In total, 166 new busker applications were granted covering musicians, singers, clowns, dancers, jugglers, puppeteers, living statues and visual artists who entertained and amused thousands of Perth residents and visitors each day.

• Business Improvement Grants

Business Improvement Grants worth up to \$20,000 each were awarded to seven businesses for projects that helped improve precinct amenity, stimulate business activity and provide direct benefits to the City of Perth community.

In total \$126,325 was awarded to businesses to stimulate and encourage diverse inner-city commerce and bring more vibrancy to the city.

• Free CCIWA Essential Memberships

More than 100 local businesses were given free access to professional advice and guidance from the Chamber of Commerce and Industry (WA) to help them manage and recover from COVID-19. The City has partnered with the CCIWA to provide free, six-month Essential Memberships for up to 200 eligible local businesses.

The memberships include unlimited access to the CCIWA's employee relations advice line, a grant finder service, and significant discounts on training courses, eLearning modules and advisory services.



New Commercial Services Alliance

Increasing revenue options and maximising the City's assets are a key focus of the new Commercial Services Alliance, which was formed on 1 December 2021.

The new alliance brings together property management and maintenance with the City's parking business.

This commercially focused area aims to maximise the City's valuable property assets and income-generating services.

New staffing roles have been created and an assessment of existing assets both internally and externally, through a Strategic Property Review, have helped inform the development of new strategies to get the best from the City's existing assets and revenue options.

Business Workshops

The City held two free "Open for Business" workshops in December 2021 and June 2022 to help grow new businesses or expand existing ones.

The workshops' 28 attendees learned about the approvals, permits and resources required to open a business or expand an existing one. They were able to speak directly to City of Perth staff, State Government agencies and not-for-profit business support services.

The workshops were part of the City's ongoing support and commitment to local small businesses, which was formalised in July 2021 when the City signed the Small Business Development Corporation's Small Business Friendly Local Government Charter.

Economic Development Strategy

The City commenced its 10-year strategy to help drive Perth's economy, assist local businesses through direct measures, advocacy and support, and reaffirm the city as the state's leading centre for commerce, innovation and service delivery.

The Economic Development Strategy 2022-2032, endorsed by Council on 26 April 2022, outlines six key themes, objectives and initiatives:

1. **A City Reasserted:** the state's leading centre for business and economic activity.
2. **A City Reimagined:** a place where people want to be day and night.
3. **A City That Leads:** a city with a can-do culture and unified purpose.
4. **A City for Knowledge and Innovation:** a "Smart City" home to world-leading knowledge and innovation.
5. **A City on the Global Stage:** Perth is geographically connected to an estimated 1.7 billion people providing a significant connection to some of the world's biggest and fastest growing economies.
6. **A City for Commerce:** enhance Perth's existing identity, position for diverse and emerging sectors, and attract, retain and support international, national and local businesses.

The strategy, a key deliverable from the City's 2021/22 Corporate Business Plan, provides focus for the City's economic development function over the next decade with an immediate emphasis on the first five years.

It was developed with extensive stakeholder consultation and is backed by detailed research, benchmarking, and analysis.



City of Light Brand

For the first time, the City of Perth has a new municipal logo separate to the traditional City crest to help create a modern brand and provide flexibility in representation of the City.

The new brand embraces light as its key theme and draws heavily on Perth’s native surrounds and rich Aboriginal history.

The new logo, launched in February 2022, represents the Ngangk (the sun), Kaarta Gar-up (Kings Park), Moodjar Tree, Banksia, Kangaroo Paw, and Derbarl Yerrigan (Swan River).

It was designed in close consultation with the Aboriginal community and the City’s Elders Advisory Group. The work of Elder Margaret Culbong, a member of the group, was a significant inspiration for the logo.

The logo and City of Light brand will be rolled out across the City’s assets during the 2022/23 financial year.

People’s Parade

Thousands of supporters of the Melbourne Demons and Western Bulldogs descended on “Footy Place” on 20 September 2021 to celebrate Perth hosting the AFL Grand Final – a once-in-a-lifetime opportunity.

The supporters gathered at either end of the Murray Street Mall before marching towards Forrest Place, which had been transformed into a precinct for all things AFL.

The big day was hosted by Perth Lord Mayor Basil Zempilas with football legends taking to the stage and joining in panel interviews. Team mascots and musical performances also kept the crowds entertained as the hype built up to Perth hosting its first AFL grand final.

Skyworks

Despite the challenges of COVID-19, the City once again put on the City of Perth Skyworks with a colourful fireworks display that entertained and delighted thousands of people along the banks of the Derbarl Yerrigan (Swan River).

The big day started with the Air Show with pilots performing exciting aerobatic entertainment above the water. Families also enjoyed the free and accessible rides presented by Lotterywest at the Entertainment Zone in Langley Park.

In the lead up to the big night, the City hosted a series of diverse, family friendly events from 21 January including the Big Aussie BBQ in West Perth and Sunset Sounds at JH Abrahams Reserve, Nedlands.

Drones Light Show

The City of Light continued to live up to its reputation with a spectacular drone light show on 19 February 2022.

The free show featured 300 drones that dazzled audiences with an amazing interpretation of the story of US astronaut John Glenn’s historic first orbit of Earth when he passed over Perth and was struck by the glow of the illuminated city.

The show, a first for the city, also delved into Perth’s own journey as well as Dreamtime elements. The event was such a success that the City began planning for more frequent drone light shows in the near future.

Online promotion

The City of Perth’s “Visit Perth” and “City of Perth” websites had 3.8 million page views combined and the social media accounts for the two brands reached more than 45.9 million people.

There were nearly 1,600 posts made across the City’s social media platforms including Instagram, Facebook, Twitter and LinkedIn.

Some of the City’s top social media posts included the iconic and internationally famous blue boat shed, the city’s striking skyline, February’s City of Light Drone show, the interactive Van Gogh Alive exhibition and the Bindaran puppet.

20 Years Helping Perth Visitors

The City of Perth’s iCity Visitor Service celebrated its 20th anniversary in December 2021.

Back in 2001, there were 20 volunteers. That’s now grown to 60 volunteers who collectively have donated 8,000 hours each year helping visitors to Perth with information and free walking tours.

In the 2021/22 financial year, there were 503 iCity tours with an average of 10 people per tour and 10 private tours for schools and various associations including disability groups.

The volunteers were kept busy with about 40,389 customer queries at the Murray Street Mall kiosk during the year and they didn’t just provide information about Perth, but also helped reunite families, located lost children and even reported crime.

Moort-ak Waadiny/Wellington Square Awards

The upgrade of Moort-ak Waadiny/Wellington Square recently received the Great Place and President’s excellence awards from the Planning Institute Australia (PIA) WA. The project also picked up two national awards from the Australian Institute of Landscape Architecture (AILA) for Parks & Open Spaces and Play Spaces. This brings the total to 14 awards that the project has received since it was redeveloped.

Recent awards:

2022 PIA WA Planning Excellence Award | President’s Award

2022 PIA WA Planning Excellence Award | Great Place

2022 AILA National Landscape Architecture Award | Parks & Open Space

2022 AILA National Landscape Architecture Award | Play Spaces

2022 AILA WA Award of Excellence | Parks & Open Space

2022 AILA WA Landscape Architecture Award | Cultural Heritage

2022 AILA WA Landscape Architecture Award | Play Spaces

2022 AILA WA | People’s Choice Award

2022 WAAA Awards for Excellence | Commendation for Precinct Rejuvenation/Civic Contribution

Social Media

Visit Perth	City of Perth
Instagram	Instagram
284 posts	294 posts
6.7M reach	10.2M reach
195.1K followers	148.2k followers
Facebook	Facebook
329 posts	643 posts
15.1M reach	12.3m reach
215.1K followers	31.8K followers
	Twitter
	291 tweets
	1.3M impressions
	115K followers
	LinkedIn
	134 posts
	305.6K reach
	29.8K followers

21/22 FY Website Stats

Visit Perth	City of Perth
707k visitors to the site	743k visitors to the site
1.65m pageviews	2.15m pageviews

Major Tourism Award

The City’s annual Christmas Lights Trail won gold at the 2021 Perth Airport WA Tourism Awards in the Major Festivals and Events category.

The 2020 Trail, held over 45 nights from November to January, was one of the City’s largest events attracting one in five Perth metro residents to the CBD to enjoy the spectacular displays. The Trail included 30 installations across 4km of city spaces including Claisebrook and West Perth.

The City beat the Perth Festival (Silver) and Manchester United’s visit (Bronze) to take out the top honours at Tourism Council WA’s annual awards.

Supervised work opportunities for adult offenders

Adult offenders on community-based orders have been working with the City’s Operations team two days a week to collect rubbish along the foreshore, maintain the grounds at Point Fraser, Heirisson Island and Jewel Lane carpark and clean bins in the CBD and surrounding areas.

The program helps offenders, who are screened for suitability and supervised, to learn new skills and give back to the community. The City is investigating future opportunities for more collaboration with the Department of Justice.

Response to Infrastructure WA

The City of Perth made a submission in September 2021 to Infrastructure WA’s draft State Infrastructure Strategy: Foundations for a Stronger Tomorrow document.

The State Government strategy provides the first ever state-wide perspective of Western Australia’s infrastructure outlook for the next 20 years.

The City advocated that its top five infrastructure priorities are:

Educational infrastructure – a public primary school to support the growing residential community in East Perth by 2026 and a public high school in the city by 2036.

Cultural Infrastructure – state government investment in studios, workshops and making spaces for creative industries, incentives to re-use vacant and heritage spaces for cultural uses and cultural infrastructure to house small to medium cultural enterprises in clusters in central Perth.

Transport Infrastructure – a long-term public transport plan that identifies locations and routes for new or improved public transport infrastructure and a timeline for staged delivery.

Climate Change – climate change adaptation and mitigation in planning for existing and future community and cultural infrastructure, exploration of investment for urban forests, and the inclusion of blue and green infrastructure.

Housing and Homelessness – the State immediately investigates options for housing and services for people experiencing homelessness in the sub-regional centres of metropolitan Perth.

Transfer of Planning Powers from State to City

Perth city has been undergoing once-in-a-generation redevelopment with major projects such as Elizabeth Quay, Perth City Link, the Claisebrook inlet, neighbourhood development in East Perth and more.

These projects have been administered by the State Government’s redevelopment authorities. The City and State Government have been working together for the transfer of planning powers from Development WA back to the City of Perth as these projects are completed. The most recent stage in this transfer process has been Amendment 46 to City Planning Scheme No. 2 and Amendment 4 to Local Planning Scheme No. 26.

This process has resulted in the City adopting the relevant scheme provisions, planning policies, design guidelines and heritage places into the City’s planning framework for Barrack Square, New Northbridge, Royal Street Precinct and the Perth Girls School precinct in East Perth. The transfer of planning responsibility is occurring over two stages, with stage one now in effect. The timing for implementation of stage two is yet to be confirmed.

Code of conduct

The City of Perth adopted a new Code of Conduct for Employees in late December. As of 30 June 2022, 98 per cent of the City’s employees had completed training on the code through an online learning and development module.

The City’s vision is to be renowned for its excellence and professionalism with a workforce committed to accountability, integrity and respect.

The code sets out easy-to-understand guidelines that clearly outline what is expected of the City’s employees during their day-to-day activities and how they must conduct themselves.





Key Challenges & Opportunities

Our location

More than half the world's population is effectively in the same time zone as Perth. The city's unique geographic location means we are well placed to connect with the high-growth emerging economies in the Indo-Pacific region. Perth also has an average of eight hours of sunshine per day year-round — the most sunshine of any Australian capital city — making the city a highly liveable location.

Climate change

Dependency on limited natural resources and changes to world climate continue to affect communities and local governments. The City is adapting and building resilience to environmental changes through ongoing and planned initiatives such as urban greening, mobility and active transport improvements, less energy and resource consumption, and an overall reduction in greenhouse gas emissions.

Role of local government

The original scope of local government in Australia was the “three Rs”: roads, rates and rubbish. Over time, local government has been legally required by State and Federal governments to provide additional services and infrastructure. Evolving community needs and expectations have also created pressure to deliver additional services at the discretion of each local government. The challenge of providing services across a community highlights the need for strategic deliberation and proactive planning to ensure that services and infrastructure meet the needs of its current and future communities within resource constraints.

Clean environment and biodiversity

Perth is located within the Southwest Australia Ecoregion. One of only 36 recognised biodiversity hotspots in the world with flora and fauna that does not exist anywhere else on the planet

New technology

Technology is rapidly changing along with public expectation of ‘anytime access’ to services. This includes changes to traditional methods of communication, management of assets and delivery of services.

Population and demographic changes

The city's annual population growth tracks higher than state and national averages and is expected to increase further over the coming years. In addition, the composition of the community continues to change (reference: atlas.id.com.au/perth). With these changes come increased community demands for services, programs, amenity and infrastructure.

Economic cycles and international trade

Perth is one of the world's major resources hubs and is subject to the ‘boom and bust cycle’ of this sector. This has cyclical impacts on office space occupation, workforce skills, city vibrancy, social equity, investment and overall economic prosperity. In addition, the geo-political environment at the national level has the potential to affect WA's international trading relationships.

COVID-19

An important area for all levels of government is to help build community and business resilience to external shocks such as the COVID-19 pandemic and leverage the innovations that emerged in response to this global challenge.

Resourcing

Governments and businesses around the world are experiencing challenges in obtaining the resources they need to operate at their full potential such as microchips. In Western Australia we face our own unique challenges. A strong economy, a thriving mining sector and a high employment rate have created a highly competitive job market as government and private organisations compete for and try to attract skilled and talented staff.

Changing workforce

The COVID-19 pandemic dramatically reduced the number of office-based workers in the city, which in turn affected businesses that relied on their commerce.

Although many workers have returned to the city, there are still some who either work from home, or spend part of their week working at home.

The City is conscious of this shift in working patterns and has acted to attract more workers back to the city as well as assisting or advocating for those businesses that have been affected by the reduced daily worker population.

Cultural history

Boorloo (Perth) sits on the traditional lands of the Whadjuk people of the Nyoongar nation whose history and rich culture spans more than 45,000 years. The City is surrounded by significant geographical features such as Kaarta Koomba (Kings Park) and the Derbarl Yerrigan (Swan River). These are culturally significant places for the Traditional Owners. The City is learning more every day from the culture of the Traditional Owners including through the Elders Advisory Group. The City's new City of Light brand celebrates and recognises the history and culture of the Traditional Owners. Through the Reconciliation process, the City is on a journey that will help heal the past and create a more diverse, inclusive and culturally informed future for all who work, live and visit Perth.

Financial Summary 2021/22

Financial Philosophy

The City has continued to strategically re-position our capital city’s financial management approach and financial position during the 2021/22 year. Comprehensive review of historical financial performance examining value for money, project delivery outcomes and financial trends, has informed the City’s transition to a more transparent, accountable and sustainable financial management approach.

Fundamental to this approach are:

- Rigorous budgeting and financial reporting models that support more informed decision making.
- Customer-centric contemporary financial processes
- A financial transformation program targeting best value from the use of the City’s financial resources
- Enhanced accountability for the use of those financial resources.

Rigorous forward financial planning activities informed by a contemporary policy framework and meaningful engagement with our community neighbourhoods, aligns community aspiration with a realistic assessment of our organisational delivery capacity.

Well-articulated methodology statements reflecting our financial management approach on rating, budgeting, overhead allocations and carry forward works, supplemented by an enhanced project management framework provide clear, accountable and transparent representations of how the City delivers value for money outcomes to our community.

Together, these financial management initiatives provide a structured framework that delivers effective stewardship of our financial and community assets into the future. This approach supports the City’s strategic aspirations of our City being Livable, Prosperous and Sustainable.

Summary

Table 1 below shows that the value of community assets (our net asset position) has remained consistent over time as a result of ongoing capital investment in enhancing important community infrastructure. It does, however, show the challenging economic climate over recent years which had seen operating costs growing at a faster rate than revenues, until a forced remedial intervention in 2019/20 to manage the significant financial impacts of Covid 19.

The City has since successfully re-positioned its finances in support of a more sustainable financial model through service reviews, value engineering, restructuring service delivery models and rigorous assessment of discretionary project initiatives to ensure that our community is receiving best value for its rates.

Responsible, sustainable financial management and effective stewardship of financial and community assets is a core responsibility of local government. The community is entitled to expect rigorous, strategically focused financial planning that ensures that community expectations are met and that the services and capital projects delivered to our community are properly funded and appropriately resourced.

The annual financial statements provide a perspective on how the City has performed against those expectations. Whilst this report focuses specifically on the 2021/22 financial year results, it is important to view those results within the context of financial trends over a period of at least five years. The tables below provide summarised data and key financial ratio trends that indicate how the City has performed financially over that period.

Table 1: Financial Performance - Trends	2017/18	2018/19	2019/20	2020/21	2021/22
Operating Revenue	201.99	206.66	191.36	192.89	196.78
Non Operating Revenue	3.32	1.84	1.86	6.391	13.9
Total Operating Expenditure	191.57	194.4	192.42	193.5	184.65
Non Operating Adjustments / Revaluation	(10.59)	6.59	(12.41)	2.79	(3.51)
Operating Result	24.33	7.87	13.21	8.57	22.52
Total Assets	1,315.84	1,319.00	1,287.31	1,299.76	1,301.59
Total Liabilities	56.93	52.21	48.44	52.32	40.24
Equity / Net Assets	1,258.91	1,266.79	1,238.87	1,247.44	1,261.35
Net Cash from Operating Activities	47.99	52.63	35.92	48.60	41.58

Table 2: Key Financial Ratios - Trends	2017/18	2018/19	2019/20	2020/21	2021/22
Current Ratio <i>(ideally should be greater than 1.00)</i>	1.20	1.52	2.03	1.64	1.65
Operating Surplus Ratio <i>(ideally positive between 0% and 15%)</i>	4.0%	5.0%	(2.0%)	4.0%	5.0%
Own Source Revenue Ratio <i>(ideally greater than 40%)</i>	103.0%	101.0%	98.0%	98.0%	103.0%
Debt Service Ratio <i>(ideally greater than 5.00)</i>	7.33	5.00	6.67	8.84	11.52%
Asset Consumption Ratio <i>(ideally between 50% and 70%)</i>	60.0%	58.0%	55.0%	53.0%	54.8%
Asset Sustainability Ratio <i>(ideally greater than 90%)</i>	72.0%	55.0%	48.0%	69.0%	82.0%
Asset Renewal Funding Ratio <i>(ideally between 95% and 100%)</i>	100.0%	99.0%	100.0%	100.0%	100.0%
Financial Health Indicator <i>(ideally 70 or above out of 100)</i>	80	84	67	84	87

As shown in Table 2 (above), the trends in most financial ratios are consistent with industry benchmarks with the exception of the asset sustainability ratio which has improved; but is still below the ideal industry benchmark.

The Long Term Financial Plan provides a blueprint to further strengthen that ratio whilst sustaining the other key financial indicators at or above industry benchmarks.

Table 3:
Financial Snapshot FY2021/22

Description	\$Million
Operating Revenue	196.30
Profit on Sale of Assets	0.48
Other Non Recurrent Revenue	13.90
Operating Expenditure	(180.92)
Loss on Disposal of Assets	(3.73)
Asset Revaluation Adjustments	(2.85)
Assets contributed by the City	(0.66)
Operating Result	22.52
Capital Program Delivered	36.64
Cash Reserves – Discretionary & Quarantined	128.99
Net Assets	1,261.35

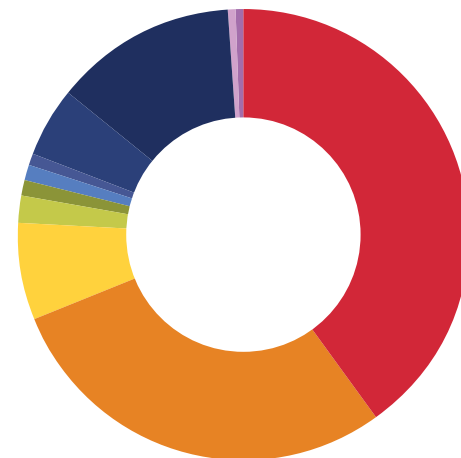
The 2021/22 Statement of Financial Position shows total assets remaining consistent at \$1.3 Billion whilst there has been noteworthy movement in both the current asset and non-current asset components during the year.

Current assets have increased from \$179M to \$185M largely due to higher balances of Reserve Fund investments and trade receivables, but less cash at bank.

Non-current assets have declined \$4M overall reflecting a temporary \$7M increase in investments in associates (MRC) pending final settlement of resource recovery contract, a \$6M increase in other financial assets (reclassified from current assets to non-current) with these then offset by a net \$18M reduction in the value of property, plant and equipment.

Total liabilities have declined from \$52M to \$40M largely as a consequence of an \$8M reduction in trade payables and the repayment of around \$3M of loan borrowings.

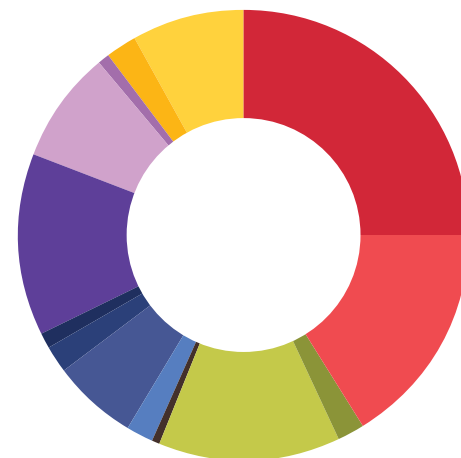
Graph 1:
Funding Sources 2021/22



Funding Sources

Rates Revenue	97,860,061	40%
Parking Revenue	71,194,240	29%
Fees & Charges	17,752,170	7%
Grants - Operational	5,846,254	2%
Interest Revenue	1,621,039	1%
Other Revenue	2,496,374	1%
Proceeds on Disposal of Assets	1,645,289	1%
Grants - Asset Acquisition	13,420,147	5%
Borrowings	0	0%
Opening Balance	32,054,701	13%
Investment Distribution	1,033,240	0%
Non Cash Adjustments to Operating Activities	179,510	0%
Total	245,113,025	100%

Graph 2:
Expenditure Types 2021/22



Fund Uses

Employee Costs	70,489,990	25%
Material & Contracts	47,071,573	16%
Utilities & Insurances	4,748,959	2%
Depreciation & Amortisation	38,600,231	13%
Interest Expense	244,839	0%
Other Expenses	6,479,441	2%
Parking Levy	17,020,571	6%
Abnormal Expense - Contract Exit	7,083,333	2%
Loss on Disposal	3,726,387	1%
Assets Created	36,649,313	13%
Net Reserve Funds Created	22,495,097	8%
Repayment of Borrowings	3,840,502	1%
Other Financing Activities	6,789,849	2%
Closing Balance	22,176,454	8%
Total	287,416,539	100%
Add back Non Cash Items	(42,326,618)	
Net Cash Expenses	245,089,921	
Net Result	23,104	

Table 4: Capital Program Delivered by Year

Capital Program	2017/18	2018/19	2019/20	2020/21	2021/22
Assets Acquired / Created	42.02	30.02	18.27	38.19	25.34
Increase / (Decrease) in Work in Progress	(1.68)	(2.83)	(4.65)	8.53	10.97
Contributed Assets	6.89	0.18	14.33	2.97	0.08
Assets - Initial Recognition	2.57	0.02	0.00	1.01	0.25
Total	49.80	27.39	27.95	50.70	36.64
Budget	60.37	56.29	50.08	62.90	48.63
% of Capital Budget Delivered	82.5%	48.7%	55.8%	80.6%	75.4%

Financial Performance 2021/22

Annual operating revenue for the year reached \$196.8M against an adopted annual budget of \$194.7M.

The overall favourable variance of 1% was attributable to better than anticipated performance of the Containers for Change initiative, dividends received, sale of land and prepayment of the WA Local Government Grants Commission general purpose grant. These gains were partly offset by a shortfall in anticipated investment revenues relative to adopted budget and the under-performance on fees and charges.

Revenues from fees and charges were around 1% below revised budget with both commercial rental and commercial waste collection revenues impacted by the weaker economy and property relief measures related to COVID-19.

Operating grants and contribution revenues were disclosed as being 27% ahead of revised budget, but this was due to the WA Local Government Grants Commission deciding to prepay half of the 2022/23 general purpose grant prior to June 2022.

Rates revenue was very close to the revised budget at year end at \$97.9M.

Investment revenues for 2021/22 were 43% under budget expectations as a consequence of very low investment rates.

Capital revenue of \$13.4M was 4% above budget expectations - although this was largely due to cash inflow timing differences on large multi-year capital projects.

Operating expenditure was \$184.6M against a budget target of \$203.7M representing a 9.4% underspend overall.

Over \$7M (or 37%) of the apparent budget versus underspend related to the City's 1/12 share of the contract payout to exit from the resource recovery facility at Mindarie Regional Council. This was budgeted as an abnormal operating expense, but the City was advised in

November 2022, that it would not be recognised as an expense through the income statement but would be taken directly the equity portion of the balance sheet.

Employee costs were around 8% under adopted budget in total, due to the difficult labour market resulting in a number of vacant positions at times during the year, resultant savings on workers compensation premiums and related costs and a provision for the anticipated EBA increase that was not finalised until after to June 30.

Materials and contracts were disclosed as 18% under budget at year end, but this is largely the consequence of the accounting treatment required in relation to the resource facility contract payout. Utilities expenses were under budget by 3% whilst insurance costs were 2% higher. Other expenses were some \$2.9M under budget largely due to awarded, but not yet acquitted sponsorships. Monies relating to these sponsorships have been quarantined in the Sponsorship Reserve until they can be released.

Capital Program

The City's capital expenditure program reflects the acquisition/creation of new assets as well as renewal of existing ones. Despite the supply chain and cost escalation challenges, 2021/22 was a successful year for program delivery.

From the proposed capital works program, some \$36.6M worth of projects were completed. Capital projects completed represented 75.4% of budget expectations at year end. At that time, there were some in progress (but incomplete) capital works that are being carried forward into the 2022/23 year. These projects totaled around \$13.5M in value.

Currently, \$28.0M is recorded as Capital Work in Progress (from previous years plus 2021/22) and will subsequently be capitalised upon commissioning of the new assets.

Rates

The data shown in Table 5 below provides a concise summary of the City's 2021/22 differential rating model. It shows the respective revenue contributions from each rating property classification and then, by contrasting the revenue generated from each property class with the available gross rental values (GRV) from each property class, it derives a relative rating effort (RRE) co-efficient for each property classification.

By contrasting the revenues generated from each property class in this way, you can derive a comparative measure of how each property class is contributing relatively to the total rates revenue.

Analysis of the current status of this model when setting the budget indicates to Council the proportionate contribution of each class, allowing Council to adjust the rate in the dollar applied to differential rating categories - the first step in achieving a greater equity of contribution from our City's ratepayers.

Property Type

Residential	20.77
Commercial	6.95
Hotel	7.77
Retail	8.29
Office	53.47
Vacant Land	0.94
Interim & Back Rates	0.08
	98.26

Graph 3:
Rates Contribution by Property Type FY2021/22



Table 5:
Rates Information 2021/22

Property Classification	No. of Properties	GRV \$M	Rates \$M	Revenue Contribution	Relative Rating Effort
Residential Properties	15,709	320.14	20.77	21.1%	6.49%
Commercial	722	107.06	6.95	7.1%	6.49%
Hotel	1,362	118.78	7.77	7.9%	6.54%
Retail	522	128.03	8.29	8.4%	6.47%
Office	2,382	980.37	53.47	54.4%	5.45%
Vacant Land	77	12.59	0.94	1.0%	7.46%
Interim & Back Rates	-	-	0.08		
	20,774	1,666.97	98.26	100%	
Adjust for Rate Concession			(0.40)		
Net Rates Revenue			97.86		

* Relative Rating Effort refers to a comparable indicator of the rates revenue return generated from the available Gross Rental Values of a particular property category.

Table 6:

Key Financial Indicator	2021/22	Benchmark	Achieved
Current Ratio	1.65	1.00	●
Rates Outstanding Ratio	1.8%	Less than 5%	●
Operating Surplus Ratio*	5.0%	0% - 5.0%	●
Own Source Revenue Ratio	103.0%	More than 40%	●
Debt Service Ratio	11.52	5.00	●
Asset Consumption Ratio	54.8%	50.0%	●
Asset Sustainability Ratio	82.0%	90.0%	●
Asset Renewal Funding Ratio	100.0%	95.0%	●

Financial Ratios

The long term strength of the City's financial position is reflected in the financial ratios disclosed in the annual financial statements. The financial ratios show that the City meets or betters the preferred industry benchmarks for six of the seven measures in 2021/22. Overall, the headline financial ratios provide evidence of the City's solid statutory financial position - although it should be noted that these ratios do not specifically reflect measures such as value for money or efficiency of operations.

The current ratio of 1.65 demonstrates the City's effective day to day management of its cash liquidity, ensuring that it has the financial capacity to meet its financial obligations as and when they become due. This ratio shows a consistent short term liquidity ratio trend that exceeds industry benchmarks. The own source revenue ratio of 103% reflects the City's continuing financial autonomy.

The City's debt service ratio of 11.5 times coverage betters the industry benchmark level of 5.0. There were no new borrowings in 2021/22 due to the City's better than expected performance from non-rates revenues. Existing loan borrowings were fully extinguished in July 22.

The outstanding rates ratio of 1.8% reflects another very good debtor management performance for 2021/22. Maintaining this ratio at such a low level is important as it ensures that the City has reliable cash inflows to support its planned expenditure programs.

The operating surplus ratio is disclosed as 5.0%, in line with industry preferred benchmarks. The trend in this ratio over recent years and indicative ratios in the Long Term Financial Plan moving forward, highlight the positive results of the City taking a more strategic, long term financial planning perspective to improve this financial indicator in the medium term.

The asset consumption and asset renewal ratios are within the preferred industry ranges. Although the asset sustainability ratio continues to be below the preferred industry benchmark, there has been significant improvement in this ratio over the last two years - reflecting the success of the City's efforts to increase its focus on its asset stewardship responsibilities. The ideal industry benchmark reflects a balanced combination of all three asset ratios.

Despite current supply chain disruptions and construction cost escalations, the more sophisticated approaches towards project management and project delivery outcomes implemented by the City over the last two years have ensured that our community continues to see steady delivery of new and renewal infrastructure programs.

Successfully implementing these approaches helps ensure that Council's stewardship of its community assets will result in appropriate and sustainable levels of funding being allocated and deployed to deliver on this important local government responsibility.

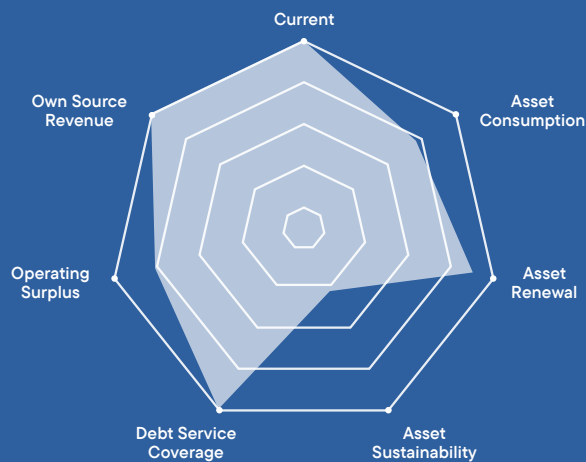


Table 7:
Financial Health Indicator

Data for	Raw Ratio 2020/21	Standardised Ratio
Current Ratio	1.65	10.00
Operating Surplus Ratio	5.0%	7.86
Own Source Revenue Ratio	1.03	10.00
Debt Service Ratio	11.52	10.00
Asset Consumption Ratio	0.55	7.60
Asset Sustainability Ratio	0.82	3.27
Asset Renewal Funding Ratio	1.00	9.14
Financial Health Indicator Score		87

Financial Health Indicator

Each of the above ratios are then 'standardised' and used to calculate a Financial Health Indicator (FHI) score which is a composite assessment of a local government's financial health. The FHI score is derived using a specialised model developed by the Western Australian Treasury that allows comparison of the financial health of all local governments.

A FHI score of at least 70 is required to demonstrate sound financial health for a local government. The City's FHI score calculated at 30 June 2022 is 87. This score reflects good performance in most key financial ratios - with modest improvement in all ratios relative to the previous year. Of particular note, is the improvement in the Asset Sustainability Ratio - reflecting that the City's strategy towards addressing this ratio is proving effective.

Cash Reserves

Cash backed reserves, which play an important role in ensuring the long term financial sustainability of local governments, are used to responsibly accumulate funds for projects in future years. Without these cash reserves, major community building projects and other important community infrastructure projects such as the Roe St Enhancement, Laneway Revitalisation, Major Streets Enhancement, Public Open Space Strategy Implementation and Foreshore Redevelopment would not be able to be delivered without significant impost on ratepayers.

At 30 June 2022, a total of \$128.9M was held in cash backed reserves. Of this, \$42.7M is quarantined in reserves relating to parking management, waste management and specific facility reserves. \$25.0M is quarantined for the capital contribution to the WACA Aquatic Facility, \$6.0M for parking related capital initiatives and \$4.0M for technology initiatives. The remaining \$51.2M represents prudently accumulated funds to support current and future projects. These cash reserves are specifically identified as contributing to the funding models for major discretionary projects in the City's Long Term Financial Plan.

Accountability for Use of Financial Resources

The audited financial statements shown on pages 57 to 115 of this annual report include disclosures that meet all statutory requirements and demonstrate the City's ongoing commitment to financial accountability to our community.

Michael J Kent
Chief Financial Officer

Financial Statements
2021/22





A guide to some of the terminology contained in the statutory financial statements and the financial report.

Statement of Comprehensive Income - P57

The 'Statement of Comprehensive Income' demonstrates whether the City's operations were in surplus or deficit for the year. It shows the revenue and expenditure items grouped by local government program and by nature & type classification. The net result is calculated as Total Revenue less Total Expenditure.

The 'Statement of Comprehensive Income' includes non-cash entries in our accounts to reflect the increase in value of community assets (buildings, roads, paths, land etc) held by the City.

A positive result does not necessarily mean that there are extra funds available for spending - nor does a negative result mean that there are insufficient funds, providing the shortfall is made up from other sources such as existing cash reserves or borrowings.

Statement of Financial Position - P58

The 'Statement of Financial Position' shows what the City owns (our Assets) and what we owe (our Liabilities).

'Current Assets' are items that can be readily converted into cash within 12 months. Any other assets such as infrastructure, property and equipment are classified as 'Non-Current' as it would generally take longer than 12 months to convert them to cash.

Liabilities that are expected to have to be paid within the next 12 months are classified as 'Current Liabilities' whilst all other liabilities are 'Non-Current'.

Statement of Changes in Equity - P59

The 'Statement of Changes in Equity' shows how much our investment in community assets is worth. Our 'Net Worth' is calculated as Total Assets less Total Liabilities.

Some of this 'Net Worth' is represented by 'Cash Backed Reserves' whilst the remainder (Retained Surplus from Prior Years and Asset Revaluation Surplus) is backed by other fixed assets rather than by cash.

Statement of Cash Flows - P60

The 'Statement of Cash Flows' indicates how cash flows into the City and what the cash outflows are over the year. It indicates the City's ability to pay its debts, when they are due, and have money left for the future.

Cash flows can occur through:

- **Operating Activities** (receipt of rates, fees, interest, operating grants or other revenue).
- **Investing Activities** (sale, purchase or construction of property, plant or equipment, capital grants).
- **Financing Activities** (repayment of borrowings or proceeds of new loans).

Rate Setting Statement - P61

The 'Rate Setting Statement' demonstrates how the City arrived at the amount of money required to be derived from Rates. In effect, it looks at the proposed expenditures then allows for funding from all sources other than rates. The remaining portion then represents the cash required to be raised from Rates.

Each of these major financial statements will have cross references to the 'Notes to the Accounts' which provide more detail on how a particular number shown on the statements is made up.

Financial Ratios

A good way to get an understanding of the City's financial health is to look at the 'Financial Ratios'. These demonstrate the relationships between key numbers in the financial reports. Each ratio has an industry benchmark that indicates a preferred measure if a local government is to be financially sustainable. It is important to look at the trends indicated by the ratios and not just at a single year in isolation.

The major financial ratios include:

- **Current Ratio:** This indicates our capacity to meet our short term (current) financial obligations. The preferred ratio is a number greater than 1.00.
- **Operating Surplus Ratio:** This is an indicator of how well the revenue raised covers operational expenses and provides available cash for capital expenditures. Ideally the ratio should be positive and between 0% and 15% - but it is not fatal if the ratio is less than zero providing there are cash reserves or borrowings to fund the deficit.
- **Own Source Revenue Coverage Ratio:** This indicates the extent of the City's financial autonomy. That is, it our capacity to generate revenues to meet operating costs from our own sources. The preferred ratio is a number greater than 40.0%.
- **Debt Service Ratio:** This ratio indicates our capacity to meet our debt obligations (loan repayments) as they become due and payable. Ideally the ratio should be a number larger than 5.00.
- **Rates Outstanding Ratio:** This indicates the effectiveness of our rates collection processes. That is, how much of the rates revenue raised has been collected and converted to cash. The smaller the number indicated by this ratio - the better, but it should always be less than 5%.
- **Asset Consumption Ratio:** This ratio indicates the aged condition of our fixed assets. It shows the written down (depreciated) value of our assets

today as compared to the cost of replacing them with brand new ones. The preferred ratio is between 50.0% and 70.0% of their new asset costs.

- **Asset Sustainability Ratio:** This indicates the extent to which assets are being either replaced or renewed as they reach the end of their useful lives. Ideally the expenditure on asset renewal and replacement should be more than 90.0% of the amounts the assets depreciate by each year.
- **Asset Renewal Funding Ratio:** The ratio shows the relationship between what the City plans to spend on renewing its assets (from the Long Term Financial Plan) and what is required to be spent on renewing its assets (from its Asset Management Plans). The preferred ratio is between 95.0% and 100.0%.

Financial Health Indicator (FHI)

The results from calculating each of the above ratios are then 'standardised' and used to calculate a Financial Health Indicator (FHI) score which is a composite assessment of a local government's financial health. This is derived using a standard model developed by Western Australian Treasury.

A FHI score of at least 70 is required to demonstrate sound financial health.


**CITY OF PERTH
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 5th day of December 2022



Chief Executive Officer

Michelle Reynolds

Name of Chief Executive Officer

**Statement of Comprehensive Income by Nature or Type
for the year ended 30 June 2022**

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Rates	26(a)	97,860,060	98,332,904	97,954,951
Operating grants, subsidies and contributions	2(a)	5,846,254	2,867,711	4,367,293
Fees and charges	2(a)	88,956,410	89,804,915	87,172,375
Interest earnings	2(a)	1,621,039	2,859,146	1,744,226
Other revenue	2(a)	2,496,374	900,996	1,648,435
		196,780,137	194,765,672	192,887,280
Expenses				
Employee costs		(70,489,990)	(76,960,603)	(69,596,448)
Materials and contracts		(47,071,573)	(57,882,406)	(54,097,241)
Utility charges		(3,455,959)	(3,562,144)	(3,434,543)
Depreciation on non-current assets	11(c)	(38,600,231)	(37,480,212)	(38,265,343)
Interest expenses	2(b)	(244,839)	(226,587)	(409,060)
Insurance expenses		(1,293,000)	(1,264,278)	(1,085,329)
Other expenditure	2(b)	(23,500,012)	(26,301,828)	(26,611,964)
		(184,655,604)	(203,678,058)	(193,499,928)
		12,124,534	(8,912,386)	(612,648)
Non-operating grants, subsidies and contributions	2(a)	13,420,147	12,827,340	6,196,599
Profit on asset disposals	11(a)	481,737	9,891	195,218
(Loss) on asset disposals	11(a)	(3,726,387)	(2,269,424)	(2,210,676)
Fair value adjustments to financial assets at fair value through profit or loss	5	(1,022,744)	-	1,188,183
Share of net (loss)/profit of associates accounted for using the equity method	24	(1,111,708)	-	(447,623)
Revaluation of Investment Land	14	(431,800)	-	(235,700)
Revaluation of Investment Buildings	14	285,927	-	(947,576)
Assets contributed to the City	32	85,433	-	2,969,537
Assets contributed by the City	32	(670,472)	-	-
Disposal of development land at Tamala Park	25(b)	1,866,417	250,000	1,443,574
Fair value adjustments to financial assets at amortised cost	5(b)	86,551	-	(45,068)
Initial recognition of assets	10(a)	249,837	-	1,079,010
		9,512,938	10,817,807	9,185,478
Net result for the period		21,637,472	1,905,421	8,572,830
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	13	(7,728,946)	-	-
Total other comprehensive income for the period		(7,728,946)	-	-
Total comprehensive income for the period		13,908,526	1,905,421	8,572,830

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

Statement of Financial Position
as at 30 June 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	27,372,229	37,884,920
Trade and other receivables	6	11,047,657	8,837,952
Other financial assets	5(a)	143,000,000	130,660,917
Inventories	7	1,644,714	781,131
Other assets	8	2,261,913	1,492,209
TOTAL CURRENT ASSETS		185,326,513	179,657,129
NON-CURRENT ASSETS			
Trade and other receivables	6	51,842	45,765
Other financial assets	5(b)	8,132,916	2,490,951
Inventories	7	188,067	-
Investment in associates	24(a)	14,320,992	6,651,389
Property, plant and equipment	9(a)	666,483,345	684,483,054
Infrastructure	10(a)	409,414,323	409,070,498
Investment property	14	14,218,400	14,261,800
Right of use assets	12(a)	3,454,365	3,100,646
TOTAL NON-CURRENT ASSETS		1,116,264,250	1,120,104,103
TOTAL ASSETS		1,301,590,763	1,299,761,232
CURRENT LIABILITIES			
Trade and other payables	15	20,808,590	28,512,315
Contract liabilities	16	65,000	1,031,908
Lease liabilities	17(a)	217,827	63,932
Borrowings	18(a)	705,433	3,566,021
Employee related provisions	19	12,157,051	11,344,469
Other provisions	20	156,246	211,449
TOTAL CURRENT LIABILITIES		34,110,147	44,730,094
NON-CURRENT LIABILITIES			
Contract liabilities	16	1,505,000	2,033,243
Lease liabilities	17(a)	3,357,586	3,117,378
Borrowings	18(a)	-	979,914
Employee related provisions	19	1,269,175	1,460,274
TOTAL NON-CURRENT LIABILITIES		6,131,761	7,590,809
TOTAL LIABILITIES		40,241,908	52,320,903
NET ASSETS		1,261,348,855	1,247,440,329
EQUITY			
Retained surplus		703,716,215	705,661,913
Reserves - cash/financial asset backed	4	128,997,384	106,502,287
Revaluation surplus	13	428,635,256	435,276,129
TOTAL EQUITY		1,261,348,855	1,247,440,329

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH/FINANCIAL ASSET BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2019					
Balance as at 1 July 2020		705,097,503	101,133,864	432,636,132	1,238,867,499
Comprehensive income					
Net result for the period		8,572,830	-	-	8,572,830
Total comprehensive income		8,572,830	-	-	8,572,830
Transfers from reserves	4	66,503,577	(69,143,574)	2,639,997	-
Transfers to reserves	4	(74,511,997)	74,511,997	-	-
Balance as at 30 June 2021		705,661,913	106,502,287	435,276,129	1,247,440,329
Restatement of balances	13	(1,968,800)	-	1,968,800	-
		703,693,113	106,502,287	437,244,929	1,247,440,329
Comprehensive income					
Net result for the period		21,637,472	-	-	21,637,472
Asset Revaluation Reserve Transfers					
Other comprehensive income	13	-	-	(7,728,946)	(7,728,946)
Total comprehensive income		21,637,472	-	(7,728,946)	13,908,526
Realisation of revaluation reserve on disposal of assets	13	880,727	-	(880,727)	-
Transfers from reserves	4	29,909,814	(29,909,814)	-	-
Transfers to reserves	4	(52,404,911)	52,404,911	-	-
Balance as at 30 June 2022		703,716,215	128,997,384	428,635,256	1,261,348,855

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

Statement of Cash Flows
for the year ended 30 June 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		97,532,015	98,082,904	98,471,136
Operating grants, subsidies and contributions		3,290,610	2,817,711	3,369,225
Fees and charges		88,956,410	89,204,915	88,892,407
Interest received		1,621,039	3,109,146	2,136,683
Other revenue		2,496,374	850,996	3,414,369
		<u>193,896,448</u>	<u>194,065,672</u>	<u>196,283,820</u>
Payments				
Employee costs		(73,292,660)	(77,510,103)	(69,888,222)
Materials and contracts		(51,090,100)	(54,366,017)	(47,761,734)
Utility charges		(3,455,959)	(3,747,146)	(3,434,543)
Interest expenses		(244,839)	(226,587)	(454,092)
Insurance paid		(1,293,000)	(1,264,278)	(1,085,329)
Other expenditure		(22,934,025)	(33,468,714)	(25,059,874)
		<u>(152,310,583)</u>	<u>(170,582,845)</u>	<u>(147,683,794)</u>
Net cash provided by (used in) operating activities	21	41,585,865	23,482,827	48,600,026
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for financial assets at amortised cost		(225,000,000)	-	(171,000,000)
Payments for purchase of property, plant & equipment	9(a)	(11,927,517)	(18,326,500)	(17,445,937)
Payments for construction of infrastructure	10(a)	(24,619,323)	(30,301,145)	(28,343,657)
Payments for investment property	14	(102,473)	-	(89,630)
Non-operating grants, subsidies and contributions		11,924,996	12,827,340	6,076,599
Proceeds from financial assets at amortised cost - term deposits		206,082,759	-	164,765,828
Distribution from Tamala Park Regional Council	23(c)	1,033,239	-	955,248
Contribution to Mindarie Regional Council	24	(7,083,333)	-	-
Proceeds from sale of property, plant & equipment	11(a)	1,645,289	879,063	934,060
Net cash provided by (used in) investment activities		(48,046,363)	(34,921,242)	(44,147,489)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	18(b)	(3,840,502)	(3,840,500)	(4,233,036)
Payments for principal portion of lease liabilities	17(b)	(211,691)	-	(61,830)
Net transfer from reserves		-	(8,706,032)	-
Net cash provided by (used in) financing activities		(4,052,193)	(12,546,532)	(4,294,866)
Net increase (decrease) in cash held		(10,512,691)	(23,984,948)	157,671
Cash at beginning of year		37,884,920	54,209,979	37,727,249
Cash and cash equivalents at the end of the year	21	27,372,229	30,225,031	37,884,920

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

Rate Settings Statement
for the year ended 30 June 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
OPERATING ACTIVITIES				
Net current assets at start of financial year				
- surplus/(deficit)	27 (b)	32,054,701	23,556,924	39,844,242
		<u>32,054,701</u>	<u>23,556,924</u>	<u>39,844,242</u>
Revenue from operating activities (excluding rates)				
Operating grants, subsidies and contributions		5,846,254	2,867,711	4,367,293
Fees and charges		88,956,410	85,298,488	87,172,375
Interest earnings		1,621,039	2,859,146	1,744,226
Other revenue		2,978,111	5,667,313	3,277,161
		<u>99,401,814</u>	<u>96,692,658</u>	<u>96,561,055</u>
Expenditure from operating activities				
Employee costs		(70,489,990)	(76,960,603)	(69,596,448)
Materials and contracts		(47,071,573)	(49,882,406)	(54,097,241)
Utility charges		(3,455,959)	(3,562,144)	(3,434,543)
Depreciation on non-current assets		(38,600,231)	(39,749,636)	(38,265,343)
Interest expenses		(244,839)	(266,587)	(409,060)
Insurance expenses		(1,293,000)	(1,264,278)	(1,085,329)
Other expenditure		(27,226,404)	(34,261,828)	(28,816,163)
		<u>(188,381,996)</u>	<u>(205,947,482)</u>	<u>(195,704,127)</u>
Non-cash amounts excluded from operating activities	27(a)	42,001,295	39,489,745	40,953,886
Amount attributable to operating activities		(14,924,186)	(46,208,155)	(18,344,944)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	13,420,147	12,827,340	6,196,599
Proceeds from disposal of assets	11(a)	1,645,289	879,063	934,060
Purchase of property, plant and equipment	9(a)	(11,927,517)	(18,326,500)	(10,205,030)
Purchase and construction of infrastructure	10(a)	(24,619,323)	(30,301,145)	(35,667,094)
Construction on investment property	14	(102,473)	-	(7,101)
Contribution to Mindarie Regional Council	24	(7,083,333)	-	-
Amount attributable to investing activities		(28,667,210)	(34,921,242)	(38,748,566)
FINANCING ACTIVITIES				
Repayment of borrowings	18(b)	(3,840,502)	(3,840,500)	(4,233,036)
Redemption of Mortgaged backed securities	5(b)	82,759	-	19,414
Payments for principal portion of lease liabilities	17(b)	(211,691)	-	-
Contract Liabilities/Movement in Conditions over contributions included in Opening net Current assets	27 (b)	-	-	1,838,194
Reclassification of financial assets	5(b)	(6,660,917)	-	(2,018,137)
Distribution from Tamala Park Regional Council	23(c)	1,033,239	-	955,248
Transfers to reserves (restricted assets)	4	(52,404,911)	(39,039,147)	(74,511,997)
Transfers from reserves (restricted assets)	4	29,909,814	30,333,114	69,143,574
Amount attributable to financing activities		(32,092,209)	(12,546,533)	(8,806,740)
Surplus/(deficit) before imposition of general rates		(75,683,606)	(93,675,930)	(65,900,250)
Total amount raised from general rates	26(a)	97,860,060	98,332,904	97,954,951
Surplus/(deficit) after imposition of general rates	27(b)	22,176,454	4,656,974	32,054,701

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

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for the year ended 30 June 2022

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Notes to and forming part of the Financial Report
for the year ended 30 June 2022

1. BASIS OF PREPARATION

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

Local Government Act 1995 requirements

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

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

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. All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 to these financial statements.

JUDGEMENTS AND ESTIMATES

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

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

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

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

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

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

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates - general rates	General rates	Over time	Payment dates adopted by council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms	Output method based on project milestones
Grants, subsidies or contributions with no contractual commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment of the licence, registration or approval
Fees and charges - pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annual fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Fees and charges - other inspections	Regulatory food, health and safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Fees and charges - waste management	Kerbside collection service	Over time	Payment dates adopted by council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Fees and charges - Parking	Use of car parks	Single point in time	In advance or at conclusion of parking	Refund if parking card paid in advance but no longer required	Adopted by council annually	Based on timing of entry, location and duration of parking	Not applicable	On entry or at conclusion of parking
Fees and charges - property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund dependent on days cancellation notice prior to event	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction	On entry or at conclusion of hire
Fees and charges - fines	Fines issued for breaches of local laws	Single point in time	Payment in full within defined time	None	Adopted by council through local law	When taxable event occurs	Not applicable	When fine notice is issued
Other revenue - reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

**Notes to and forming part of the Financial Report
for the year ended 30 June 2022**

2. REVENUE AND EXPENSES

(a) Grant revenue

Grants, subsidies and contributions are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
Governance	1,477,437	543,716	1,177,143
Law, order, public safety	41,705	45,586	24,750
Community amenities	16,585	164,292	3,188
Recreation and culture	1,971,061	810,902	1,951,752
Transport	1,286,092	110,000	138,820
Economic services	973,506	1,107,215	973,278
Other property and services	79,869	90,000	98,362
	5,846,255	2,871,711	4,367,293
Non-operating grants, subsidies and contributions			
Law, order, public safety	-	-	200,000
Community amenities	-	1,700,000	-
Recreation and culture	25,177	-	4,378,494
Transport	13,263,970	11,127,340	1,618,105
Other property and services	131,000	-	-
	13,420,147	12,827,340	6,196,599
Total grants, subsidies and contributions	19,266,402	15,699,051	10,563,892
Fees and charges			
Governance	155,101	145,500	139,958
General purpose funding	359,970	400,000	362,138
Law, order, public safety	291,986	340,000	290,695
Health	704,554	1,139,800	701,738
Education and welfare	1,556,381	1,388,000	1,342,754
Community amenities	10,150,918	10,381,375	10,025,596
Recreation and culture	397,479	520,469	345,323
Transport	71,174,507	70,852,790	69,446,883
Economic services	4,165,036	4,636,981	4,516,919
Other property and services	478	-	371
	88,956,410	89,804,915	87,172,375

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

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

**Notes to and forming part of the Financial Report
for the year ended 30 June 2022**

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Revenue from statutory requirements			
Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
General rates	97,860,060	98,332,904	97,954,951
Service charges	79,781,977	79,023,229	75,489,497
Statutory permits and licences	1,555,223	1,558,485	1,867,367
Fines	7,619,211	9,223,200	9,815,511
	186,816,471	188,137,818	185,127,326
Interest earnings			
Interest on reserve funds	617,639	1,659,146	673,249
Rates instalment and penalty interest (refer Note 26(c))	381,581	727,896	616,885
Other interest earnings	621,819	472,104	454,092
	1,621,039	2,859,146	1,744,226

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes.

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

	Note	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Auditors remuneration				
- Audit of the Annual Financial Report		149,000	140,000	107,100
- Other services		6,699	23,480	-
		155,699	163,480	107,100
Interest expenses (finance costs)				
Borrowings	18(b)	132,662	118,272	298,422
Interest expense on late payments		196	150	372
Lease liabilities	17(b)	111,981	108,165	110,267
		244,839	226,587	409,061
Other expenditure				
Parking Bay Licence fee		17,020,571	17,485,756	17,546,032
Sundry expenses		6,479,441	8,816,072	9,065,932
		23,500,012	26,301,828	26,611,964

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

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

**Notes to and forming part of the Financial Report
for the year ended 30 June 2022**

2. REVENUE AND EXPENSES (Continued)

	2022 Actual \$	2022 Budget \$	2021 Actual \$
(a) Revenue			
Contracts with customers and transfers for recognisable non-financial assets			
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City was recognised during the year for the following nature or types of goods or services:			
Operating grants, subsidies and contributions	5,846,254	2,867,711	4,367,293
Fees and charges	88,956,410	89,804,915	87,172,375
Other revenue	2,496,374	900,996	1,648,435
Non-operating grants, subsidies and contributions	13,420,147	12,827,340	6,196,599
	110,719,185	106,400,962	99,384,702
Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City is comprised of:			
Contracts with customers included as a contract liability at the start of the period	224,292	-	204,042
Other revenue from contracts with customers recognised during the year	97,074,746	93,573,622	93,188,103
Transfers intended for acquiring or constructing recognisable non financial assets included as a contract liability at the start of the period	807,616	-	60,000
Other revenue from performance obligations satisfied during the year	12,612,531	12,827,340	5,932,557
	110,719,185	106,400,962	99,384,702
Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non financial assets is:			
Trade and other receivables from contracts with customers	4,162,073	-	2,045,440
Contract liabilities from contracts with customers	5,000	-	224,292
Financial assets held from transfers for recognisable financial assets	(1,565,000)	-	(2,840,859)
Contract liabilities from transfers for recognisable non financial assets	1,565,000	-	2,840,859
Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met.			
Information is not provided about remaining performance obligations for contracts with customers that had an original expected			
Consideration from contracts with customers is included in the transaction price.			
Performance obligations in relation to contract liabilities from transfers for recognisable non financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset. All associated performance obligations are expected to be met over the next 12 months.			

**Notes to and forming part of the Financial Report
for the year ended 30 June 2022**

3. CASH AND CASH EQUIVALENTS

	NOTE	2022 \$	2021 \$
Cash at bank and on hand		21,102,632	13,121,874
Term deposits		6,269,597	24,763,046
Total cash and cash equivalents		27,372,229	37,884,920
Restrictions			
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:			
- Financial assets at amortised cost		143,000,000	124,000,000
- Financial assets at amortised cost - unrestricted		(12,432,616)	(14,432,562)
		130,567,384	109,567,438
The restricted assets are a result of the following specific purposes to which the assets may be used:			
Reserves - cash/financial asset backed	4	128,997,384	106,502,287
Contract liabilities from contracts with customers	16	5,000	224,292
Contract liabilities from transfers for recognisable non financial assets	16	1,565,000	2,840,859
Total restricted assets		130,567,384	109,567,438

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, of which the City has nil, would be 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.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

4. RESERVES - CASH/FINANCIAL ASSET BACKED		2022		2022		2022		2022		2022		2021		2021		2021	
		Actual	Transfer	Actual	Transfer	Actual	Transfer	Budget	Opening Balance	Budget	Transfer	Actual	Opening Balance	Actual	Transfer	Actual	Closing Balance
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a)	Refuse Disposal and Treatment	7,226,839	3,894,770	(7,476,700)	-	3,644,909	7,230,601	3,973,708	(8,000,000)	3,204,309	-	2,877,175	4,349,664	2,877,175	-	7,226,839	-
(b)	Concert Hall - Refurbishment and Maint.	6,836,970	38,433	-	-	6,875,403	6,838,584	49,729	-	6,888,313	-	48,532	6,788,438	48,532	-	6,836,970	-
(c)	Asset Enhancement	22,696,791	5,134,427	-	-	27,831,218	22,714,468	411,484	-	23,125,952	-	166,026	25,030,765	166,026	(2,500,000)	22,696,791	-
(d)	Parking Levy	22,474,006	82,882	(10,000,000)	-	12,556,888	22,491,705	411,346	(10,000,000)	12,903,051	-	2,376	8,403,351	30,070,655	(16,000,000)	22,474,006	-
(e)	Art Acquisition	352,384	1,981	-	-	354,365	352,660	6,422	-	359,082	-	4,805	350,008	2,376	-	352,384	-
(f)	Heritage Incentive	712,096	3,670	(133,114)	-	582,652	712,654	12,987	(133,114)	592,527	-	4,805	707,291	4,805	-	712,096	-
(g)	Parking Facilities Development	8,819,243	1,050,945	-	-	9,870,188	8,826,069	159,029	-	8,985,098	-	153,084	28,666,159	153,084	(20,000,000)	8,819,243	-
(h)	Employee Entitlements	2,031,845	2,519,622	-	-	4,551,467	2,033,398	36,248	-	2,069,646	-	13,708	2,018,137	13,708	-	2,031,845	-
(i)	David Jones Bridge	400,355	2,249	-	-	402,604	400,670	7,301	-	407,971	-	2,703	397,652	2,703	-	400,355	-
(j)	Bonus Plot Ratio	689,687	3,875	-	-	693,562	690,228	12,578	-	702,806	-	4,653	685,034	4,653	-	689,687	-
(k)	Enterprise and Initiative	8,887,121	5,068,557	-	-	13,955,678	8,891,920	5,118,659	-	14,010,579	-	2,424,542	6,462,579	2,424,542	-	8,887,121	-
(l)	Public Art	8,102	46	-	-	8,148	47,397	1,923	-	49,320	-	53,584	559,518	53,584	(605,000)	8,102	-
(m)	Council House Refurbishment	1,246,269	1,511,367	-	-	2,757,636	1,246,118	1,500,164	-	2,746,282	-	737,341	1,508,928	737,341	(1,000,000)	1,246,269	-
(n)	Technology Upgrade	2,778,282	1,016,985	-	-	3,795,267	2,154,164	24,726	-	2,178,890	-	700,421	2,727,861	700,421	(650,000)	2,778,282	-
(o)	Major Infrastructure	16,471,746	21,118,803	(12,200,000)	-	25,390,549	16,481,305	20,233,249	(12,200,000)	24,514,554	-	12,854,190	5,917,556	12,854,190	(2,300,000)	16,471,746	-
(p)	Provisional Capital	1,207,113	6,788	-	-	1,213,901	1,254,576	-	-	1,254,576	-	1,254,730	1,525,957	1,254,730	(1,573,574)	1,207,113	-
(q)	Organisational Reform	661,172	3,717	-	-	664,889	682,068	79,594	-	761,662	-	26,206	5,034,966	26,206	(4,400,000)	661,172	-
(r)	Covid 19 Economic Rebound	-	-	-	-	-	-	-	-	-	-	-	-	20,115,000	(20,115,000)	-	-
(s)	Strategic Property Reserve	3,002,266	4,029,432	-	-	7,031,698	3,001,883	4,000,000	-	7,001,883	-	3,002,266	-	3,002,266	-	3,002,266	-
(t)	Neighbourhood Initiatives	-	3,008,353	(100,000)	-	2,908,353	-	3,000,000	-	3,000,000	-	-	-	-	-	-	-
(u)	Sponsorship Reserve	-	2,907,275	-	-	2,907,275	-	-	-	-	-	-	-	-	-	-	-
(v)	Major Events Reserve	-	1,000,734	-	-	1,000,734	-	-	-	-	-	-	-	-	-	-	-
		106,502,287	52,404,911	(29,909,814)	(29,909,814)	128,997,384	106,050,468	39,039,147	(30,333,114)	114,756,501	-	74,511,997	101,133,864	74,511,997	(69,143,574)	106,502,287	-

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 and their anticipated date of use are as follows

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

Name of Reserve	Anticipated date of use	Purpose of the reserve
(a) Refuse Disposal and Treatment	3 Years	To allow for the development, construction and purchase of facilities and plant for the treatment, transportation and disposal of non-industrial refuse. It may also be utilised to assist with the phasing in of significant increases in standard rubbish service charges anticipated when recycling processes are extended
(b) Concert Hall - Refurbishment and Maint.	ongoing	This reserve provides for the future maintenance of the Perth Concert Hall, and the replacement of its existing plant, furniture and carpets. The reserve also accommodates provision for the design and construction of a new WASO facility.
(c) Asset Enhancement	ongoing	This reserve was established to provide funds for the enhancement, replacement, refurbishment of the City's assets and the acquisition new assets or capital works. This reserve may also be applied to fund projects that may not necessarily be controlled by the City but which may be carried out for the ultimate benefit of the City.
(d) Parking Levy	ongoing	This reserve was established to set aside funds to meet the State Government's parking levy liability
(e) Art Acquisition	ongoing	This reserve was established to fund future additions to the art collection of the City. The reserve is funded from the proceeds of sale of artworks and the transfer of the unexpended annual allocation for art acquisitions.
(f) Heritage Incentive	3 Years	This reserve was established to fund heritage incentives to benefit properties on the City's heritage register
(g) Parking Facilities Development	10 Years	This reserve was established to enable parking facilities to be developed within the City, and parking equipment to be purchased
(h) Employee Entitlements	ongoing	This reserve was established to fund the non-current portion of employee entitlements for Long Service Leave and the non-current portion for Annual Leave entitlements.
(i) David Jones Bridge	5-10 Years	This reserve was established to fund major repairs, renovations or replacement of the pedestrian bridge over Murray Street Mall between David Jones and Forrest Chase. Allocations to this reserve are made from unexpended maintenance contribution from the owner of the David Jones site.
(j) Bonus Plot Ratio	5 Years	This reserve was established to hold contributions in respect of Bonus Plot Ratio entitlements, pending expenditure on relevant streetscape improvements and /or public art.
(k) Enterprise and Initiative	5-10 Years	This reserve was established to fund future strategic projects or initiatives that introduce or improve efficiencies and effectiveness in the City's operations.
(l) Public Art	3 Years	This reserve was established to provide financial capacity to support the commission of new and enduring public art identified in the City's Public Art Strategy. The reserve may be funded by allocations from the municipal fund, percent for art contributions, monetary contributions, gifts or bequests.
(m) Council House Refurbishment	1 Year	This reserve was established to fund future refurbishment of Council House to optimise the use of the available floor space and encourage more effective and efficient working arrangements.
(n) Technology Upgrade	3 Years	This reserve is established to provide funding to enhance the City's core technology systems to facilitate service based resource allocation models and more transparent reporting of financial performance.
(o) Major Infrastructure	ongoing	This reserve is established to provide funding flexibility to allow the accelerated delivery of large multi-year infrastructure projects where delivery synergies and cost savings can be gained through aggregation of project stages.
(p) Provisional Capital	1 Year	This reserve is established to match delivery capacity with the proposed Capital Program. As projects are completed, this reserve will be drawn down to fund Capital programs expected to occur later in the year.
(q) Organisational Reform	3 Years	This reserve is established to fund the anticipated costs of the City of Perth Inquiry and to provide funding towards corporate recovery, organisational development and capacity building.
(r) Covid 19 Economic Rebound	1 Year	This reserve was established to quarantine funding for the initiatives associated with the City's Covid 19 Economic Rebound Strategy
(s) Strategic Property Reserve	ongoing	The purpose of this reserve is to support the funding of strategic land or commercial building acquisitions that may be used to generate future lease rental income streams to subsidise the City's rates and parking revenue streams, or to meet the City's operational storage needs
(t) Neighbourhood Initiatives	ongoing	This reserve was established to support Neighbourhood Place Plans through providing funding to support minor discretionary projects initiated by the six city neighbourhoods.
(u) Sponsorship Reserve	ongoing	This reserve is used to manage the cashflow implications of sponsorships spanning multiple financial years.
(v) Major Events Reserve	ongoing	This reserve is established to allow the City to leverage activations associated with third party run major national or international sporting events

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

5. OTHER FINANCIAL ASSETS

	2022	2021
	\$	\$
(a) Current assets		
Financial assets at amortised cost	143,000,000	124,000,000
Financial assets at fair value through profit and loss	-	6,660,917
	<u>143,000,000</u>	<u>130,660,917</u>
Other financial assets at amortised cost		
Term deposits	143,000,000	124,000,000
	<u>143,000,000</u>	<u>124,000,000</u>
Financial assets at fair value through profit and loss		
Units held in unlisted Australian equity portfolio	-	6,660,917
	<u>-</u>	<u>6,660,917</u>
(b) Non-current assets		
Financial assets at amortised cost	2,310,226	2,306,434
Financial assets at fair value through profit and loss	5,822,690	184,517
	<u>8,132,916</u>	<u>2,490,951</u>
Financial assets at amortised cost		
Mortgage Backed Securities (MBS)		
Carrying amount at beginning of period	2,306,434	2,370,916
Less: Securities redeemed	(82,759)	(19,414)
Add: Gain on revaluation of securities	86,551	(45,068)
	<u>2,310,226</u>	<u>2,306,434</u>
Financial assets at fair value through profit and loss		
Unlisted equity investments		
Units in Local Government House Trust	194,509	184,517
Units held in unlisted Australian equity portfolio	5,628,181	-
	<u>5,822,690</u>	<u>184,517</u>

The City of Perth holds 10 of the 620 units in the Local Government House Trust and recognises its share of the net assets reported in the latest audited Financial Statements.

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 30.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

6. TRADE AND OTHER RECEIVABLES

	2022	2021
	\$	\$
Current		
Rates receivable	1,833,858	1,598,980
Trade and other receivables	4,162,073	2,045,440
GST receivable	573,342	1,154,159
Allowance for impairment of receivables	(5,623,141)	(5,214,105)
Accrued interest and investment income	483,803	299,031
Accrued Income	2,535,187	1,608,424
Modified penalties, fines and costs	<u>7,082,535</u>	<u>7,346,023</u>
	<u>11,047,657</u>	<u>8,837,952</u>
Non-current		
Pensioner's rates and ESL deferred	<u>51,842</u>	<u>45,765</u>
	<u>51,842</u>	<u>45,765</u>

The amounts shown relate to rates deferred by pensioners in accordance with the Rates and Charges (Rebates and Deferment Act) 1992.

Please refer to Note 28(c) for details of the payment terms and interest charged on Rates outstanding.

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days. For aging of trade receivables and expected default rates, please refer to note 30(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 30.

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 cashflows 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.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

7. INVENTORIES

Current

Parking Equipment Spare Parts
Stores, Stock, Corporate and International Gifts
Land held for resale - cost
Cost of acquisition
Development costs

Non-current

Land held for resale - cost
Cost of acquisition

The following movements in inventories occurred during the year:

Carrying amount at beginning of period
Inventories expensed during the year
Write down of inventories to net realisable value
Additions to inventory
Carrying amount at end of period

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Change in accounting policy:

Refer to Note 11 for the change in accounting policy related to land held for resale.

8. OTHER ASSETS

Other assets - current

Prepayments

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.

	2022	2021
	\$	\$
331,770		442,028
347,156		339,103
68,636		-
897,152		-
1,644,714		781,131
188,067		-
188,067		-
781,131		806,691
(2,141,132)		(1,267,727)
(3,098)		(11,867)
3,195,880		1,254,034
1,832,781		781,131

Land held for resale (Continued)

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

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed onto the buyer at this point. Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

	2022	2021
	\$	\$
2,261,913		1,492,209
2,261,913		1,492,209

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

9. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Carrying Amounts

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

	Land - freehold land	Leasehold land	Leasehold Land	Heritage Land	Land - held on Joint Venture	Total land	Buildings	Buildings - Heritage	Buildings - Leasehold	Total buildings	Improvements	Leasehold improvements	Total land and buildings
	\$	\$	\$	\$		\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	299,703,533	43,881,521	-	2,860,000	11,615,973	358,061,027	170,268,963	61,778,343	47,730,052	279,777,358	684,271	638,522,656	
Additions	-	-	-	-	820,959	820,959	1,403,778	180,394	112,648	1,696,820	-	2,517,779	
(Disposals)	-	-	-	-	(1,049,209)	(1,049,209)	(133,211)	-	-	(133,211)	-	(1,182,421)	
Reclassification	1,500,000	-	-	-	-	1,500,000	-	-	-	-	-	1,500,000	
Initial Recognition Assets	-	-	-	-	-	-	-	33,054	-	33,054	-	33,054	
Depreciation (expense)	-	(517,086)	-	-	-	(517,086)	(7,072,387)	(3,614,031)	(841,957)	(11,528,375)	(28,757)	(12,074,218)	
Transfers	-	-	-	-	-	-	290,636	2,514,375	17,770	2,822,781	2,822,781	2,822,781	
Carrying amount at 30 June 2021	301,203,533	43,364,435	-	2,860,000	11,387,723	358,815,691	164,757,779	60,892,136	47,018,513	272,668,428	655,514	632,139,632	
Comprises:													
Gross carrying amount at 30 June 2021	301,203,533	51,204,479	-	2,860,000	11,387,723	366,655,735	308,340,266	127,648,715	61,335,835	497,324,816	915,820	864,896,372	
Accumulated depreciation at 30 June 2021	-	(7,840,044)	-	-	-	(7,840,044)	(143,582,487)	(66,756,579)	(14,317,322)	(224,656,388)	(260,306)	(232,756,738)	
Carrying amount at 30 June 2021	301,203,533	43,364,435	-	2,860,000	11,387,723	358,815,691	164,757,779	60,892,136	47,018,513	272,668,428	655,514	632,139,632	
Additions	-	-	-	-	-	-	709,580	233,593	6,689	949,862	274,314	1,224,176	
(Disposals)	-	-	-	-	-	-	-	-	-	-	-	-	
Revaluation	-	-	-	-	(9,407,302)	(9,407,302)	-	-	-	-	-	(9,407,302)	
Reclassification	-	-	-	-	(340,300)	(340,300)	(221,465)	-	-	(221,465)	221,465	(340,300)	
Initial Recognition Assets/Adjustments	-	-	-	-	-	-	-	-	-	-	-	-	
Depreciation (expense)	-	(517,086)	-	-	-	(517,086)	(7,350,320)	(3,729,364)	(845,345)	(11,925,028)	(99,606)	(12,541,719)	
Transfers	-	-	-	-	-	-	1,165,760	323,425	18,645	1,507,830	1,147,532	2,655,362	
Carrying amount at 30 June 2022	301,203,533	42,847,349	-	2,860,000	1,640,121	348,551,003	159,061,334	57,719,790	46,198,502	262,979,627	2,199,219	613,729,849	
Comprises:													
Gross carrying amount at 30 June 2022	301,203,533	51,204,479	-	2,860,000	1,640,121	356,908,133	309,661,831	128,205,734	61,361,170	499,228,735	2,891,441	859,028,309	
Accumulated depreciation at 30 June 2022	-	(8,357,130)	-	-	-	(8,357,130)	(150,600,497)	(70,485,944)	(15,162,667)	(236,249,108)	(692,222)	(245,298,460)	
Carrying amount at 30 June 2022	301,203,533	42,847,349	-	2,860,000	1,640,121	348,551,003	159,061,334	57,719,790	46,198,503	262,979,627	2,199,219	613,729,849	

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(a) Movements in Carrying Amounts (Continued)

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

	Total land and buildings	Furniture and equipment	Plant and equipment	Work in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$
Balance at 1 July 2020	638,522,656	34,882,792	12,204,137	8,089,348	693,698,933
Additions	2,517,779	512,758	1,856,096	6,139,356	11,025,989
(Disposals)	(1,182,421)	(36,340)	(840,623)	-	(2,059,384)
Reclassification	-	-	-	-	1,500,000
Initial Recognition Assets	33,054	-	-	-	33,054
Depreciation (expense)	(12,074,218)	(4,957,720)	(2,637,630)	-	(19,709,568)
Transfers	2,822,781	3,706,517	1,409,564	(7,944,837)	(5,975)
Carrying amount at 30 June 2021	632,139,632	34,068,008	11,991,546	6,283,867	684,483,053
Comprises:					
Gross carrying amount at 30 June 2021	864,896,371	59,000,354	41,928,073	6,283,867	972,108,665
Accumulated depreciation at 30 June 2021	(232,756,738)	(24,932,346)	(29,936,527)	-	(287,625,611)
Carrying amount at 30 June 2021	632,139,631	34,068,008	11,991,546	6,283,867	684,483,054
Additions	1,224,176	2,846,743	2,841,956	5,027,485	11,940,360
(Disposals)	-	(67)	(1,182,523)	-	(1,182,590)
Revaluation	(9,407,302)	-	-	-	(9,407,302)
Reclassification	(340,300.00)	1,434	-	-	(338,866)
Initial Recognition Assets/Adjustments	-	-	14,824	-	14,824
Depreciation (expense)	(12,541,719)	(4,057,949)	(2,413,624)	-	(19,013,292)
Transfers	2,655,362	2,340,377	646,708	(5,655,290)	(12,843)
Carrying amount at 30 June 2022	613,729,849	35,198,546	11,898,887	5,656,062	666,483,345
Comprises:					
Gross carrying amount at 30 June 2022	859,028,309	64,143,617	42,064,506	5,656,062	970,892,494
Accumulated depreciation at 30 June 2022	(245,298,460)	(28,945,071)	(30,165,618)	-	(304,409,149)
Carrying amount at 30 June 2022	613,729,849	35,198,546	11,898,888	5,656,062	666,483,345

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

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

Property Plant Equipment and Infrastructure
Financial Assets and Liabilities

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

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

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

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

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

During the year there were no changes in the valuation techniques used by the City to determine the fair value of fixed assets using either Level 2 or Level 3 inputs.

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land	2	Market approach taking into consideration public sector restrictions	Independent registered valuer	30/06/2020	Applied to land held in freehold title and assessed on the basis of the estimated amount which the interest in each property being valued might reasonably be expected to realise on the date of valuation in an exchange between market participants given highest and best use or highest and best alternative use. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability and based on observable evidence. The valuation of some restricted or otherwise non-saleable land has been valued using the cost approach. This approach was used where, assuming the City needed to purchase the land or acquire additional land from an adjoining neighbour, the value of that land could be determined based on known zoning and town planning restrictions. This was determined by comparison to recent sales of land with similar characteristics. This was then adjusted to reflect condition and comparability and based on observable evidence. As this was based on observable evidence they have been classified as Level 2

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements (Continued)

Buildings	3	Cost approach. The cost to replace the asset is calculated and then adjusted to take account of accumulated depreciation.	Independent registered valuer	30/06/2020	The valuation of building, structural improvements and site services includes those items that form part of the building services installation (e.g. heating, cooling and climate control equipment, lifts, escalators, fire alarms, sprinklers and fire fighting equipment, and general lighting). Excluded from this report are all items of plant, machinery, equipment, cranes, tools, furniture or chattels. The valuer determined a value based on inter-relationship between a range of factors. These include asset condition, legal and commercial obsolescence and the determination of key depreciation related assumptions such as residual value and the pattern of consumption of the future economic benefit.
Plant and Mobile Equipment		Cost	Cost	30/06/2019	Purchase cost
Office Furniture and Equipment (Other)		Cost	Cost	30/06/2018	Purchase cost
Office Furniture and Equipment - Concert Pianos		Cost	Cost	30/06/2018	Purchase cost
Office Furniture and Equipment - Major Computer Software		Cost	Cost	30/06/2018	Purchase cost
Office Furniture and Equipment - Artworks, Memorabilia and History Collection		Cost	Cost	30/06/2018	Purchase cost
Following a change to Local Government (Financial Management) Regulation 17A, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represented a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.					
Investment land	2	Market approach	Independent registered valuer	30/06/2022	Value based either on the amounts for which the assets could be exchanged between willing parties in an arm's length transaction, based on current prices in an active market for similar properties in the same location and condition, or based on the continuation of its present use, regardless of whether that represents the highest and best use of the asset.
Investment buildings	3	Improvements to land valued using cost approach and utilising the depreciated replacement cost	Independent registered valuer	30/06/2022	Improvements to land using construction costs and current condition, residual values and remaining useful life assessments (Level 3) inputs.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

10. INFRASTRUCTURE

(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 - paths and kerbs	Infrastructure - drains	Infrastructure - landscape	Infrastructure - elec/comm/lighting	Other infrastructure	Work in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	151,798,223	76,186,209	43,339,007	38,004,771	23,239,571	39,503,882	35,832,254	407,903,917
Additions	2,274,581	1,071,733	1,065,917	270,045	3,308,194	1,320,953	26,355,671	35,667,094
(Disposals)	(948,854)	(758,843)	(2,985)	(24,048)	(144,929)	(59,686)	-	(1,939,345)
Contributed Assets	577,592	1,405,326	286,747	160,325	284,980	254,566	-	2,969,536
Initial Recognition Assets	217,863	650,445	7,026	-	99,321	71,302	-	1,045,957
Depreciation (expense)	(6,824,356)	(5,086,358)	(1,211,574)	(988,530)	(2,363,433)	(1,980,374)	-	(18,454,625)
Transfers	950,389	2,735,856	674,641	2,804,964	1,766,707	2,335,454	(12,820,101)	(1,552,090)
Carrying amount at 30 June 2021	148,045,438	76,204,368	44,158,780	40,227,527	26,190,411	41,446,097	32,797,877	409,070,498
Comprises:								
Gross carrying amount at 30 June 2021	257,283,946	144,271,629	89,527,452	48,790,455	41,422,279	62,477,282	32,797,877	676,570,920
Accumulated depreciation at 30 June 2021	(109,238,508)	(68,067,261)	(45,368,672)	(8,562,928)	(15,231,868)	(21,031,185)	-	(267,500,422)
Carrying amount at 30 June 2021	148,045,438	76,204,368	44,158,780	40,227,527	26,190,411	41,446,097	32,797,877	409,070,498
Additions	1,524,375	1,461,056	794,014	1,071,911	1,763,275	1,616,824	16,387,868	24,619,323
(Disposals)	(1,483,046)	(1,209,865)	(52,813)	(24,840)	(318,816)	(617,970)	-	(3,707,350)
Redclassification		244		(12,051)	10,377			(1,430)
Contributed Assets (Out)		(72,203)	(19,730)	(48,816)	(66,866)	(462,856)		(670,471)
Contributed Assets (In)		59,069	21,180			5,184		85,433
Initial Recognition Assets	9,641	110,532	31,547	2,050	18,300	77,767		249,837
Depreciation (expense)	(6,537,013)	(5,395,552)	(1,174,223)	(1,058,167)	(2,741,423)	(2,428,482)		(19,334,860)
Transfers	1,291,857	5,557,383	86,228	2,473,731	9,009,406	7,420,400	(26,735,662)	(896,657)
Carrying amount at 30 June 2022	142,851,252	76,715,032	43,844,983	42,631,345	33,864,664	47,056,964	22,450,083	409,414,323
Comprises:								
Gross carrying amount at 30 June 2022	256,102,072	148,442,767	90,344,580	52,177,650	50,747,174	69,476,725	22,450,083	689,741,051
Accumulated depreciation at 30 June 2022	(113,250,820)	(71,727,735)	(46,499,597)	(9,546,305)	(16,882,510)	(22,419,761)	-	(280,326,728)
Carrying amount at 30 June 2022	142,851,252	76,715,032	43,844,983	42,631,345	33,864,664	47,056,964	22,450,083	409,414,323

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

10. INFRASTRUCTURE (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads, Drainage, Landscape, Lights, Footpaths and Kerbs, River Walls, Other Infrastructure	3	Depreciated cost valuation technique. This method uses the asset current replacement cost less accumulated depreciation calculated on the basis of such cost to reflect potential of the asset as established then adjusted to take into account the expired service potential of the asset based on visual condition assessment where relevant. The current replacement cost was measured by referencing the lowest cost at which the asset could be obtained in the normal course of business. The total cost values have been calculated using unit cost rate based on current tender and general market rates. These unit cost rates were verified by an independent third party company that specialises in benchmarking construction costs.	Independent construction cost consultant and internal valuation	30/06/2018	Level 3 valuation inputs have been applied to all infrastructure asset classes, being construction cost and current condition and remaining useful life assessments.

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

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

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

11. 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.

Revaluation

The fair value of land, buildings, infrastucture and investment properties is determined at least 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.

Increases in the carrying amount arising on revaluation of land, buildings and infrastructure 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.

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

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

Change in accounting policy:

For complying with paragraph 8 of the Australian Accounting Standard 102, land held under joint venture with associates for development and sale have been treated as Inventory-Land held for resale (Refer Note 7). This land was reported in prior years as land held for redevelopment under Property Plant and Equipment. Prior to reclassification as Inventory, the land was revalued to the lower of its cost and net realisable value to comply with paragraph 9 of this Standard.

Refer to Note 12 that details the significant accounting policies applying to leases (including right-of-use assets)

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

11. FIXED ASSETS
(a) Disposals of Assets

	2022		2022		2022		2022		2022		2022		2021		2021		2021	
	Actual	Net Book Value	Actual	Net Book Value	Budget	Profit	Actual	Net Book Value	Budget	Profit	Actual	Net Book Value	Actual	Proceeds	Actual	Profit	Actual	Loss
Land - held on Joint Venture																		
Buildings	-	-	-	-	-	-	-	-	-	-	-	-	1,049,209	2,492,783	1,443,574	-	-	(133,211)
Buildings - Heritage	-	-	-	-	-	-	-	-	-	-	-	-	133,211	-	-	-	-	-
Furniture and equipment	67	-	-	-	-	-	-	-	-	-	-	36,339	1,727	1,727	1,727	1,727	(36,339)	-
Plant and equipment	1,182,523	1,645,289	481,737	1,105,609	879,063	9,891	1,105,609	879,063	9,891	9,891	9,891	840,623	932,332	193,491	840,623	193,491	(101,782)	-
Infrastructure - roads	1,483,046	-	-	967,599	-	-	967,599	-	-	-	-	948,854	-	-	948,854	-	(948,854)	-
Infrastructure - paths and kerbs	1,209,865	-	-	649,525	-	-	649,525	-	-	-	-	758,842	-	-	758,842	-	(758,842)	-
Infrastructure - drains	52,813	-	-	65,967	-	-	65,967	-	-	-	-	2,985	-	-	2,985	-	(2,985)	-
Infrastructure - landscape	24,840	-	-	-	-	-	-	-	-	-	-	24,048	-	-	24,048	-	(24,048)	-
Infrastructure - elec/comm/lighting	843,694	-	-	349,896	-	-	349,896	-	-	-	-	144,929	-	-	144,929	-	(144,929)	-
Other infrastructure	93,091	-	-	-	-	-	-	-	-	-	-	59,686	-	-	59,686	-	(59,686)	-
	4,889,939	1,645,289	481,737	3,138,596	1,129,063	259,891	3,138,596	1,129,063	259,891	259,891	259,891	3,998,726	3,426,842	1,638,792	3,998,726	1,638,792	(2,210,676)	-

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

11. FIXED ASSETS (Continued)

The following assets were disposed of during the year.

	2022 Actual Net Book Value	2022 Actual Sale Proceeds	2022 Actual Profit	2022 Actual Loss
	\$	\$	\$	\$
Law, order, public safety				
<i>Gains on Disposal</i>				
Plant and Equipment	109,287	121,273	19,853	(7,867)
<i>Losses on Disposal</i>				
Infrastructure	85,938	-	-	(85,938)
Community amenities				
Plant and Equipment	292,170	451,858	159,688	-
Infrastructure	6,589	-	-	(6,589)
Recreation and culture				
Plant and Equipment	300,980	423,654	124,039	(1,365)
Infrastructure	111,010	-	-	(111,010)
Transport				
Plant and Equipment	422,136	573,734	152,585	(987)
Infrastructure	3,512,588	-	-	(3,512,588)
Economic services				
Plant and Equipment	36,636	52,195	15,559	-
Other property and services				
Plant and Equipment	12,562	22,575	10,013	-
Furniture and Equipment	43	-	-	(43)
	4,889,939	1,645,289	481,737	(3,726,387)

(b) Fully Depreciated Assets in Use

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

	2022	2021
	\$	\$
Buildings	-	507,500
Furniture and equipment	5,245,988	4,787,154
Plant and equipment	20,989,795	17,768,166
Investment Buildings	2,470,000	2,151,000
Computers and IT	10,249,050	7,034,160
Infrastructure	15,044,540	6,485,544
	53,999,373	38,733,524

**Notes to and forming part of the Financial Report
for the year ended 30 June 2022**

11. FIXED ASSETS

(c) Depreciation

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Leasehold Land	517,086	-	517,086
Buildings	7,350,320	10,606,123	7,072,387
Buildings - Heritage	3,729,364	-	3,614,031
Buildings - Leasehold	845,345	1,361,052	841,957
Leasehold Improvements	99,606	28,751	28,757
Furniture and equipment	4,057,949	4,431,861	4,997,720
Plant and equipment	2,413,624	2,583,550	2,637,630
Infrastructure - roads	6,537,013	6,922,563	6,824,356
Infrastructure - paths and kerbs	5,395,552	5,108,000	5,086,358
Infrastructure - drains	1,174,223	1,133,853	1,211,574
Infrastructure - landscape	1,058,167	964,217	988,530
Infrastructure - elec/comm/lighting	2,741,423	2,346,449	2,363,433
Other infrastructure	2,428,483	1,892,651	1,980,374
Right of use assets - buildings	252,076	101,142	101,146
	38,600,231	37,480,212	38,265,341

(d) Initial Recognition of Assets

Buildings - Heritage	-	-	33,054
Infrastructure - roads	9,641	-	217,863
Infrastructure - paths and kerbs	110,532	-	650,445
Infrastructure - drains	31,547	-	7,026
Infrastructure - landscape	2,050	-	-
Infrastructure - elec/comm/lighting	18,300	-	99,321
Other infrastructure	77,767	-	71,302
	249,837	-	1,079,011

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2022**

11. FIXED ASSETS (Continued)

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:

Asset Class	Useful life	Residual Value
<u>Land</u>		
Leasehold Interest	99 years	Nil
<u>Buildings</u>		
Buildings (including components and leasehold interest)	10 to 100 years	Nil
<u>Leasehold Improvements</u>	Term of Lease	Nil
<u>Right-of-use assets</u>		
Buildings	Based on the remaining lease	
Plant and equipment	Based on the remaining lease	
<u>Infrastructure</u>		
Roads – Pavement	80 years	Nil
– Seal	20 years	Nil
– Ancillary	20 to 50 years	Nil
Footpaths – Footpaths	15 to 50 years	Nil
– Kerbs	20 to 50 years	Nil
Street Lighting	10 to 40 years	Nil
Drainage	20 to 80 years	Nil
Reticulation	10 to 40 years	Nil
Overpasses and Underpasses	40 to 70 years	Nil
Street Furniture	5 to 50 years	Nil
Riverwall	50 to 60 years	Nil
Other	5 to 10 years	Nil
<u>Plant and Mobile Equipment</u>		
Major Plant and Equipment	4 to 10 years	10 to 40%
Sedans and Utilities	2 to 3 years	50 to 65%
Pumps and Bores	7 to 15 years	Nil
Minor Plant and Equipment	2 to 7 years	5% to Nil
Specialised Parking Equipment	7 to 15 years	Nil
<u>Office Furniture and Equipment</u>		
Furniture and Equipment	2 to 15 years	Nil
Computer Equipment and Software	3 to 5 years	Nil

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.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

12. LEASES

(a) Right of Use Assets

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

	Right of use assets - buildings	Right of use assets Total
	\$	\$
Balance at 1 July 2020	3,201,792	3,201,792
Additions	-	-
Depreciation (expense)	(101,146)	(101,146)
Balance at 30 June 2021	3,100,646	3,100,646
Additions	605,795	605,795
Depreciation (expense)	(252,076)	(252,076)
Carrying amount at 30 June 2022	3,454,365	3,454,365

(b) Cash outflow from leases		
Interest expense on lease liabilities	(111,981)	(111,981)
Lease principal expense	(211,691)	(211,691)
Total cash outflow from leases	(323,672)	(323,672)

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the City assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right of use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate.

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fairvalue.

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

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease. Leases for right of use assets are secured over the asset being leased.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

13. REVALUATION SURPLUS

	2022 Opening Balance	2022 Total Movement on Revaluation	2022 Closing Balance	2022 Asset Reclassification	2021 Opening Balance	2021 Total Movement on Revaluation	2021 Asset Reclassification	2021 Closing Balance
Revaluation surplus - Land	(273,221,249)	9,407,302	(263,813,947)	-	(273,221,249)	0	-	(273,221,249)
Revaluation surplus - Buildings	(106,580,834)	-	(106,498,557)	82,277	(103,379,860)	(3,200,974)	-	(106,580,834)
Revaluation surplus - Leasehold Buildings	(847,911)	-	(930,188)	(82,277)	(84,611)	(6,300)	-	(847,911)
Revaluation surplus - Furniture and equipment	(921,951)	53,000	(868,951)	-	(921,951)	-	-	(921,951)
Revaluation surplus - Artworks	(7,124,995)	-	(7,124,996)	-	(7,124,995)	-	-	(7,124,995)
Revaluation surplus - Infrastructure	(46,579,188)	827,727	(45,751,461)	-	(47,146,466)	567,277	-	(46,579,189)
Revaluation surplus - Mindarie Regional Council	(1,968,800)	(1,678,356)	(3,647,156)	-	-	-	-	-
	(437,244,929)	8,609,673	(428,635,256)	-	(432,636,132)	(2,639,997)	-	(435,276,129)
Balance transfer on assets disposed	-	880,727	-	-	-	(2,639,997)	-	-
Net Movement from the Revaluation Surplus	-	7,728,946	-	-	-	-	-	-
Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.								
Balance in Building revaluation surplus relating to building components disposed off during the year were transferred to Retained Surplus on disposal of those assets.								
Land held for redevelopment was revalued before reclassification to Inventory - Land held for resale								

Changes in fair value of Mindarie Regional Council assets were reported in arriving at the net results in the Statement of Comprehensive Income in prior years. To comply with paragraph 10 of the Australian Accounting Standards AASB 128, the increase in fair value of these assets on revaluation during the year are reported through 'Other Comprehensive Income' in the Statement of Comprehensive Income. Prior year balance of revaluation surplus on these assets are restated in the opening balance of the Revaluation Surplus Mindarie Regional Council and adjusted against the opening balance in the Retained Surplus in the Statement of Changes in Equity.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2022**

14. INVESTMENT PROPERTY

Investment Land

	Actual \$	Actual \$
Carrying balance at 1 July	7,104,300	8,840,000
Transfers (Reclassification)	-	(1,500,000)
Net gain/(loss) from fair value adjustment	(431,800)	(235,700)
Closing balance at 30 June	6,672,500	7,104,300

Investment Buildings

Carrying balance at 1 July	7,157,500	8,092,000
Additions	89,630	7,101
Transfers	12,843	5,975
Net gain/(loss) from fair value adjustment	285,927	(947,576)
Closing balance at 30 June	7,545,900	7,157,500

Total Investment Property **14,218,400** **14,261,800**

Investment Land and Properties are revalued annually by an independent valuer. The result of the valuation carried out at 30 June 2022 was a decrease in the value of Investment Land of \$431,800 and an increase in the value of Investment Buildings of \$285,927.

There was no change in the valuation method used in the valuation of Investment Properties during the reporting period. Investment property is held to generate long-term rental yields. All tenant leases are on an arms-length basis apart from two short term tenancies that are on peppercorn rentals as they are deemed to be of benefit to the community.

	2022 Actual \$	2021 Actual \$
Amounts recognised in profit or loss for investment properties		
Rental income	1,396,263	1,288,560
Direct operating expenses from property that generated rental income	835,935	539,299

Leasing arrangements

Investment properties are leased out on operating leases. Rental income amounts are included within revenue. Direct operating expenses of \$835,935 (2021: \$539,299) were reported within other expenses, of which \$56,190 (30 June 2021 : \$51,776) were incurred on vacant properties that did not generate rental income.

Lease contracts are all non-cancellable for the term of each lease. Future minimum lease rentals are as follows:

	2022 Actual \$	2021 Actual \$
Within one year	2,279,755	1,215,712
Later than one year but not later than 5 years	3,811,282	3,669,856
Later than 5 years	1,432,615	1,876,738
	7,523,652	6,762,306

SIGNIFICANT ACCOUNTING POLICIES

Investment properties

Investment properties are principally freehold land and buildings, held for long-term rental yields and not occupied by the City. They are carried at fair value. Changes in the fair values of investment properties are disclosed separately in the Statement of Comprehensive Income.

Fair value of investment properties

Valuation of investment properties are performed annually by an independent valuer using level 2 inputs.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2022**

15. TRADE AND OTHER PAYABLES

Current

	2022 \$	2021 \$
Sundry creditors	9,538,672	13,146,624
Prepaid rates	2,757	89,847
Accrued expenses	6,080,605	9,504,758
Bonds and deposits held	1,901,822	2,510,825
Income in advance	2,025,515	2,042,460
Accrued interest	4,314	46,515
Other payables	1,254,905	1,171,286
	20,808,590	28,512,315

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.

16. CONTRACT LIABILITIES

Current

	2022 \$	2021 \$
Contract liabilities from contracts with customers	5,000	224,292
Contract liabilities from transfers for recognisable non financial assets	60,000	807,616
	65,000	1,031,908

Non-current

Contract liabilities from transfers for recognisable non financial assets	1,505,000	2,033,243
	1,505,000	2,033,243

Performance obligations from contracts with customers are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year	65,000	1,031,908
1 to 2 years	1,505,000	2,033,243
	1,570,000	3,065,151

SIGNIFICANT ACCOUNTING POLICIES

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.

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

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

17. LEASE LIABILITIES

(a) Lease Liabilities	2022	2021
	\$	\$
Current	217,827	63,932
Non-current	3,357,586	3,117,378
	3,575,413	3,181,310

(b) Movements in Carrying Amounts

Purpose	Institution	Lease Interest Rate	Lease Term	1 July 2021		30 June 2022		30 June 2022		30 June 2022		30 June 2022 Actual Lease Repayments
				Lease Principal	Actual	New Leases	Actual	Lease Principal	Actual			
Community amenities												
AMP Access Ramp	Crown	3.40%	52 years	120,256		-		911		119,344		4,089
Transport												
Allendale - Trinity Underpass	Crown	3.40%	31 years	507,748		-		10,454		497,294		17,263
City Arcade - Trinity Underpass	Crown	3.40%	31 years	2,553,306		-		52,568		2,500,738		86,812
Other property and services												
Osborne Park - Warehouse		0.63%	4 years			605,795		147,758		458,037		3,817
				3,181,310		605,795		211,691		3,575,413		111,981

The City holds leases for the four buildings identified above.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

18. INFORMATION ON BORROWINGS

(a) Borrowings	2022	2021
	\$	\$
Current	705,433	3,566,021
Non-current	-	979,914
	705,433	4,545,935

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2022			30 June 2022			30 June 2022			30 June 2022			30 June 2021			Actual Principal outstanding	Actual Interest repayments	Actual Principal outstanding	Actual Interest repayments	Actual Principal outstanding	Actual Interest repayments
				Actual Principal 1 July 2021	Actual Principal 30 June 2022	Actual Interest repayments	Budget Principal 1 July 2021	Budget Principal 30 June 2022	Budget Interest repayments	Actual Principal 1 July 2021	Actual Principal 30 June 2022	Actual Interest repayments	Budget Principal 1 July 2021	Budget Principal 30 June 2022	Budget Interest repayments	Actual Principal 1 July 2021	Actual Principal 30 June 2022	Actual Interest repayments						
Recreation and culture																								
	165	WATC *	4.02%	953,774	953,774	(31,948)	-	-	953,774	(953,774)	(28,288)	-	-	1,870,150	(916,376)	(74,553)	953,774							
	167	WATC *	3.63%	3,464,290	2,758,857	(96,431)	705,433	705,433	3,464,291	(2,758,857)	(86,191)	705,434	705,434	6,125,232	(2,660,942)	(209,994)	3,464,290							
Transport																								
	164	WATC *	6.26%	-	-	-	-	-	-	-	-	-	-	532,862	(532,862)	(3,879)	-							
	166	WATC *	4.02%	127,871	127,871	(4,283)	-	-	127,869	(127,869)	(12,035)	-	-	250,727	(122,856)	(9,995)	127,871							
				4,545,935	3,840,502	(132,662)	705,433	705,433	4,545,934	(3,840,500)	(126,514)	705,434	705,434	8,778,971	(4,233,036)	(298,421)	4,545,935							
				4,545,935	3,840,502	(132,662)	705,433	705,433	4,545,934	(3,840,500)	(126,514)	705,434	705,434	8,778,971	(4,233,036)	(298,421)	4,545,935							

• WA Treasury Corporation

* WA Treasury Corporation
*Interest repayments include the guarantee fee.
All loan repayments were financed by general purpose revenue.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

18. INFORMATION ON BORROWINGS (Continued)

	2022	2021
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Credit card limit	80,000	80,000
Credit card balance at balance date	(2,034)	(2,801)
Total amount of credit unused	77,966	77,199
Loan facilities		
Loan facilities - current	705,433	3,566,021
Loan facilities - non-current	-	979,914
Lease liabilities - current	217,827	63,932
Lease liabilities - non-current	3,357,586	3,117,378
Total facilities in use at balance date	4,280,846	7,727,245
Unused loan facilities at balance date	Nil	Nil

The City does not have an overdraft facility and no longer uses Purchasing Cards.

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 28.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

19. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
Opening balance at 1 July 2021			
Current provisions	5,591,738	5,752,731	11,344,469
Non-current provisions	-	1,460,274	1,460,274
	5,591,738	7,213,005	12,804,743
Additional provision	5,910,885	1,258,082	7,168,967
Amounts used	(6,031,536)	(515,948)	(6,547,484)
Balance at 30 June 2022	5,471,087	7,955,139	13,426,226
Comprises			
Current	5,471,087	6,685,964	12,157,051
Non-current	-	1,269,175	1,269,175
	5,471,087	7,955,139	13,426,226
Amounts are expected to be settled on the following basis:	2022	2021	
	\$	\$	
Less than 12 months after the reporting date	5,471,087	6,685,964	
More than 12 months from reporting date	8,400,373	6,866,363	
Expected reimbursements from other WA local governments	(445,234)	(747,584)	
	13,426,226	12,804,743	

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

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

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.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

20. OTHER PROVISIONS

	Provision for Self-Funded Leave	Provision for Employee Recognition and other Settlements	Total
	\$	\$	\$
Opening balance at 1 July 2021			
Current provisions	93,377	118,072	211,449
Non-current provisions	-	-	-
	93,377	118,072	211,449
Additional provision			
Amounts used	76,870	16,140	93,010
	(118,116)	(30,097)	(148,213)
Balance at 30 June 2022	52,131	104,115	156,246
Comprises			
Current	52,131	104,115	156,246
Non-current	-	-	-
	52,131	104,115	156,246

Self-funded Leave

Other Provisions includes employee benefits to self-funded leave which are recognised as leave not taken at balance date calculated at current rates of pay.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

21. 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.

The City has no bank overdrafts.

Cash at the end of the reporting period is reconciled to the related items in the Statement of Financial Position as follows:

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and cash equivalents	27,372,229	30,225,031	37,884,920
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	21,637,472	1,905,421	8,572,830
Non-cash flows in Net result:			
Adjustments to fair value of financial assets at fair value through profit and loss	1,022,744	-	(1,188,183)
Adjustments to fair value of investment land	431,800	-	235,700
Adjustments to fair value of investment buildings	(285,927)	-	947,576
Depreciation on non-current assets	38,600,231	37,480,212	38,265,341
Non-Capitalised WIP expensed	896,657	-	1,552,090
Assets contributed by the City	670,472	-	-
(Profit)/loss on sale of asset	3,244,650	2,009,533	2,015,458
Share of profits of associates	1,111,708	-	447,623
Contributed Assets	(85,433)	-	(2,969,537)
Disposal of development land at Tamala Park	(1,866,417)	-	(1,443,574)
Fair value adjustments to financial assets at amortised cost	(86,551)	-	45,068
Initial recognition of assets	(249,837)	-	(1,079,010)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(2,031,017)	(750,000)	212,181
(Increase)/decrease in inventories	102,205	(100,000)	25,560
(Increase)/decrease in Deposits and Prepayments	(769,704)	(25,000)	469,083
(Increase)/decrease in Accrued Interest and Dividend Income	(184,772)	-	392,457
Increase/(decrease) in payables	(7,718,549)	(4,310,000)	7,617,934
Increase/(decrease) in provisions	566,280	100,000	(89,836)
Increase/(decrease) in contract liabilities	-	-	767,866
Non-operating grants, subsidies and contributions	(13,420,147)	(12,827,340)	(6,196,599)
Net cash from operating activities	41,585,865	23,482,827	48,600,028

**Notes to and forming part of the Financial Report
for the year ended 30 June 2022**

22. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

	2022 \$	2021 \$
Contracted for:		
- capital expenditure projects	1,284,090	3,228,017
	1,284,090	3,228,017
Payable:		
- not later than one year	1,284,090	3,228,017
- later than one year but not later than two years	-	-
	1,284,090	3,228,017

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

	2022 \$	2021 \$
Payable:		
- not later than one year	1,008,714	1,059,520
- later than one year but not later than five years	3,296,096	3,912,718
- later than five years	109,668,675	114,531,577
	113,973,485	119,503,815

A substantial amount of the lease rental commitments relates to commitments for variable outgoings in relation to the City's 99 year leasehold interest in the Loading Dock at 100 St Georges Terrace. These outgoings are subject to annual CPI increases.

Lease commitments relating to Right of Use assets have now been established as a Lease Liability in accordance with AASB16, comparatives have been restated.

(c) Interest Payable

	2022 \$	2021 \$
- not later than one year	2,088	115,794
- later than one year but not later than two years	-	6,402
	2,088	122,196

This is the interest payable on loan debentures over the remaining life of the loans.

SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2022**

23. RELATED PARTY TRANSACTIONS

(a) ELECTED MEMBERS REMUNERATION

Lord Mayor - Basil Zempilas

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Mayoral Allowance	137,268	171,585	95,900
Meeting attendance fees	47,516	47,516	33,196
ICT allowance	3,500	3,500	2,445
	188,284	222,601	131,541

Deputy Lord Mayor - Dianne Bain

Deputy Mayoral allowance (part of the year)	23,975	23,975	23,975
Meeting attendance fees	31,678	31,678	22,131
ICT allowance	3,500	3,500	2,445
	59,153	59,153	48,551

Councillor - Brent Fleeton

Meeting attendance fees	31,678	31,678	22,131
ICT allowance	3,500	3,500	2,445
	35,178	35,178	24,576

Councillor - Catherine Lezer

Meeting attendance fees	31,678	31,678	22,131
ICT allowance	3,500	3,500	2,445
	35,178	35,178	24,576

Councillor - Clyde Bevan

Meeting attendance fees	31,678	31,678	22,131
ICT allowance	3,500	3,500	2,445
	35,178	35,178	24,576

Councillor - Sandy Anghie

Deputy Mayoral allowance (part of the year)	10,342	10,342	
Meeting attendance fees	31,678	31,678	22,131
ICT allowance	3,500	3,500	2,445
	45,520	45,520	24,576

Councillor - Liam Gobbert

Meeting attendance fees	31,678	31,678	22,131
ICT allowance	3,500	3,500	2,445
	35,178	35,178	24,576

Councillor - Rebecca Gordon

Meeting attendance fees	31,678	31,678	22,131
ICT allowance	3,500	3,500	2,445
	35,178	35,178	24,576

Councillor - Viktor Ko

Meeting attendance fees	31,678	31,678	22,131
ICT allowance	3,500	3,500	2,445
	35,178	35,178	24,576

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

23. RELATED PARTY TRANSACTIONS (Continued)

(a) Elected Members Remuneration (continued)

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
The total of fees, expenses and allowances paid to elected members:			
Mayor's allowance	137,268	171,585	95,900
Deputy Mayor's allowance	34,317	34,317	23,975
Meeting attendance fees	300,940	300,940	210,244
ICT expenses	31,500	31,500	22,005
	504,025	538,342	352,124
Commissioners' Fees	-	-	310,667

(b) Key Management Personnel (KMP) Compensation Disclosure

	2022 Actual	2021 Actual
	\$	\$
The total of remuneration paid to KMP of the City during the year are as follows:		
Short-term employee benefits	2,280,484	2,178,398
Post-employment benefits	208,475	235,712
Other long-term benefits	30,522	3,919
Termination benefits	2,328	148,861
	2,521,809	2,566,890

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP 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

These amounts represent long service benefits accruing during the year.

Termination benefits

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

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

23. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

Transactions between related parties and the City are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guaranties exist in relation to related parties at year end.

The following transactions occurred with related parties:	2022 Actual \$	2021 Actual \$
Tamala Park Regional Council		
Sale of goods and services	35,398	31,598
Purchase of goods and services	147,464	60,281
Distributions received from Joint Venture entities	833,334	750,000
Reimbursement paid to Joint Venture entities	199,905	205,248
Total	1,033,239	955,248
Trade and other payables	23,687	59,472
Mindarie Regional Council		
Sale of goods and services	79,064	78,280
Purchase of goods and services	2,986,246	2,638,180
Trade and other receivables	6,265	6,233
Trade and other payables	196,018	112,728

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

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. Joint venture entities accounted for under the equity method

Tamala Park Regional Council

The City along with the City of Stirling, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. The City contributes one twelfth of any funding required for capital or operating costs and is entitled to one twelfth of revenue from the sale of the land. The City's one twelfth interest in the Tamala Park Regional Council is accounted for in the financial statements using the equity accounting method.

Mindarie Regional Council

The City along with the City of Stirling, City of Joondalup, City of Wanneroo, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Mindarie Regional Council. The City's one twelfth interest in the Mindarie Regional Council is accounted for in the financial statements using the equity accounting method.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2022**

24. INVESTMENT IN ASSOCIATES

	2022	2021
	\$	\$
Equity in Mindarie Regional Council (a)	9,778,235	2,070,848
Equity Tamala Park Regional Council (b)	4,542,757	4,580,541
	14,320,992	6,651,389
Share of profit/(loss) from continuing operations		
Mindarie Regional Council	(1,054,302)	(399,909)
Tamala Park Regional Council	(57,406)	(47,714)
	(1,111,708)	(447,623)

(a) Mindarie Regional Council

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

	2022	2021
	\$	\$
Mindarie Regional Council total Comprehensive Income		
Total operating revenues	43,482,662	55,810,250
Total operating expenses	(56,134,290)	(60,609,155)
Net Result	(12,651,628)	(4,798,905)
- Share of associates profit/(loss) from ordinary activities	(1,054,302)	(399,909)
(ii) Carrying Amount of Equity Accounted Investments		
Balance at beginning of the financial year	2,070,848	2,470,757
Contributions towards guarantee exit fee	7,083,333	-
Share of associate's asset revaluation increment	1,678,356	-
Share of associates profit/(loss) from ordinary activities	(1,054,302)	(399,909)
Balance at end of the Financial Year	9,778,235	2,070,848
Mindarie Regional Council Financial Position		
Current Assets	50,281,492	42,526,862
Non Current Assets	95,598,663	90,593,148
Total Assets	145,880,155	133,120,010
Current Liabilities	5,605,777	14,479,677
Non Current Liabilities	24,253,248	95,107,847
Total Liabilities	29,859,025	109,587,524
Net Assets	116,021,130	23,532,486
City's Share of Equity	9,778,235	2,070,848

**Notes to and forming part of the Financial Report
for the year ended 30 June 2022**

24. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD (continued)

(b) Tamala Park Regional Council

The City of Perth, along with the City of Wanneroo, City of Joondalup, City of Stirling, City of Vincent, Town of Cambridge and Town of Victoria Park is a member of the Tamala Park Regional Council. On the 21 February 2006 the City received a report advising the formal establishment of the Tamala Park Regional Council under Section 3.61 of the Local Government Act 1995. The Tamala Park Regional Council formally came into existence on the 3 February 2006. The Tamala Park Regional Council's activities centre around the development of part Lot 118 Mindarie. Lot 118 was initially purchased in 1981 to provide a refuse landfill site for member councils of the Mindarie Regional Council, this lot is now being developed with a purpose of creating a new urban land development and a new urban community. The investment in the Tamala Park Regional Council has been recognised at the value of its equity contributions. The City has undertaken a revaluation of its investments to fair value according to Local Government (Financial Management) Regulations.

	2022	2021
	\$	\$
(i) Retained Surplus Attributable to Equity Accounted Investments		
Balance at beginning of the financial year	89,818	137,532
Share of associates profit/(loss) from ordinary activities	(57,406)	(47,714)
Balance at end of the Financial Year	32,412	89,818
(ii) Carrying Amount of Equity Accounted Investments		
Balance at beginning of the financial year	4,580,541	3,908,092
Share of associates profit/(loss) from ordinary activities	(57,406)	(47,714)
Share of associates other comprehensive income	0	0
Distribution to participants	(833,334)	(750,000)
Movement in Capital Contributions	852,957	1,470,163
Balance at end of the Financial Year	4,542,758	4,580,541
(iii) Tamala Park Regional Council Financial Position		
Current Assets	53,079,035	53,668,172
Non Current Assets	1,786,027	1,722,724
Total Assets	54,865,062	55,390,896
Current Liabilities	216,486	420,373
Non Current Liabilities	132,683	1,231
Total Liabilities	349,169	421,604
Net Assets	54,515,893	54,969,292
Retained Surplus	388,917	1,077,792
Reserves		
Revaluation Surplus	6,353	6,353
Council contributions	54,120,623	53,885,147
Total Equity Tamala Park Regional Council	54,515,893	54,969,292
City's Share of Equity (one twelfth)	4,542,758	4,580,541

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

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

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. 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.

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

Initial recognition and subsequent measurement
Under the equity method, the investment in associates 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.

25. MAJOR LAND TRANSACTIONS

Tamala Park Regional Council
(a) Details

The Tamala Park Regional Council was established for the specific purpose of creating an urban development on 165 hectares of land immediately south of Neerabup Road and the Mindarie Regional Council. The project is expected to have a ten-year life cycle with more than 2,500 lots developed for housing that will be progressively sold in stages. The first stage of the development commenced in early 2011 and the first lots were released for sale in July 2012.

(b) Current year transactions

	2022 Actual	2021 Actual
Other revenue	\$	\$
- Sale proceeds	2,524,056	2,492,783
Other expenditure		
- Cost of land	(12,551)	(228,250)
- Development and selling costs	(1,370,283)	(820,959)
	1,866,417	1,443,574

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

26. RATING INFORMATION

(a) Rates
Gross Rental Values

Landgate Valuation Services provides the City with Gross Rental Values (GRV) on a triennial basis. The current triennial valuation has been applied since 1 July 2020 and may be adjusted with interim valuations from the same source.

Differential General Rates
The objective of differential rating is to provide equity in the rating of properties across the City.

The City uses a Differential Rating Model in setting its rates, the objective being to provide equity in the rating of properties across the City. In formulating the model for 2021/22, the City was required to ensure that there was no overall increase in the rates yield from that raised in 2020/21, meaning that the total amount of rates collected in 2021/22 would be approximately the same as 2020/21.

The City of Perth imposes differential rates under the provisions of Section 6.33 of the Local Government Act 1995 on all rateable land within the City according to the predominant purpose for which the land is held or used, as determined by the City. The objects and reasons for the imposition of each differential general rate are:

Commercial
This classification includes a variety of land uses including wholesalers, warehouses, industrial, entertainment and sporting facilities. All these assets have a common factor in being commercial operations with the object of attracting visitors and tourists to the City to contribute to city vitality. The City has set a rate for this sector at 6.47853 cents per dollar of GRV.

Hotel
This classification includes land where the predominant purpose for which the land is held or used is hotels, short-stay serviced apartments, hostels and board and lodging accommodation. The rate in the dollar of 6.41214 cents is to ensure that the proportion of total rates derived from this category represents an equitable contribution towards service provision and for the ongoing maintenance of the City's assets.

Retail
This classification includes retail sales and services. All these property assets have a common factor in being retail operations with the object of attracting visitors and tourists to the City, both for shopping and to contribute to City vitality. The rate in the dollar for this category is 6.47926 cents per dollar of GRV.

Office
This classification includes land where the predominant purpose for which it is used or held is office accommodation. This category has historically had a lower rate in the dollar than other categories, acknowledging the challenge of responsibly balancing the prevailing business climate, occupancy levels and sustaining a thriving CBD. The rate in the dollar for this category is 5.45000 cents.

Residential
The Residential classification covers properties that are used for single and multi-dwellings. The residential rate of 6.45000 cents in the dollar is to ensure that all ratepayers in this category make an equitable contribution towards service provision and for the ongoing maintenance of the City's assets primarily used by residential ratepayers.

Vacant Land
This category relates to the limited stock of vacant land in the City. The rate in the dollar is 7.39961 cents.

Minimum Rate
The City imposed a two-tiered approach to minimum rates in 2021/22. The minimum rates recognise that every rateable property in the City receives some benefit from the services and assets that the City provides. A minimum rate of \$800 applies to Commercial, Office and Vacant Land categories, and a discounted rate of \$750 applies to Retail, Hotel and Residential categories. The City has 10% of all properties levied at the minimum rate.

Emergency Services Levy
The State Government introduced an Emergency Services Levy (ESL) which, from 1 July 2003, is collected by Local Governments on behalf of the Department of Fire and Emergency Services of Western Australia.

The City falls under the Career Fire and Rescue Services boundary, ESL Category 1. The Levy is based on the Property GRV's and appears as a separate charge on the Rate Notices. The applicable ESL Rates for the financial year were as itemised on page 49. The interest rate imposed by the Emergency Services Legislation on ESL charges that remained unpaid after the due date was 5.5% pa applicable from the due date for payment.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

5. RATING INFORMATION (Continued)

Emergency Services Levy												Residential and Vacant Land Commercial, Industrial and Other											
ESL Category		ESL Rate (cents per \$GRV)		Minimum Charges by Property Use		Maximum Charges by Property Use		Minimum Charges by Property Use		Maximum Charges by Property Use		Minimum Charges by Property Use		Maximum Charges by Property Use									
1		0.015497		88		446		88		254,000													
RATE TYPE	Rate in \$	Number of Properties	2021/22		2021/22		2021/22		2021/22		2021/22		2021/22		2021/22								
			Actual Value	Rateable Value	Actual Rate	Revenue	Interim Rates	Back Rates	Actual Revenue	Total Revenue	Budget Rate	Budget Revenue	Budget Interim Rate	Budget Back Rate	Budget Revenue	Budget Total Revenue							
Gross rental valuations																							
Commercial	0.06478530	683	106,848,920		6,922,239	29,385	(8,738)		6,942,886		6,942,951	38,648	-	6,981,599	6,790,335								
Hotel	0.06412140	747	113,944,050		7,306,252	(41,937)	-		7,264,315		7,306,252	183,914	-	7,490,166	7,460,336								
Retail	0.06479260	503	127,876,220		8,285,432	23,325	1,759		8,310,516		8,285,433	42,377	-	8,327,810	8,443,529								
Office	0.05450000	2,166	977,890,108		53,295,013	(2,159)	(5,008)		53,287,847		53,295,011	79,259	-	53,374,270	53,339,330								
Residential	0.06450000	14,586	309,010,065		19,930,993	21,940	2,663		19,955,596		19,931,149	58,648	-	19,989,797	19,913,275								
Vacant	0.07399610	66	12,591,500		931,722	45,860	(928)		976,654		931,722	-	-	931,722	902,862								
Sub-Total		18,751	1,648,160,863		96,671,651	76,414	(10,252)		96,737,814		96,692,518	402,846	-	97,095,364	96,849,667								
Minimum payment																							
Gross rental valuations																							
Commercial	800	39	207,656		31,200	-	-		31,200		31,200	-	-	31,200	31,200								
Hotel	750	615	4,835,784		461,250	-	-		461,250		461,250	-	-	461,250	462,000								
Retail	750	19	156,909		14,250	-	-		14,250		14,250	-	-	14,250	14,250								
Office	800	216	2,475,055		172,800	-	-		172,800		172,800	-	-	172,800	173,600								
Residential	750	1,123	11,132,396		842,250	-	-		842,250		842,250	-	-	842,250	842,250								
Vacant	800	11	5,805		8,800	-	-		8,800		8,800	-	-	8,800	3,200								
Sub-Total		2,023	18,813,605		1,530,550	-	-		1,530,550		1,530,550	-	-	1,530,550	1,526,500								
Discounts (Note 26(b))																							
Total amount raised from general rate		20,774	1,666,974,468		98,202,201	76,414	(10,252)		98,268,364		98,223,068	402,846	-	98,625,914	98,376,167								
Ex-gratia rates									(420,158)					(304,864)	(433,070)								
Totals									97,848,206					98,321,050	97,943,097								
									11,854					11,854	11,854								
									97,860,060					98,332,904	97,954,951								
SIGNIFICANT ACCOUNTING POLICIES																							
Rates																							
Control over assets acquired from rates is obtained at the commencement of the rating period.																							
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.																							

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

26. RATING INFORMATION (Continued)

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	3/09/2021	0.00	0.00%	5.50%
Option Two				
First instalment	3/09/2021	35.00	5.50%	5.50%
Second instalment	5/11/2021	0.00	5.50%	5.50%
Option Three				
First instalment	3/09/2021	35.00	5.50%	5.50%
Second instalment	5/11/2021	0.00	5.50%	5.50%
Third instalment	7/01/2022	0.00	5.50%	5.50%
Fourth instalment	11/03/2022	0.00	5.50%	5.50%
		2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Interest on unpaid rates		228,336	177,000	196,431
Interest on instalment plan		381,581	473,000	420,454
Charges on instalment plan		252,889	290,000	257,857
		862,806	940,000	874,742

The City imposed an additional charge for the payment of rates and ESL by instalments as follows:

The rate of interest charged on instalment payments was 5.5% p.a. and was only applied if either the two or the four instalments option was selected.

The administration charge on both instalment options was \$35.00. An administration fee of \$45.00 was charged on all arrangements made for payment outside the normal terms.

The first instalment was due within 35 days from the date of issue of the rate notice and comprised of any arrears, waste management charge, one quarter of current rates and ESL, plus an administration charge and instalment interest. The second, third and fourth instalments comprised of one quarter of current rates and ESL, plus an administration charge and instalment interest.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

27. RATE SETTING STATEMENT INFORMATION

		2021/22 (30 June 2022) Carried Forward	2021/22 Budget (30 June 2022) Carried Forward	2021/22 (1 July 2021) Brought Forward
Note		\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with Financial Management Regulation 32.				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(481,737)	(259,891)	(1,638,792)
Movement in PCEC Provision		-	-	-
Movement in pensioner deferred rates (non-current)		(6,077)	-	(3,226)
Movement in employee benefit provisions (non-current)		(191,099)	-	(493,924)
Non current assets- non cash adjustments		(14,824)	-	-
Movement in non-current contract liabilities		(528,243)	-	(120,000)
Add Back: Fair value movement of Current assets		-	-	1,181,719
Add: Non-Capitalised WIP expensed		896,657	-	1,552,090
Add: Loss on disposal of assets	11(a)	3,726,387	2,269,424	2,210,676
Add: Depreciation on non-current assets	11(c)	38,600,231	37,480,212	38,265,343
Non-cash amounts excluded from operating activities		42,001,295	39,489,745	40,953,886
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with Financial Management Regulation 32 to agree to the surplus/(deficit) after imposition of				
Adjustments to net current assets				
Less: Reserves - cash/financial asset backed	4	(128,997,384)	(114,756,501)	(106,502,287)
Less: Current assets not expected to be received at end of year				
- Contract Liabilities/Movement in conditions over contributions		-	-	-
Less: Land held for resale		(965,788)	-	-
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	18(a)	705,433	4,751,628	3,566,021
- Current portion of lease liabilities		217,827	-	63,932
Total adjustments to net current assets		(129,039,912)	(110,004,873)	(102,872,334)
Net current assets used in the Rate Setting Statement				
Total current assets		185,326,513	137,252,383	179,657,129
Less: Total current liabilities		(34,110,147)	(39,595,418)	(44,730,094)
Less: Total adjustments to net current assets		(129,039,912)	(110,004,873)	(102,872,334)
Net current assets used in the Rate Setting Statement		22,176,454	(12,347,908)	32,054,701

Notes to and forming part of the Financial Report
for the year ended 30 June 2022**28. FINANCIAL RISK MANAGEMENT**

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

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

The City does not engage in transactions expressed in foreign currencies 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.

(a) Interest rate risk**Cash and cash equivalents**

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents 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
	%	\$	\$	\$	\$
2022					
Cash and cash equivalents	0.42%	27,372,229	5,000,000	22,249,000	123,229
Financial assets at amortised cost - term deposits	0.57%	143,000,000	143,000,000	-	-
Financial assets at fair value through profit and loss - Unlisted securities		5,628,181	-	-	5,628,181
2021					
Cash and cash equivalents	0.50%	37,884,920	11,000,000	26,703,136	181,784
Financial assets at amortised cost	0.91%	124,000,000	124,000,000	-	-
Financial assets at fair value through profit and loss - Unlisted securities		6,660,917	-	6,660,917	-

Sensitivity

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

	2022	2021
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	1,703,722	1,685,458

* Holding all other variables constant

Borrowings

Borrowings are entered into with the Western Australian Treasury Corporation and attract fixed interest rates therefore the City of Perth is not exposed to interest rate risk on loans and borrowings.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022**28. FINANCIAL RISK MANAGEMENT (Continued)****(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 – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

Credit risk on rates and annual charges is minimised by the ability of the City to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The City is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 60 months before 1 July 2021 or 1 July 2022 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.

The loss allowance as at 30 June 2022 for rates receivable was determined as follows. 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 of to recover unpaid rates.

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2022					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0%
Gross carrying amount	1,189,565	362,062	192,717	89,514	1,833,858
30 June 2021					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	\$0
Gross carrying amount	1,064,759	370,988	101,633	61,600	1,598,980

The loss allowance as at 30 June 2022 and 30 June 2021 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2022					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	77.48%	50.01%
Gross carrying amount	3,265,382	561,973	159,341	7,257,912	11,244,608
Loss allowance	-	-	-	5,623,141	5,623,141
30 June 2021					
Trade and other receivables					
Expected credit loss	0.00%	0.00%	0.00%	72.00%	55.52%
Gross carrying amount	1,296,165	558,384	295,392	7,241,522	9,391,463
Loss allowance	-	-	-	5,214,105	5,214,105

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

28. FINANCIAL RISK MANAGEMENT (Continued)

(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.

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
2022					
Payables	20,808,590	-	-	20,808,590	20,808,590
Borrowings	705,433	-	-	705,433	705,433
Contract liabilities	65,000	1,505,000	-	1,570,000	1,570,000
Lease liabilities	217,827	5,374,239	-	5,592,066	3,575,413
	21,796,850	6,879,239	-	28,676,089	26,659,436
2021					
Payables	28,512,315	-	-	28,512,315	28,512,315
Borrowings	3,566,021	1,081,707	-	4,647,728	4,545,935
Contract liabilities	1,031,908	2,033,243	-	3,065,151	3,065,151
Lease liabilities	63,932	5,236,411	-	5,300,343	3,181,310
	33,174,176	8,351,361	-	41,525,537	39,304,711

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

29. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

	1 July 2021 \$	Amounts Received \$	Amounts Paid \$	30 June 2022 \$
Lord Mayors Distress Relief Fund	3,328	6,110	(9,438)	-
Other	269,603	9,384	(2,840)	276,147
	272,931	15,494	(12,278)	276,147

A review of the City's trust account was undertaken during the reporting period. All individual account balances were examined to determine whether ownership resided with the City or with the stated parties. No amounts were brought to account as general revenue during the reporting period.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

30. 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. Inventories held for trading are classified as current or non-current based on the City's intentions to release for sale.
- c) Rounding off figures**
All figures shown in this annual financial report, other than a rate in the dollar, are rounded to the nearest dollar. Amounts are presented in Australian Dollars.
- d) Comparative figures**
Where required, comparative figures have been adjusted to conform with changes in presentation for the current financial year.

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

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

30. OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

- 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

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

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.

Valuation techniques
The City selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the City are consistent with one or more of the following valuation approaches:
- Market approach**
Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

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

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

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

31. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

PROGRAM NAME	OBJECTIVES	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of limited resource.	Members of Council, civic receptions and functions, public relations, electoral and other issues relating to the task of assisting Councillors and the ratepayers which do not concern specific Council services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	General rate revenue, penalty for late payment, ex gratia rates, rate administration fee, rate instalment fee, back rates, general purpose grants, untied road grants, interest on deferred rates, investment returns, discounts received, interest on long term borrowings.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Fire prevention including the clearing for fire hazards, animal control, by-law control, public security, civil emergency services, park rangers, neighbourhood watch.
HEALTH	To provide an operational framework for environmental and community health.	Preventive services including, food control, health inspections, pest control, other health.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	Child care centres, aged and disabled, senior citizen's centres, welfare administration, donations to welfare organisations, other welfare, education services.
HOUSING	To provide and maintain elderly or affordable housing to residents.	Maintain and administer affordable housing.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collections, recycling, refuse site operations, litter control, public litter bins, abandoned vehicles, pollution control, town planning control/studies, Citiplace administration, pedestrian malls, Forrest Place, street seats, memorials, bus shelters, rest centres, public conveniences.
RECREATION AND CULTURE	To establish and efficiently manage infrastructure and resources to help the social wellbeing of the community.	Public halls, civic centre, parks, sports grounds, community recreation programs, cycle ways, library, community arts program, Concert Hall, Perth Town Hall, donations to cultural institutions, parades and festivals, Christmas decorations, event and corporate sponsorship, Skyworks, state and precinct events.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Roads, footpaths, rights of way, drainage, road verges, median strips, overpasses, underpasses, street lighting, street cleaning, street trees, traffic surveys, traffic management, depot operations, parking facilities.
ECONOMIC SERVICES	To help promote the Capital City of Perth and improve its economic wellbeing.	Tourism and promotions, Perth Convention Bureau subsidies, building control, retail marketing, Christmas events and destination promotions.
OTHER PROPERTY AND SERVICES	To monitor and control Council's overheads and operating accounts.	Public works overheads, plant/vehicle operations, sundry property and other outlays that cannot be assigned to one of the preceding programs.

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

31. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Income excluding grants, subsidies and contributions			
Governance	542,558	155,500	183,996
General purpose funding	100,602,176	101,722,050	101,612,701
Law, order, public safety	340,798	371,000	358,322
Health	707,883	1,142,300	732,194
Education and welfare	1,768,107	1,686,200	1,610,362
Community amenities	10,724,545	10,711,375	10,265,189
Recreation and culture	577,817	538,849	375,483
Transport	72,054,522	70,877,790	69,966,683
Economic services	4,215,453	4,688,849	4,551,978
Other property and services	2,452,171	48	1,690,055
	193,986,030	191,893,961	191,346,963
Grants, subsidies and contributions			
Governance	1,477,437	543,716	4,146,680
Law, order, public safety	41,705	45,586	224,750
Community amenities	16,585	1,864,292	3,188
Recreation and culture	1,996,238	810,902	1,951,753
Transport	14,550,062	11,237,340	7,214,429
Economic services	973,506	1,107,215	973,278
Other property and services	210,872	90,000	98,362
	19,266,405	15,699,051	14,612,440
Total Income	213,252,435	207,593,012	205,959,403
Expenses			
Governance	(14,518,415)	(14,444,730)	(29,776,074)
General purpose funding	(2,831,080)	(1,971,484)	(1,558,402)
Law, order, public safety	(8,683,794)	(7,767,850)	(8,611,394)
Health	(2,527,083)	(2,746,060)	(2,549,087)
Education and welfare	(3,659,247)	(3,755,970)	(3,440,548)
Community amenities	(25,023,249)	(33,213,077)	(21,677,521)
Recreation and culture	(26,172,345)	(26,450,608)	(24,028,119)
Transport	(81,036,020)	(82,822,267)	(78,508,671)
Economic services	(22,892,144)	(28,247,972)	(25,990,115)
Other property and services	(4,271,586)	(4,267,573)	(1,246,642)
	(191,614,963)	(205,687,591)	(197,386,573)
Net result for the period	21,637,472	1,905,421	8,572,830

(c) Total assets classified by Function and Activity

	2022 \$	2021 \$
Governance	197,413,016	181,212,657
General purpose funding	3,382,012	3,447,195
Law, order, public safety	6,783,805	7,083,486
Health	148,904	282,794
Education and welfare	5,335,805	5,004,806
Housing	-	520,178
Community amenities	40,251,315	49,009,833
Recreation and culture	201,443,434	196,653,038
Transport	779,381,364	785,971,719
Economic services	5,656,071	5,398,044
Other property and services	61,795,037	65,177,482
	1,301,590,763	1,299,761,232

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

32. SIGNIFICANT ITEMS

The following items are of such a size, nature or incidence that its disclosure is relevant in explaining the City’s financial performance for the reporting period.

Elizabeth Quay and Perth City Link

Several road reserves and public open spaces at Elizabeth Quay and Perth City link were subdivided and custodianship of the land was transferred to the City in previous reporting periods. However, asset handover which is defined as the transfer of asset ownership and associated responsibilities, has not been transferred to the City. For Perth City Link, the City has brought to book some of the road reserves and public open spaces where the handover information provided is sufficient in detail in terms of the quantity and valuation of assets. This information has allowed the City to recognise these assets at fair value as nearest to the date of practical completion. Future asset handovers from Development WA (formerly the MRA) to the City are expected to continue over the coming years. As it currently stands, the City has not received any asset handover from Development WA at Elizabeth Quay. All asset ownership resides with Development WA regardless of titles being vested to the City.

The City is endeavouring at the reporting date to obtain the requested and required details for any outstanding asset handover where vesting has already occurred. Development WA have proposed beginning the asset handover process in late 2020 and finalising the handover of all public infrastructure at Elizabeth Quay by 2024.

Contributed Assets

The following infrastructure assets were transferred to the City and listed as assets contributed to the City during the reporting period.

	\$
Perth City Link	85,433

The following assets were transferred by the City and listed as assets contributed by the City during the reporting period.

Infrastructure assets transferred to Perth Transport Authority vide Management Order	670,472
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Notes to and forming part of the Financial Report
for the year ended 30 June 2022

33 CONTINGENT LIABILITIES

In February 2020, MRC received its first Mandatory Auditor’s Report (MAR) as requested by the Department of Water and Environmental Regulation (DWER) in respect to the Tamala Park Waste Management Facility site. Among other things, the purpose of the MAR is to confirm that earlier investigations adequately characterised the contamination status of the site and whether potentially significant risks to human health, the environment or environmental values exist on-site or off-site. The MRC received a second iteration of the MAR in November 2021, which has further assessed the contamination status of the site. In reaching their conclusion, the independent auditor has evaluated the information contained in the investigative reports as generally complete, accurate and compliant with the relevant guidelines. Also, the assessments were sufficient to define the potential extent and types of contamination.

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

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

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

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

- The MAR report received in November 2021 required further investigation to confirm 2 main areas:
- Adequacy of the landfill gas monitoring network and assessment of the potential for off site migration of landfill gas
 - On going assessment of landfill gas and groundwater as part of the ongoing Site Management Plan to inform long term trends and need for mitigation measures.

Since receiving the MAR in November 2021:

Groundwater monitoring

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

Notes to and forming part of the Financial Report
for the year ended 30 June 2022

33 CONTINGENT LIABILITIES

Site management plan (SMP)

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

Landfill gas monitoring

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

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



Auditor General

INDEPENDENT AUDITOR’S REPORT
2022
City of Perth

To the Councillors of the City of Perth

Opinion

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

- the Statement of Financial Position at 30 June 2022, the Statement of Comprehensive Income by Nature or Type, Statement of Changes in Equity, and Statement of Cash Flows and Rate Setting Statement for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the City for the year ended 30 June 2022 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 for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity’s annual report for the year ended 30 June 2022, but not the financial report and my auditor’s report.

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

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

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

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

The Chief Executive Officer of the City is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of Perth for the year ended 30 June 2022 included in the annual report on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the City to confirm the information contained in the website version.



Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
7 December 2022



Council House
27 St Georges Terrace
Perth WA 6000

GPO Box C120
Perth WA 6839

(08) 9461 3333

perth.wa.gov.au

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