



Annual Report

2021-2022



Shire of
Serpentine
Jarrahdale

An aerial photograph of a scenic river gorge. A long, winding wooden boardwalk with metal railings curves along the right side of a deep, clear river. The water is a vibrant turquoise color. In the lower right, a rocky outcrop features a small waterfall and a picnic area where several people are gathered. In the lower left, a group of people is swimming in the river. The surrounding landscape is lush with green trees and shrubs, and the rocky banks are visible. The overall scene is bright and sunny.

Acknowledgement of Country and Indigenous History

The Shire of Serpentine Jarrahdale acknowledges that the land of the district is the traditional country of the Noongar people. We recognise their cultural heritage, beliefs, and continuing relationship with the land, and pay our respects to Elders past, present and emerging.



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Shire President's report

Cr Michelle Rich
Shire President

It is my pleasure to present the Shire of Serpentine Jarrahdale's 2021/22 Annual Report.

As both an organisation and a community, we have made significant progress throughout the past financial year.

Our rapid population growth presents unique and complex challenges, but over the past year we have continued our planning for the future, as well as providing contemporary community assets and delivering events that connect our residents to their neighbours.

Key achievements over the past year include:

- Relocation of the SJ Library Services from Mundijong to Byford
- Establishment of the Mobile Library Service
- Resealing nine local roads
- Completion of the Abernethy Road Level Crossing
- Adoption of the Byford Town Centre Civic Site Master Plan

Planning has also continued on other key projects, including the Keirnan Park Sporting and Recreation Precinct, Byford Health Hub and planning and design of three hyper growth road upgrades for Soldiers, Orton and Kargotich roads.

Our annual events calendar also provided opportunities for our community to come together, highlighted by our Food Truck Fiesta Series, Christmas Street Party, Australia Day Awards and Anzac Day.

On behalf of the Shire, I would like to thank you, our community who make Serpentine Jarrahdale the wonderful place it is.

I look forward to a successful year ahead as we continue to make Serpentine Jarrahdale the best place to live, work and play.

Cr Michelle Rich
Shire President



Chief Executive Officer's report

Paul Martin
Chief Executive Officer

The 2021/22 financial year was a successful period for the Shire, as we continued to deliver on the aims and aspirations of our Strategic Community Plan.

Like all sectors and industries, we have faced the challenges of cost escalations for infrastructure projects, a competitive labour market, COVID-19 and staff turnover.

These factors have presented unique and challenging times for all in the Local Government sector, and as a result we have been unable to deliver upon all of the Shire's capital and operating projects across the 2021/22 financial year.

Despite these challenges, however, we have been able to deliver positive outcomes for Serpentine Jarrahdale.

This was also highlighted in the Shire reaching a Financial Health Indicator score of 73 for the first time since 2019. This score shows the Shire has been able to significantly improve its financial sustainability in the 2021-22 financial year despite facing increasing inflationary pressures.

We have continued to work in partnership with State Government departments and agencies to support the planning and delivery of major community infrastructure projects, including:

- Tonkin Highway extension
- Byford Metronet extension
- Byford Health Hub

Our investment in facilities was highlighted with the refurbishment of Byford Hall to accommodate the SJ Library Services, a major community project funded through the Australian Government's Local Roads and Community Infrastructure Grant Program.

The next stage in this investment is the refurbishment of the Shire's Road Board Building to accommodate the Council Chambers, as well as staff amenity upgrades at our Administration Centre and Operations Centre.

Completion of Byford Town Centre Civic Site Master Plan, which provides a location for important future facilities such as the Byford Health Hub, heralded a major step forward for our Shire's busiest suburb.

A major milestone we reached was the establishment of the Shire's Project Management Framework, which will significantly improve how the Shire plans for and manages the construction of major projects.

I'd like to close by thanking our community, Council and Shire staff for all of their efforts in making these past 12 months such a successful period.

I look forward to seeing what we can achieve for Serpentine Jarrahdale in the next financial year.

Paul Martin
Chief Executive Officer

Shire Snapshot

Our Shire



Shire of Serpentine
Jarrahdale land area:
905 km²

Total area of reserves
and public open space:

954+ ha



Number of reserves and public
open spaces we manage:

191

Shire of Serpentine
Jarrahdale gazetted:

July 1961



Our Community



Estimated residential
population:

33,346*

Registered pets:

4,008 dogs
and **681** cats



Number of
households:
10,550*



Number of
suburbs
13

*Population data provided by .idcommunity

Our Organisation



30,670
customer requests
completed



19,535
documents
registered



12,933
firebreak inspections



186
Shire employees

Our Assets



Number of Shire facilities:
100



Total length of roads:
811 km



Total length of sealed roads:
661 km



Total length of unsealed roads:
150 km

Our Finances



Total capital works value for 2021/22:
\$14,099,296

Total operating revenue for 2021/22:
\$38,408,197



Total non-operating revenue for 2021/22:
\$25,683,972

Organisational Chart



Our Key Achievements



Community Events, Workshops and Programs

Highlights of the Shire's annual community events calendar included:

- SJ Food Truck Fiesta
- Muddy Buddies Adventure Day
- SJ Library Services 50th birthday celebrations
- Seniors Bus Excursion
- Australia Day
- ANZAC Day

We also delivered important programs and workshops, including Basic Auslan Courses, the SJ Garden Competition and a number of 2022 WA Tree Festival events.

Road Upgrades

Building a safer and more connected road network was a key focus for the Shire with several major projects completed across 2021/22. The completion of upgrades to the Abernethy Road Level Crossing has significantly improved safety within the Shire's busiest corridor. Rehabilitation works were carried out to several key roads including Kingsbury Drive, Gossage Road, Mundijong Road, Rowley Road and Mead Street. A further nine roads were resealed as part of the Shire's Road Reseal program.



Keirnan Park Recreation and Sporting Precinct

Planning for Stage 1A of the Keirnan Park Recreation and Sporting Precinct project continued, with the establishment of a Stakeholder Reference Group, delivery of three community information sessions and the execution of an Aboriginal Heritage agreement between the Shire and South West Aboriginal Land and Sea Council. Detail design for the civil works and community pavilion also commenced.

Byford Town Centre Civic Site Concept Master Plan

Council adopted the Concept Master Plan for the Byford Town Centre Civic Purpose Site. The Byford Civic Purpose Site is approximately 7,000 m² of land that has been put aside by the Shire to house community uses in the future, including the future Byford Health Hub, a future library and multi-agency building and a nature play splash park.



SJ Library Services / Mobile Library Service

The SJ Library Service moved into its new home in Byford following a \$2.65 million refurbishment to the old Byford Hall facility. Funded by the Australian Government's Local Roads and Community Infrastructure program, refurbishment works included upgrades to the interior of the building, public toilets and public car park. A Mobile Library Service was launched to continue to service the Shire's southern suburbs, visiting Mundijong, Serpentine and Jarrahdale weekly.



Briggs Park Car Park Upgrades

Upgrades to the Briggs Park Car Park included the addition of 47 new parking bays between the Serpentine Jarrahdale Community Recreation Centre and Mead Street in Byford. The need for additional parking at the facility was identified through the Briggs Park Recreation Precinct Master Plan. The works were funded by the Australian Government's Local Roads and Community Infrastructure Program.

Council Chambers Concept Plan

Several key milestones were reached in the Shire's Administration Accommodation project with Council approving the Administration Building Redevelopment Concept Plan, Council Chamber's Relocation Concept Plan, and Project Implementation Plan. These plans will help guide the future relocation of the Council Chambers to the Serpentine Jarrahdale Road Board Office building. The concept plan for the relocation was designed by leading consultants IA Design.



Project Management Framework

The Shire launched its Project Management Lifecycle module in OneComm, supported by the Council's recently adopted Project Management Policy, which ensures that decisions are made, and issues are resolved consistently, efficiently, effectively, and transparently across all projects. It also sets out the Shire's approach to Project Management by defining the scope, overarching principles and parameters of the Shire's project management controls.

Our key service delivery outcomes for 2021/22



Building and Planning

Determined:

1262 Building Approvals
at a value of \$179M

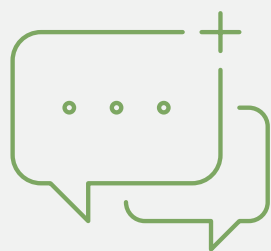
530 development
applications valued
at \$76.7M

903 Certified Building
Applications in an average
assessment time of 6 days

359 Uncertified Building
Applications in an average
assessment time of 12 days

Completed:

423 swimming pool
inspections



Communications and Customer Engagement

647,703 people reached
through social media

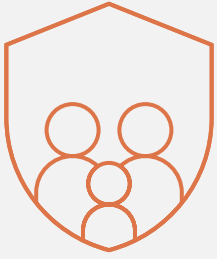
583,000
website visits

31,307 Customer
Requests Received

30,670 Customer
Requests Completed

38 community
engagement projects
delivered

27 media releases
published



Community Safety and Emergency Services

12,933 Firebreak Inspections undertaken

1141 dog and **151** cat registrations

Provided training for **386** Bush Fire Brigade Volunteers

14 neighbourhood watch meetings



Engineering

Approved:

252 crossovers

44 civil drawings

12 landscape plans

9 stormwater management plans

5 urban water management plans

Provided advice on 219 development applications



Environment

Celebrated **10th anniversary** as a Waterwise Council

Jarrahdale and Serpentine Cemeteries Masterplan adopted

Significant Tree Register adopted

Negotiated a **Sustainable Power Purchase Agreement**

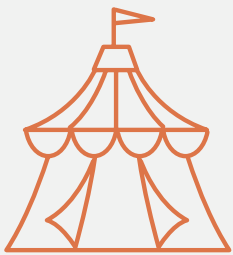


Environmental Health and Compliance

264 food safety assessments

197 health premises assessments

127 formal complaints received and **260** site inspections undertaken



Events and Recreation

More than **10,000** attendees at Shire events and programs

541 KidSport applications approved

239 new Australian citizens welcomed

Delivered **137** youth drop-in sessions

272 attendees across 20 seniors workshops

\$90,000 provided to 22 community groups through our Community Grants Program



Facilities

New **Mobile Library Service** established

Re-opened **Baker Community Hall** in Cardup

Refurbished **Byford Hall** to accommodate the Library Service

New backboards, LED lighting and roof repairs at the **Serpentine Jarrahdale Community Recreation Centre**

Progressed planning for Stage 1A of **Keirnan Park**



Governance, ICT and Records

Registered **19,535** documents

Completed **11** Freedom of Information Applications

Completed **9,618** I.T. Service Requests

11 Ordinary Council Meetings, **8** Committee Meetings and **9** Special Council Meetings held

100% compliance of agenda and minutes released within statutory timeframes

Released **15** tenders and **19** requests for quote

Processed **2,682** purchase orders



Strategic Planning

Byford Town Centre Civic Site

Master Plan adopted

Processed **92** strategic planning applications

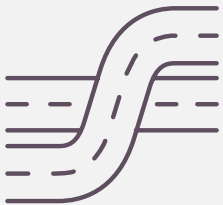
West Mundijong Industrial Area

Business Case

Jarrahdale Bridle Trail Development

Concept Plan and Mounts Loop Trail Master Plan adopted

Commenced the **Local Heritage Survey Review**



Roads

\$3.2M on upgrading local roads

\$454,000 on carpark upgrades

\$113,000 on bridge upgrades

\$77,000 on new street lighting



Waste

94% of bins collected at first pass

Processed the following waste through the Watkins Road Transfer Station:

2,609 tonnes of hard waste

1,682 tonnes of recyclable waste

Recycled **1,503** mattresses and **2,306** tyres

Our Elected Members



Cr Michelle Rich
Shire President
South Ward

Term expires: October 2023



Cr Dave Atwell
Deputy Shire President
South Ward

Term expires: October 2023



Cr Tricia Duggin
South Ward

Term expires: October 2025



Cr Rob Coales
North Ward

Term expires: October 2025*



Cr Gary Singh
North Ward

Term expires: October 2025*



Cr Lauren Strange
North Ward

Term expires: October 2023



Cr Morgan Byas
North West Ward

Term expires: October 2025



Cr Michael Dagostino
North West Ward

Term expires: October 2023



Cr Dean Strautins
North West Ward

Term expires: October 2023

*On 1 July 2022, the Court of Disputed Returns declared that the 2021 election in the North Ward was invalid, that the offices of members filled at the election be vacated and that a fresh election be held.

Outgoing Councillors



Cr Keira McConkey
South Ward

Term expired: October 2021



Cr Bill Denholm
North Ward

Term expired: October 2021

Councillor Demographics

Changes to Clause 19B of the *Local Government (Administration) Regulations 1996* require Local Governments to provide the following information in its Annual Report.

*Six Elected Members participated in providing data

Gender



Male
3

Female
3

Age demographic

25-34
1

45-54
4

55-64
1

Linguistic background



English
5

Indian
1

Country of birth



Australia
5

India
1

Identify as Aboriginal or Torres Strait Islander



0

Councillor Attendance Register

Shire of Serpentine Jarrahdale Councillor attendance
1 July 2021 – 20 June 2022

Councillor	Ordinary Council Meeting (11)	Special Council Meeting (9)	Audit, Risk and Governance Committee (5)	CEO Employment Committee (4)
Cr Michelle Rich	11	9	5	4
Cr Dave Atwell	11	9		4
Cr Tricia Duggin	7	7	4##	2##
Cr Morgan Byas	9	8	1##	3
Cr Rob Coales	10	8	4	2
Cr Michael Dagostino	10	8		
Cr Bill Denholm	4	2	1#	
Cr Keira McConkey	4	1		
Cr Lauren Strange	11	9	4	3*
Cr Dean Strautins	11	8	2*	
Cr Gary Singh	7	6	3##	

Audit, Risk and Governance Committee
* Deputy Committee Member

CEO Employment Committee
* Deputy Committee Member (2022)

CEO Employment Committee
Committee Member until 16 October 2021
Committee Member from 25 October 2021

Councillor Training and Continuing Professional Development

Report compiled in accordance with section 5.127 of the *Local Government Act 1995* and Council Policy – Councillor Training and Continuing Professional Development

Councillor	Training course / module completed / conference	Training provider / conference name	Cost
Cr Michelle Rich, Shire President	WALGA – WA Local Government Convention The Roles of Mayors and Presidents	WALGA WALGA	Nil \$295
Cr Dave Atwell, Deputy Shire President	Nil		
Cr Morgan Byas	# Understanding Local Government # Conflict of Interest # Understanding Financial Reports & Budgets # Serving on Council # Meeting Procedures	WALGA WALGA WALGA WALGA WALGA	\$214.50 \$214.50 \$214.50 \$214.50 \$214.50
Cr Rob Coales	# Understanding Local Government # Conflict of Interest	WALGA WALGA	\$195.00 \$195.00
Cr Michael Dagostino	EDU Planning for Non-planners WA	Property Council of Australia	\$1,015.00
Cr Bill Denholm	Nil		
Cr Tricia Duggin	# Understanding Local Government # Conflict of Interest # Understanding Financial Reports & Budgets # Serving on Council # Meeting Procedures	WALGA WALGA WALGA WALGA WALGA	\$195.00 \$195.00 \$195.00 \$214.50 \$214.50
Cr Keira McConkey	Nil		
Cr Gary Singh	# Understanding Local Government # Conflict of Interest # Understanding Financial Reports & Budgets # Serving on Council # Meeting Procedures New Councillor Seminar	WALGA WALGA WALGA WALGA WALGA WALGA	\$195.00 \$195.00 \$195.00 \$214.50 \$214.50 Nil
Cr Lauren Strange	Nil		
Cr Dean Strautins	State of Business Breakfast	Peel Chamber of Commerce and Industry Inc	\$40

Mandatory training is budgeted separately to individual allowance

** Cr. Dagostino was invoiced \$15 to keep within the allocated budget

Councillor Allowances and Sitting Fees

The remuneration, fees, recoverable expenses or allowances provided to local government CEOs and council members are determined by an independent State Government body, the Salaries and Allowances Tribunal (SAT).

In November 2017, Council endorsed a policy that, in the absence of Council decision to the contrary, Council Members are to receive 75 per cent of the maximum annual allowance fees determined by SAT.

Council member remuneration is published in the Shire's Annual Financial Statements.

The type, and the amount or value, of any fees, expenses or allowances paid to each council member during the 2021-2022 financial year are shown below.

Statement of Earnings For the Period Year End 2021 / 2022

Councillor	Period covered	Attendance Fee	ICT Allowance	Deputy Shire President Allowance	Shire President Allowance
Cr Michelle Rich	1 July 2021 –30 June 2022	\$23,131	\$3,500		\$47,045
Cr Dave Atwell	1 July 2021 –30 June 2022	\$17,250	\$3,500	\$11,761	
Cr Morgan Byas	1 July 2021 –30 June 2022	\$17,250	\$3,500	0	0
Cr Rob Coales	1 July 2021 –30 June 2022	\$14,865	\$3,500	0	0
Cr Michael Dagostino	1 July 2021 –30 June 2022	\$17,250	\$3,500	0	0
Cr Bill Denholm	1 July 2021 –16 October 2021	\$5,069	\$1,028	0	0
Cr Tricia Duggin	1 July 2021 –30 June 2022	\$12,209	\$2,477	0	0
Cr Keira McConkey	1 July 2021 –16 October 2021	\$5,069	\$1,028	0	0
Cr Gary Singh	1 July 2021 –30 June 2022	\$12,209	\$2,477	0	0
Cr Lauren Strange	1 July 2021 –30 June 2022	\$17,250	\$3,500	0	0
Cr Dean Strautins	1 July 2021 –30 June 2022	\$17,250	\$3,500	0	0
TOTAL		\$158,802	\$31,510	\$11,761	\$47,045



Our future plans

The Shire will continue to deliver positive outcomes for Serpentine Jarrahdale residents with a focus on improving our local roads network, providing community events and progressing key infrastructure projects over the next 12 months.

Delivering against our Strategic Community Plan, major projects and initiatives set to be progressed in the coming year include:

- Stage 1A of the Keirnan Park Recreation and Sporting Precinct
- Stage 2 of the Byford Skate Park
- Oakford Bush Fire Brigade Station
- Major upgrades to Soldiers Road, Orton Road and Kargotich Road
- Relocation of the Council Chambers to the Mundijong Roads Board Building
- Planning and development of local trails, including implementation of the Jarrahdale Trails Town Business Case

Securing external grant funding has been critical to reducing the burden to ratepayers in delivering critical road and infrastructure for our growing community.

The following projects will be delivered entirely with State Government funding:

- \$9 million to progress Stage 1A of the Keirnan Park Sporting and Recreation Precinct project.
- \$800,000 for Stage 2 of Byford Skate Park.
- \$785,000 to complete design for upgrades to Kargotich, Orton and Soldiers Roads (construction for Kargotich and Orton to be carried out in 2024/25 and Soldiers Road in 2023/24).

Our \$6.44 million road upgrade program will also be delivered with 68% from external grant funding.

- \$2.08 million – Shire of Serpentine Jarrahdale (32%)
- \$2.64 million – State Government (41%)
- \$1.72 million – Federal Government (27%)

The delivery of the projects, programs and services over the next 12 months will allow us to continue to grow a stronger and connected community, together, and help deliver against our strategic vision of "City living offering a rural lifestyle with abundant opportunities for a diverse community".

Buildings and facilities

We will invest \$1.05 million to carry out upgrades and maintenance on our community facilities.

This will ensure residents have access to modern and sustainable spaces for events, workshops, meetings and other various uses.

Parks and gardens

A large portion of our population is made up of young families, making it all the more important that public open spaces such as parks and gardens are adequately maintained.

These spaces provide a place for families to play and grow, and are a major part of the Serpentine Jarrahdale experience.

We will invest \$4.09 million into parks and gardens maintenance and upgrades, ensuring these areas are suitable for the needs of our growing community.

Serpentine Jarrahdale Library Service

The newly-refurbished SJ Library Service has enjoyed a successful start to its new home in Byford over recent months, but will continue to grow in an effort to best serve the bustling community.

A total \$910,000 has been invested in the facility through our 2022/23 Budget.

Emergency Services

Our Emergency Services work tirelessly to keep our community safe, with local bush fire brigades and the Serpentine Jarrahdale unit of the State Emergency Service (SES) providing year-round support.

We are investing \$1.42 million into Emergency Services through the 2022/23 Budget.



Statutory Reports

Record Keeping Statement

The Shire of Serpentine Jarrahdale is committed to ensuring all record keeping functions are undertaken to ensure that business transactions and activities are created and managed in a manner this is compliant, reliable and accurate. Records are recognised as important information and that sound records management practises will improve the efficiency and effectiveness of the Shire.

Annual reviews are conducted on all record keeping procedures and policies, any resulting amendments are authorised and communicated to staff and Councillors. Audits are completed on a regular basis of all documents recorded to ensure compliance with the Shire of Serpentine Jarrahdale titling and naming conventions and correct registration. Staff are advised of amendments to records and offered additional assistance or training if required.

The Chief Executive Officer must instigate a comprehensive review of the Shire of Serpentine Jarrahdale's Record Keeping Plan a minimum of once every five years, evaluating effectiveness and efficiency. A full copy of the resulting report must be provided to all relevant stakeholders and made available to all staff.

As part of staff induction, the roles and responsibilities of every employee, in relation to compliance with the record keeping plan, are addressed. New staff are provided with relevant literature regarding compliance to the State Records Act and within five days of commencement participate in induction sessions on the correct recording of all documents.

Ongoing training sessions are conducted by Information Services, that are able to be more detailed and focused on the needs and work practices of the user. Refresher one-on-one training is also available on request. Future training offered will be more comprehensive with the inclusion of a dedicated trainer to cover all aspects of system and compliance training requirements along with on-line training videos available for all staff to access.

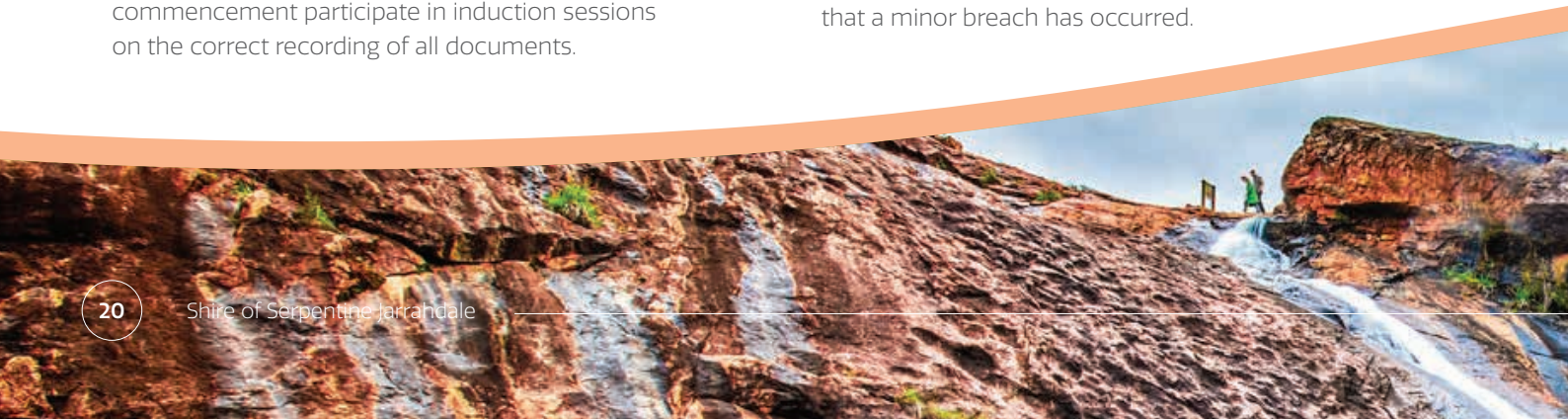
The Shire has established procedures to scan all incoming hard copy correspondence in accordance with the requirements of the General Disposal Authority for Source Records and the State Records Guideline Digitisation Specification. As such the original hard copy correspondence, once reproduced electronically will be treated as a copy/duplicate and retained for six months to meet operational requirements and then destroyed.

Freedom of Information

As a public authority, the Shire has an obligation to provide certain information under the provisions of the *Freedom of Information Act 1922* (FOI). During the year 2021/2022 the Shire received 11 requests for information and documents under the Act.

Register of Complaints

The *Local Government Act 1995* requires a Complaint Register be maintained. Section 5.121 of the *Local Government Act 1995* states that the complaints officer for each local government is required to maintain a register of complaints which records all complaints that result in a finding under section 5.110(2)(a) that a minor breach has occurred.



The register of complaints must include, for each recorded complaint –

- The name of the council member about whom the complaint is made; and
- The name of the person who makes the complaint; and
- A description of the minor breach that the standards panel finds has occurred; and
- Details of the action taken under section 5.110(6).

Section 5.53 of the *Local Government Act 1995* requires this information to also be published in the annual report.

In 2021-2022, no complaints were recorded in the register of complaints.

National Competition Policy Statement

Competitive Neutrality

There are several tests to apply that assist in determining if there is a 'significant business enterprise':

1. Does the activity receive revenue from external sources that exceeds \$200,000 per annum? (In determining this amount, Council has been advised to disregard grant income, internal charges, and statutory fees.)
2. Would the benefits to be realised from the implementation of competitive neutrality exceed the costs?

From an examination of the revenue statement of the Shire for the preceding period, there is no activity that satisfies this first part of the test, and accordingly the principles of competitive neutrality do not apply to any Council activities.

Structural Reform

In this area, Council has no monopoly activities. What is basic to the function of restructuring public monopolies is the splitting or division of the regulatory role from the service provision role.

To address the question of monopoly, the following test has been applied to each activity:

- Definition: In regards to this service, does Council have 'exclusive or near exclusive control of the market supply of this service?'
- Dual function: Does Council have both a regulatory and supply function in this area of activity?

Council does not have a dual function role in any of the following service areas:

- Parks and gardens
- Roads
- Recreation services
- Cemetery management

When reviewed, these functions appeared to have substance to the sole provider argument, however it is considered that only in parks and gardens maintenance it is likely that there would be willing local competitors. On balance, therefore, it was concluded that a monopoly does not exist.

Legislation Review

The Shire of Serpentine Jarrahdale makes local laws in accordance with Part 3 of the *Local Government Act 1995*. This procedure ensures all amendments to existing, and all future local laws consider compliance with the National Competition Policy (NCP) to ensure no anti-competitive practices are included. The Shire did not make or review any local laws in 2021-2022 (the Bush Fire Brigade Local Law 2021 gazetted in September 2021 was reported in the 2020-2021 annual report).



Performance against our Corporate Business Plan

The table below outlines the Shire's performance in 2021/22 against the Corporate Business Plan 2021/25 Key Performance Indicators:

Key Performance Indicator	2021/22 Result
80% of strategic operating projects are completed by their due date	35%
85% of budgeted capital works are expended	40%
Improvement is seen in all key result areas of the community perceptions survey	N/A – the survey is biannual and not due to be undertaken until 2022/23
Improvement is seen in the Performance Index Score of the Employee Scorecard Survey	N/A – the survey will be undertaken in the 2022/23 financial year
Financial Sustainability – maintain a financial health indicator above 70 (as published on the MyCouncil website)	73

In 2021 / 2022, some projects and activities did not meet their planned targets. The challenges experienced throughout the year that impacted on the Shire's ability to achieve the targets included:

1. The management and response across the Organisation, but in particular, in the Community and Organisational Development Directorate, to manage the impacts of COVID-19 on the Organisation and the new Work Health and Safety Reforms.
2. The timing and recruitment of new staff as a result of turnover across the organisation, but in particular, within the Infrastructure Directorate.
3. Significant challenges in recruiting staff in a tight and competitive labour market.
4. The capacity and cost increases from consultants, sub-contractors and suppliers to provide materials and undertake work for the Shire in a very competitive market.
5. Resource consumption to unforeseen projects / priorities with limited control over costs and timing.
6. The Shire's population growth increasing demand on the day-to-day operations and resources.

Further explanation of the Shire's performance against these Key Performance Indicators can be found on the Shire website.

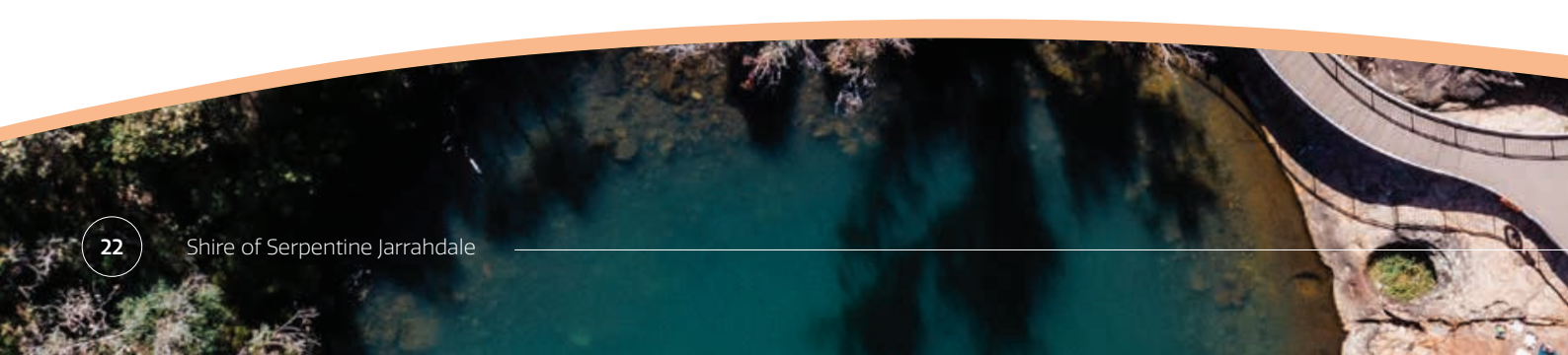
Disability Access and Inclusion

A key outcome of the Shire's Strategic Community Plan 2017 – 2027 is a healthy, active, connected and inclusive community. The Shire aims to provide the opportunity for all residents and visitors to our Shire to be able to engage with our events, services and activities.

The Access and Inclusion Advisory Group met on five occasions throughout the 2021/2022 financial year, to provide expertise, comment and advice on a range of access and inclusion matters across the Shire of Serpentine Jarrahdale.

Activities undertaken or progressed across the seven outcome areas for the year included:

- Launch of a Mobile Library Service, providing an outreach service to localities across the Shire and fully accessible for those in a wheelchair.
- 35 enrolments to the Community Auslan classes and "casual catch up sessions" scheduled. Participants had a range of reasons for applying to the course including personal hearing loss, improved communication with loved ones with hearing loss, education staff who work with students with hearing loss and non-verbal students, as well as small business owners and volunteers within local community and sporting groups.
- Input to concept development phases on key capital projects, including the Office Accommodation and Chambers, and Keirnan Park Recreation Precinct projects.
- Access to online workshops, including Disability Employment Tips by Alison Bannister and the Election Participation & Disability webinars.
- Communication regarding open consultations such as the Department of Community Disability Access and Inclusion Plan 2022 – 2027 and the Disability Standards for Accessible Public Transport.
- Raising awareness of disability and accessible sports through the Wheel Life program.



Long term strategic and operational planning

As part of the Shire's annual Integrated Planning and Reporting process and in accordance with the Local Government (Administration) Regulations 1996, the Shire completed its annual review of its Corporate Business Plan to ensure the priorities for dealing with the objectives and aspirations of the community remain current, resourced and integrated with workforce, asset and financial planning.

This review resulted in the following significant modifications:

- Incorporation of the next steps required to deliver on the major government funded capital projects and Council's key strategic projects including Keirnan Park Recreation and Sporting Precinct, Administration Accommodation, New Depot Accommodation, Hypergrowth Road Upgrades, Byford Skate Park and Oakford Bush Fire Brigade Station.
- Inclusion of all capital projects with a value over \$250,000 as 'Major Capital Projects' to align with the new Council Policy Project Management. These new projects are:
 - SJ Community Recreation Centre – Asset Management Works
 - Nettleton Road Upgrade
 - Hopkinson Road Upgrade
 - Larsen Road Upgrade
 - Keirnan Street Upgrade
 - Bishop Road Upgrade
 - Mundijong Road Upgrade
 - Kingsbury Drive Upgrade
 - Whitby Street, Mundijong
 - Mundijong Road and King Road Intersection
- Removal of the Jarrahdale Road Bridge Major Capital Project. The Shire is not the delivery body for this project. Officers will continue to work with Main Roads WA and make a contribution as required and that service level is articulated within the responsible business unit service team plan.
- Removal of the following Strategic Operating Projects:
 - Community Transport Program – the Shire has insufficient resources to conduct this project

- Libraries Strategic Plan – this plan is not required until further development of the Byford Town Centre (10 + years)

- Inclusion of the following new Strategic Operating Projects:
 - Watkins Road Waste Transfer Station Survey and Planning
 - Local Heritage Survey
 - Clem Kentish Reserve Master Plan
 - Scrivener Road – Gravel Pit
 - Operations Centre Structure Review
 - Major Review – Strategic Community Plan
 - Deferral of the FOGO project from 2022-23 to 2023-24.

The Shire's Corporate Business Plan 2021-25 is available on the Shire's website.

Statement of Salaries

	2020	2021	2022
230,000 – 239,999			1
220,000 – 229,999	1	1	1
210,000 – 219,999			2
200,000 – 209,999			2
190,000 – 199,999	1		
180,000 – 189,999	1	2	
170,000 – 179,999	3		
160,000 – 169,999		2	3
150,000 – 159,999		2	6
140,000 – 149,999		5	
130,000 – 139,999	4	3	3
120,000 – 129,999	9	4	2
110,000 – 119,999	5	5	8
100,000 – 109,999	3	7	9

Shire of Serpentine Jarrahdale

FINANCIAL REPORT

For the year ended 30 June 2022

SHIRE OF SERPENTINE JARRAHDALÉ
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

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The Shire of Serpentine Jarrahdale conducts the operations of a local government with the following community vision:

City living offering a rural lifestyle with abundant opportunities for a diverse community

Principal place of business:
6 Paterson Street
Mundijong WA 6123



Auditor General

INDEPENDENT AUDITOR'S REPORT 2022 Shire of Serpentine Jarrahdale

To the Councillors of the Shire of Serpentine Jarrahdale

Opinion

I have audited the financial report of the Shire of Serpentine Jarrahdale (Shire) 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 Shire 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 Shire 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 Shire'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 Shire.

The Council is responsible for overseeing the Shire'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 Shire of Serpentine Jarrahdale for the year ended 30 June 2022 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire'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 Shire to confirm the information contained in the website version.

Mark Ambrose

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 April 2023

SHIRE OF SERPENTINE JARRAHDALE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022
STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire of Serpentine Jarrahdale for the financial year ended 30 June 2022 is based on proper accounts and records to present fairly the financial position of the Shire of Serpentine Jarrahdale at 30 June 2022 and the results of the operations for the financial year then ended in accordance with the *Local Government (Financial Management) Regulations 1996*, the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

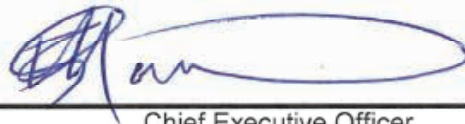
Signed on the

5

day of

April

2023



Chief Executive Officer

Paul Martin

Name of Chief Executive Officer



SHIRE OF SERPENTINE JARRAHDALÉ
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Rates	25(a),2(a)	25,429,868	26,000,921	24,457,638
Operating grants, subsidies and contributions	2(a)	4,362,487	3,966,899	3,881,078
Fees and charges	24(c),2(a)	7,713,240	7,284,338	7,199,767
Interest earnings	2(a)	350,521	543,000	449,603
Other revenue	2(a)	638,081	435,742	679,864
		38,494,197	38,230,900	36,667,950
Expenses				
Employee costs		(17,890,840)	(19,209,113)	(17,114,805)
Materials and contracts		(10,101,248)	(10,848,319)	(10,713,878)
Utility charges		(1,105,643)	(1,042,150)	(1,070,258)
Depreciation	10(a)	(10,581,149)	(9,825,198)	(9,844,544)
Finance costs	2(b)	(116,351)	(126,014)	(173,761)
Insurance		(443,049)	(431,122)	(413,080)
Other expenditure	2(b)	(2,314,721)	(664,437)	(778,649)
		(42,553,001)	(42,146,353)	(40,108,975)
		(4,058,804)	(3,915,453)	(3,441,025)
Capital grants, subsidies and contributions	2(a)	25,597,971	17,541,797	15,104,276
Profit on asset disposals	10(b)	63,454	53,800	2,714
Loss on asset disposals	10(b)	0	(4,260)	(7,871)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	3,829
		25,661,425	17,591,337	15,102,948
Net result for the period	26(b)	21,602,621	13,675,884	11,661,923
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	18	2,993,511	0	0
Total other comprehensive income for the period		2,993,511	0	0
Total comprehensive income for the period		24,596,132	13,675,884	11,661,923

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



SHIRE OF SERPENTINE JARRAHDALE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	NOTE	2022 \$	2021 \$
CURRENT ASSETS			
Cash and cash equivalents	3	5,412,029	15,068,565
Trade and other receivables	5	2,946,693	3,040,567
Other financial assets	4(a)	35,018,647	14,017,945
Inventories	6	18,317	37,199
Other assets	7	22,908	17,130
TOTAL CURRENT ASSETS		43,418,594	32,181,406
NON-CURRENT ASSETS			
Trade and other receivables	5	227,497	203,984
Other financial assets	4(b)	79,928	76,660
Property, plant and equipment	8	46,313,506	41,468,769
Infrastructure	9	410,972,783	395,034,357
Right-of-use assets	11(a)	57,877	182,438
Investment property	13	747,182	747,182
Intangible assets	12	2,527,250	2,796,419
TOTAL NON-CURRENT ASSETS		460,926,023	440,509,809
TOTAL ASSETS		504,344,617	472,691,215
CURRENT LIABILITIES			
Trade and other payables	14	7,600,876	6,238,237
Other liabilities	15	2,860,281	2,661,757
Lease liabilities	11(b)	31,856	124,562
Borrowings	16	1,253,756	3,414,998
Employee related provisions	17	2,353,572	2,093,891
TOTAL CURRENT LIABILITIES		14,100,341	14,533,445
NON-CURRENT LIABILITIES			
Other liabilities	15	6,200,000	0
Lease liabilities	11(b)	27,604	57,876
Borrowings	16	4,020,904	2,826,753
Employee related provisions	17	831,928	705,433
TOTAL NON-CURRENT LIABILITIES		11,080,436	3,590,062
TOTAL LIABILITIES		25,180,777	18,123,507
NET ASSETS		479,163,840	454,567,708
EQUITY			
Retained surplus		153,655,948	134,299,435
Reserve accounts	30	18,007,972	15,761,864
Revaluation surplus	18	307,499,920	304,506,409
TOTAL EQUITY		479,163,840	454,567,708



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

**SHIRE OF SERPENTINE JARRAHDALÉ
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2020		127,246,526	11,152,850	304,506,409	442,905,785
Restated balance at the beginning of the financial year		127,246,526	11,152,850	304,506,409	442,905,785
Comprehensive income for the period					
Net result for the period		11,661,923	0	0	11,661,923
Total comprehensive income for the period		11,661,923	0	0	11,661,923
Transfers from reserves	30	1,380,398	(1,380,398)	0	0
Transfers to reserves	30	(5,989,412)	5,989,412	0	0
Balance as at 30 June 2021		134,299,435	15,761,864	304,506,409	454,567,708
Comprehensive income for the period					
Net result for the period		21,602,621	0	0	21,602,621
Other comprehensive income for the period	18	0	0	2,993,511	2,993,511
Total comprehensive income for the period		21,602,621	0	2,993,511	24,596,132
Transfers from reserves	30	5,482,094	(5,482,094)	0	0
Transfers to reserves	30	(7,728,202)	7,728,202	0	0
Balance as at 30 June 2022		153,655,948	18,007,972	307,499,920	479,163,840

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



SHIRE OF SERPENTINE JARRAHDALÉ
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		25,813,216	26,500,921	25,323,313
Operating grants, subsidies and contributions		4,613,930	3,966,899	3,870,578
Fees and charges		7,749,054	7,334,338	7,410,815
Service charges		0	0	0
Interest received		350,521	548,000	449,603
Goods and services tax received		949,161	150,000	1,963,974
Other revenue		638,081	435,742	679,864
		40,113,963	38,935,900	39,698,147
Payments				
Employee costs		(17,384,079)	(18,810,862)	(16,677,966)
Materials and contracts		(9,217,369)	(10,571,566)	(9,605,566)
Utility charges		(1,105,643)	(1,037,150)	(1,070,258)
Finance costs		(116,351)	(126,014)	(162,611)
Insurance paid		(443,052)	(431,122)	(413,080)
Goods and services tax paid		(931,071)	0	(1,626,036)
Other expenditure		(2,314,721)	(664,437)	(778,649)
		(31,512,286)	(31,641,151)	(30,334,166)
Net cash provided by (used in) operating activities	19(b)	8,601,677	7,294,749	9,363,981
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(5,118,402)	(15,066,221)	(1,639,002)
Payments for construction of infrastructure		(8,284,162)	(17,328,269)	(8,215,643)
Payments for intangible assets	12	0	0	(692,695)
Non-operating grants, subsidies and contributions		17,214,673	17,558,817	8,424,785
Proceeds from financial assets at amortised cost		(21,000,701)	0	0
Proceeds from financial assets at fair values through profit and loss		(3,268)	0	3,829
Net payments for financial assets at amortised cost		0	0	(13,773,816)
Proceeds from sale of property, plant & equipment	10(b)	23,714	175,000	136,455
Net cash provided by (used in) investing activities		(17,168,146)	(14,660,673)	(15,756,087)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	29(a)	(967,091)	(1,284,000)	(942,870)
Payments for principal portion of lease liabilities	29(b)	(122,978)	(117,090)	(223,764)
Proceeds from new borrowings	29(a)	0	4,819,500	0
Net cash provided by (used in) financing activities		(1,090,069)	3,418,410	(1,166,634)
Net increase (decrease) in cash held		(9,656,537)	(3,947,514)	(7,558,740)
Cash at beginning of year		15,068,565	17,273,065	22,627,305
Cash and cash equivalents at the end of the year	19(a)	5,412,029	13,325,551	15,068,565

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

SHIRE OF SERPENTINE JARRAHDALÉ
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2022

	NOTE	2022 Actual \$	2022 Budget \$	2021 Actual \$
NET CURRENT ASSETS - At start of financial year - surplus/(deficit)	28(c)	5,425,657	2,930,228	7,726,152
OPERATING ACTIVITIES				
Revenue from operating activities (excluding general rate)				
Operating grants, subsidies and contributions		4,362,487	3,966,899	3,881,078
Fees and charges		7,713,240	7,284,338	7,199,767
Service charges		0	0	0
Interest earnings		350,521	543,000	449,603
Other revenue		638,081	435,742	679,864
Profit on asset disposals	10(b)	63,454	53,800	2,714
Fair value adjustments to financial assets at fair value through profit or loss		0	0	3,829
		13,127,783	12,283,779	12,216,855
Expenditure from operating activities				
Employee costs		(17,890,840)	(19,209,113)	(17,114,805)
Materials and contracts		(10,101,248)	(10,848,319)	(10,713,878)
Utility charges		(1,105,643)	(1,042,150)	(1,070,258)
Depreciation		(10,581,149)	(9,825,198)	(9,844,544)
Finance costs		(116,351)	(126,014)	(173,761)
Insurance		(443,049)	(431,122)	(413,080)
Other expenditure		(2,314,721)	(664,437)	(778,649)
Loss on asset disposals	10(b)	0	(4,260)	(7,871)
		(42,553,001)	(42,150,613)	(40,116,846)
Non-cash amounts excluded from operating activities	28(a)	10,607,147	9,775,658	9,903,278
Amount attributable to operating activities		(18,818,071)	(20,091,176)	(17,996,713)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		25,597,971	17,541,797	15,104,276
Proceeds from disposal of assets	10(b)	109,714	175,000	136,455
Purchase of property, plant and equipment	8(a)	(5,662,981)	(15,123,057)	(1,639,002)
Purchase and construction of infrastructure	9(a)	(22,436,090)	(17,328,269)	(12,933,384)
Payments for intangible assets	12	0	0	(692,695)
		(2,391,386)	(14,734,529)	(24,350)
Non-cash amounts excluded from investing activities	28(b)	86,000	0	(2,961,422)
Amount attributable to investing activities		(2,305,386)	(14,734,529)	(2,985,772)
FINANCING ACTIVITIES				
Repayment of borrowings	29(a)	(967,091)	(1,284,000)	(942,870)
Proceeds from borrowings	29(a)	0	4,819,500	0
Payments for principal portion of lease liabilities	29(b)	(122,978)	(117,090)	(223,764)
Movement in Non-Current Liabilities		0	61,067	0
Transfers to reserves (restricted assets)	30	(7,728,202)	(2,153,217)	(5,989,412)
Transfers from reserves (restricted assets)	30	5,482,094	4,568,296	1,380,398
Amount attributable to financing activities		(3,336,177)	5,894,556	(5,775,648)
Surplus/(deficit) before imposition of general rates		(19,033,976)	(26,000,921)	(19,031,981)
Total amount raised from general rates	27(a)	25,429,868	26,000,921	24,457,638
Surplus/(deficit) after imposition of general rates	28(c)	6,395,892	0	5,425,657

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

**SHIRE OF SERPENTINE JARRAHDALE
FOR THE YEAR ENDED 30 JUNE 2022
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SHIRE OF SERPENTINE JARRAHDALÉ
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 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The Local Government (Financial Management) Regulations 1996 specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

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

The local government reporting entity

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

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

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 uncertainties made in relation to lease accounting
- estimation of useful lives of non-current assets

Comparative figures are, where appropriate, reclassified to be comparable with figures presented in the current financial year.

SHIRE OF SERPENTINE JARRAHDALE
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

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	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	When rates notice is issued
Service charges	Charge for specific service	Over time	Payment dates adopted by Council during the year	Refund in event monies are unspent	Output method based on provision of service
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government.	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared, where obligations are sufficiently specific.
Grants or contributions with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	When assets are controlled
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	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion annually	None	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on provision of service
Waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES

(a) Revenue (Continued)

Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance	Refund for unused portion on application	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

SHIRE OF SERPENTINE JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

2. REVENUE AND EXPENSES (Continued)

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
(a) Revenue (Continued)			
Assets and services acquired below fair value			
Contributed assets	14,616,379	0	4,717,742
	14,616,379	0	4,717,742
Interest earnings			
Interest on reserve funds	42,971	100,000	80,589
Rates instalment and penalty interest (refer Note 27(d))	289,707	326,000	295,615
Other interest earnings	17,843	115,000	73,399
	350,521	541,000	449,603
Revenue Recognition			

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

For the year ended 30 June 2022

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	25,429,868	0	25,429,868
Operating grants, subsidies and contributions	0	4,362,487	0	0	4,362,487
Fees and charges	211,215	0	7,281,418	220,607	7,713,240
Interest earnings	0	0	350,521	0	350,521
Other revenue	0	0	0	638,081	638,081
Non-operating grants, subsidies and contributions	0	25,597,971	0	0	25,597,971
Total	211,215	29,960,458	33,061,807	858,688	64,092,168

For the year ended 30 June 2021

Nature or type	Contracts with customers \$	Capital grant/contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	0	0	24,457,638	0	24,457,638
Operating grants, subsidies and contributions	0	3,881,078	0	0	3,881,078
Fees and charges	193,280	0	6,958,398	48,089	7,199,767
Interest earnings	0	0	449,603	0	449,603
Other revenue	0	0	0	679,864	679,864
Non-operating grants, subsidies and contributions	0	15,104,276	0	0	15,104,276
Total	193,280	18,985,354	31,865,639	727,953	51,772,226

(b) Expenses

Note	2022 Actual	2022 Budget	2021 Actual
Auditors remuneration			
- Other services	58,806	57,000	51,000
	5,612	3,000	2,320
	64,418	60,000	53,320
Finance costs			
Borrowings 29(a)	112,911	124,000	168,549
Lease liabilities 29(b)	3,440	2,014	5,212
	116,351	126,014	173,761
Other expenditure			
Impairment losses on rates receivables	0	0	40,000
Sundry expenses	512,157	664,437	738,649
Repayment of Development Contribution Credits	1,802,564	0	0
	2,314,721	664,437	778,649

SHIRE OF SERPENTINE JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

3. CASH AND CASH EQUIVALENTS

Cash at bank and on hand
 Term deposits
Total cash and cash equivalents

Held as
 - Unrestricted cash and cash equivalents
 - Restricted cash and cash equivalents

Note	2022	2021
	\$	\$
	5,412,029	7,573,203
	0	7,495,362
19(a)	5,412,029	15,068,565
	5,412,029	13,324,646
19(a)	0	1,743,919
	5,412,029	15,068,565

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.

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

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. 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 and for which no liability has been recognised.

Details of restrictions on financial assets can be found at Note 19.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Term deposits

Held as

- Unrestricted other financial assets at amortised cost
 - Restricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss

Units in Local Government House Trust
 Listed Shares
 Unlisted Shares

	2022	2021
	\$	\$
	35,018,647	14,017,945
	35,018,647	14,017,945
	35,018,647	14,017,945
	35,018,647	14,017,945
19(a)	17,010,675	0
	18,007,972	14,017,945
	35,018,647	14,017,945
	79,928	76,660
	79,928	76,660
	58,353	55,355
	11,550	11,280
	10,025	10,025
	79,928	76,660

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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

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

Financial assets at fair value through profit and loss

The Shire 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 Shire 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 24.

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

5. TRADE AND OTHER RECEIVABLES

	Note	2022 \$	2021 \$
Current			
Rates receivable		2,630,689	2,670,659
Trade and other receivables		154,280	190,094
GST receivable		201,724	219,814
Allowance for credit losses of trade and other receivables	24(b)	(40,000)	(40,000)
		2,946,693	3,040,567
Non-current			
Pensioner's rates and ESL deferred		227,497	203,984
		227,497	203,984

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 grants, contributions, reimbursements, and goods sold and services performed in the ordinary course of business.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value.

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 24.

Classification and subsequent measurement

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

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Shire 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.

6. INVENTORIES

	Note	2022 \$	2021 \$
Current			
Fuel and materials		9,817	28,699
History Books		2,321	2,321
Inventory		6,179	6,179
		18,317	37,199

The following movements in inventories occurred during the year:

Balance at beginning of year	37,199	21,141
Inventories expensed during the year	(258,847)	(154,104)
Additions to inventory	239,965	170,162
Balance at end of year	18,317	37,199

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.

**SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

7. OTHER ASSETS

	2022	2021
	\$	\$
Other assets - current		
Prepayments	22,908	17,130
	22,908	17,130

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.

**SHIRE OF SERPENTINE JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

Note	Land	Buildings -			Furniture		Motor	Computer	capital	Total
		specialised	Total land and buildings	equipment and	Plant and	vehicles				
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2020	7,684,081	28,775,228	36,459,309	19,623	3,823,076	1,353,446	166,819	1,345	41,823,618	
Additions	0	187,797	187,797	0	644,358	201,516	359,063	246,268	1,639,002	
Disposals	0	0	0	0	0	(141,612)	0	0	(141,612)	
Depreciation	0	(1,056,228)	(1,056,228)	(3,271)	(474,957)	(284,223)	(33,560)	0	(1,852,239)	
Transfers	0	93,219	93,219	0	0	0	0	(93,219)	0	
Balance at 30 June 2021	7,684,081	28,000,016	35,684,097	16,352	3,992,477	1,129,127	492,322	154,394	41,468,769	
Comprises:										
Gross balance amount at 30 June 2021	7,684,081	46,121,282	53,805,363	40,876	5,787,778	1,902,552	527,083	154,394	62,218,046	
Accumulated depreciation at 30 June 2021	0	(18,121,266)	(18,121,266)	(24,524)	(1,795,301)	(773,425)	(34,761)	0	(20,749,277)	
Accumulated impairment loss at 30 June 2021	0	0	0	0	0	0	0	0	0	
Balance at 30 June 2021	7,684,081	28,000,016	35,684,097	16,352	3,992,477	1,129,127	492,322	154,394	41,468,769	
Additions*	0	601,934	601,934	0	988,953	588,501	75,965	3,407,628	5,662,981	
Disposals	0	0	0	0	(21,908)	(24,352)	0	0	(46,260)	
Accumulated Depreciation on Disposed Assets	0	0	0	0	(12,092)	(63,648)	0	0	(75,740)	
Revaluation increments / (decrements) transferred to revaluation surplus	688,419	2,305,092	2,993,511	0	0	0	0	0	2,993,511	
Depreciation	0	(1,122,312)	(1,122,312)	(3,270)	(432,814)	(103,245)	(105,176)	0	(1,766,817)	
Transfers	0	0	0	0	(165,203)	165,203	0	0	0	
Transfers to Infrastructure	0	(1,922,938)	(1,922,938)	0	0	0	0	0	(1,922,938)	
Balance at 30 June 2022	8,372,500	27,861,792	36,234,292	13,082	4,349,413	1,691,586	463,111	3,562,022	46,313,506	
Comprises:										
Gross balance amount at 30 June 2022	8,372,500	46,200,000	54,572,500	40,876	6,577,528	2,568,256	603,048	3,562,022	67,924,230	
Accumulated depreciation at 30 June 2022	0	(18,338,208)	(18,338,208)	(27,794)	(2,228,115)	(876,670)	(139,937)	0	(21,610,724)	
Balance at 30 June 2022	8,372,500	27,861,792	36,234,292	13,082	4,349,413	1,691,586	463,111	3,562,022	46,313,506	

* Asset additions included additions received at substantially less than fair value:

During the year ended 30 June 2021	0	0	0	0	0	0	0	0	0
During the year ended 30 June 2022	0	0	0	0	0	464,451	0	0	464,451

**SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings						
Land		2	Market approach using recent observable market for similar properties	Independent Valuers	June 2022	An independent asset management consultant reviewed the land valuation and have conducted a sample of land condition assessments. They have also reviewed the valuation inputs of previous valuations and have updated the unit rates. Assessment inputs used was construction costs, residual values and remaining useful life inputs.
Buildings - specialised		3	Cost approach using current replacement cost	Independent Valuers	June 2022	This required estimating the replacement cost for each building by componentising the buildings into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres could be supported from market evidence (level 2) other inputs (such as residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacts significantly on the final determination of fair value.

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

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

(ii) Cost	Furniture and equipment	Motor vehicles	Computer equipment	Other property, plant and equipment
Cost	Cost	Cost	Cost	Cost
N/A	N/A	N/A	N/A	N/A

**SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

9. INFRASTRUCTURE

(a) Movements in Balances

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

Note	Infrastructure - Roads \$	Infrastructure - Footpaths \$	Infrastructure - Drainage \$	Infrastructure - Parks & Ovals \$	Capital Works in Progress \$	Total Infrastructure \$
Balance at 1 July 2020	250,684,099	19,732,869	78,595,730	37,588,065	13,557	386,614,320
Additions*	7,425,099	678,505	3,398,187	411,020	1,020,573	12,933,384
Depreciation	(4,909,745)	(338,592)	(1,076,688)	(1,213,415)	0	(7,538,440)
Transfers	3,025,093	0	0	0	0	3,025,093
Balance at 30 June 2021	256,224,546	20,072,782	80,917,229	36,785,670	1,034,130	395,034,357
Comprises:						
Gross balance at 30 June 2021	331,063,566	26,685,215	110,492,028	51,120,599	1,034,130	520,395,538
Accumulated depreciation at 30 June 2021	(74,839,020)	(6,612,433)	(29,574,799)	(14,334,929)	0	(125,361,181)
Balance at 30 June 2021	256,224,546	20,072,782	80,917,229	36,785,670	1,034,130	395,034,357
Additions*	8,852,983	51,700	7,619,289	2,378,968	3,533,150	22,436,090
Depreciation	(5,185,324)	(348,795)	(1,645,127)	(1,241,356)	0	(8,420,602)
Transfers from Property Plant and Equipment	0	0	0	1,922,938	0	1,922,938
Balance at 30 June 2022	259,892,205	19,775,687	86,891,391	39,846,220	4,567,280	410,972,783
Comprises:						
Gross balance at 30 June 2022	339,916,549	26,736,915	118,111,317	56,148,314	4,567,280	545,480,375
Accumulated depreciation at 30 June 2022	(80,024,344)	(6,961,228)	(31,219,926)	(16,302,094)	0	(134,507,592)
Balance at 30 June 2022	259,892,205	19,775,687	86,891,391	39,846,220	4,567,280	410,972,783
* Asset additions included additions received at substantially less than fair value: During the year ended 30 June 2021	548,073	586,201	3,337,173	246,295	0	4,717,742
During the year ended 30 June 2022	5,119,263	0	6,660,698	2,371,967	0	14,151,928

SHIRE OF SERPENTINE JARRAHDALÉ
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

(i) Fair Value	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
	Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	The valuations required estimating the replacement cost for each asset type and taking into account a range of factors. While unit rates based on area could be supported from market evidence (level 2) other inputs (such as useful life, pattern of consumption and asset condition) required extensive professional judgement and impacts significantly on the final determination of fair value. As such these assets were classified as having been using level 3 valuation inputs.
	Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	The valuations required estimating the replacement cost for each asset type and taking into account a range of factors. While unit rates based on area could be supported from market evidence (level 2) other inputs (such as useful life, pattern of consumption and asset condition) required extensive professional judgement and impacts significantly on the final determination of fair value. As such these assets were classified as having been using level 3 valuation inputs.
	Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	The valuations required estimating the replacement cost for each asset type and taking into account a range of factors. While unit rates based on area could be supported from market evidence (level 2) other inputs (such as useful life, pattern of consumption and asset condition) required extensive professional judgement and impacts significantly on the final determination of fair value. As such these assets were classified as having been using level 3 valuation inputs.
	Infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement cost	Management Valuation	June 2018	The valuations required estimating the replacement cost for each asset type and taking into account a range of factors. While unit rates based on area could be supported from market evidence (level 2) other inputs (such as useful life, pattern of consumption and asset condition) required extensive professional judgement and impacts significantly on the final determination of fair value. As such these assets were classified as having been using level 3 valuation inputs.

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

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

SHIRE OF SERPENTINE JARRAHDALÉ
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FOR THE YEAR ENDED 30 JUNE 2022

10. FIXED ASSETS

(a) Depreciation

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Buildings - specialised	8(a)	1,122,312	1,036,497	1,056,228
Furniture and equipment	8(a)	3,270	36,634	3,271
Plant and equipment	8(a)	432,814	447,730	474,957
Motor vehicles	8(a)	103,245	376,753	284,223
Computer equipment	8(a)	105,176	0	33,560
Infrastructure - Roads	9(a)	5,185,324	4,908,316	4,909,745
Infrastructure - Footpaths	9(a)	348,795	337,706	338,592
Infrastructure - Drainage	9(a)	1,645,127	1,073,105	1,076,688
Infrastructure - Parks & Ovals	9(a)	1,241,356	1,212,564	1,213,415
Right-of-use assets - Furniture & Equipment	11(a)	38,474	0	114,988
Right-of-use assets - plant and equipment	11(a)	86,087	115,893	104,542
		10,311,980	9,545,198	9,610,209
Amortisation				
Intangible assets - Intangible assets - Computer Software	12	269,169	280,000	234,335
		269,169	280,000	234,335
		10,581,149	9,825,198	9,844,544

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
Buildings	
Structural	50 years
Internal Fit-Out	15 – 25 years
Mechanical Services	25 – 35 years
Security	15 years
Fire systems	15 years
Other Building Structures	15 – 25 years
Plant and Equipment	5 – 15 years
Motor Vehicles	2 – 5 years
Furniture and Equipment	4 – 10 years
Computer Equipment	2 – 5 years
Roads	
Subgrade	Not depreciated
Pavement	
Unsealed	10 years
Urban and Regional	60 - 100 years
Surface	5 – 20 years
Surface Water Channel	
Kerbing	40 years
Drains	8 – 15 years
Drainage	
Culvert	50 - 80 years
Stormwater Drainage	50 years
Footpaths	40 – 80 years
Parks and Reserves	
Land	Not depreciated
Softscapes	50 years
Hardscapes	40 – 80 years
Reticulation	20 years
Parks Furniture	10 – 20 years
Lighting	15 – 25 years
Other Structures	10 – 40 years
Right of Use (Plant)	Based on the remaining lease
Right of Use (Furniture)	Based on the remaining lease
Intangibles	
Computer Software	18 years

**SHIRE OF SERPENTINE JARRAHDALÉ
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FOR THE YEAR ENDED 30 JUNE 2022**

10. FIXED ASSETS (Continued)

(b) Disposals of assets

	2022			2022			2022			2021		
	Actual	2022	2022	Budget	2022	2022	Budget	2021	Actual	2021	2021	
Net Book Value	Actual	Actual	Actual	Net Book Value	Budget	Budget	Net Book Value	Actual	Actual	Actual	Actual	
	Value	Proceeds	Profit		Proceeds	Profit		Proceeds	Sale	Profit	Loss	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Plant and equipment	21,908	23,714	1,806	0	0	0	0	0	0	0	0	
Motor vehicles	24,352	86,000	61,648	125,460	175,000	53,800	141,612	136,455	2,714	2,714	(7,871)	
	46,260	109,714	63,454	125,460	175,000	53,800	141,612	136,455	2,714	2,714	(7,871)	

The following assets were disposed of during the year.

	2022	2022	2022
Net Book Value	Actual	Actual	Actual
	Value	Proceeds	Profit
			Loss
Plant and Equipment			
Law, order, public safety			
SJ33 Kubota Trac	21,908	23,714	1,806
			0
Transport			
SJ912 2007 Toyota	12,176	43,000	30,824
SJ920 2007 Toyota	12,176	43,000	30,824
			0
	46,260	109,714	63,454
			0

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either property, 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 for assets held at cost

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

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 zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, infrastructure and investment properties acquired between scheduled revaluation dates 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 revaluation date in accordance with the mandatory measurement framework.

Revaluation

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

At the end of each period the carrying amount for each asset class is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires land, buildings, infrastructure, investment properties and vested improvements to be shown at fair value.

Revaluation (continued)

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

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. 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
- (ii) 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 ready 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 in the Statement of Comprehensive Income and in Note

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.	Note	Right-of-use assets - Furniture & Equipment	Right-of-use assets - plant and equipment	Right-of-use assets Total
		\$	\$	\$
Balance at 1 July 2020		168,562	57,664	226,226
Additions		0	175,742	175,742
Depreciation		(114,988)	(104,542)	(219,530)
Balance at 30 June 2021		53,574	128,864	182,438
Depreciation	10(a)	(38,474)	(86,087)	(124,561)
Balance at 30 June 2022		15,100	42,777	57,877

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:

		2022 Actual	2021 Actual
		\$	\$
Depreciation on right-of-use assets	10(a)	(124,561)	(219,530)
Interest expense on lease liabilities	29(b)	(3,440)	(5,212)
Total amount recognised in the statement of comprehensive income		(128,001)	(224,742)
Total cash outflow from leases		(126,418)	(228,976)
(b) Lease Liabilities			
Current		31,856	124,562
Non-current	29(b)	27,604	57,876
		59,460	182,438

Secured liabilities and assets pledged as security

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

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire 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 Shire uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a 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.

Details of individual lease liabilities required by regulations are provided at Note 29(b).

Right-of-use assets - valuation measurement

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

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

Right-of-use assets - depreciation

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

11. LEASES (Continued)

(c) Lessor - Property, Plant and Equipment and Investment Property Subject to Lease

Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease

Rental income

Amounts recognised in profit or loss for investment properties

Rental income

Direct operating expenses from property that did not generate rental income

Leasing arrangements

Investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable on leases of investment properties are as follows:

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

Less than 1 year

1 to 2 years

2 to 3 years

3 to 4 years

4 to 5 years

> 5 years

	2022 Actual	2021 Actual
Rental income	5,245	5,201
Rental income	5,245	5,201
Direct operating expenses from property that did not generate rental income	(224)	(220)
Less than 1 year	5,245	5,201
1 to 2 years	0	0
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	5,245	5,201

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

Refer to note 13 for details of leased investment property

SIGNIFICANT ACCOUNTING POLICIES

The Shire as Lessor

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

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

A lessor shall disclose a maturity analysis of lease payments, showing the undiscounted lease payments to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years.

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

When a contract is determined to include lease and non-lease components, the Shire applies AASB 15 to allocate the consideration under the contract to each component.

SHIRE OF SERPENTINE JARRAHDALÉ
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

12. INTANGIBLE ASSETS

Note	2022 Actual \$	2021 Actual \$
Intangible assets		
Non-current		
Intangible assets - Computer Software	3,135,203	3,135,203
Less: Accumulated amortisation	(607,953)	(338,784)
	2,527,250	2,796,419
 Movements in balances of intangible assets during the financial year are shown as follows:		
Balance at 1 July	2,796,419	2,338,059
Recognition of intangible assets - computer software	0	692,695
Amortisation of intangible assets - computer software	(269,169)	(234,335)
Balance at 30 June	2,527,250	2,796,419
TOTAL INTANGIBLE ASSETS	2,527,250	2,796,419

SIGNIFICANT ACCOUNTING POLICIES

Computer software

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

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

Computer software (continued)

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
 - the expenditure attributable to the software during its development can be reliably measured.

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

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

**SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

13. INVESTMENT PROPERTY

Non-current assets - at fair value

Carrying balance at 1 July
Closing balance at 30 June

	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
Carrying balance at 1 July	747,182	0	747,182
Closing balance at 30 June	747,182		747,182

SIGNIFICANT ACCOUNTING POLICIES

Fair value of investment properties

A management valuation was performed to determine the fair value of investment properties. The main Level 3 inputs used in the valuation were discount rates, terminal yields, expected vacancy rates and rental growth rates estimated by management based on comparable transactions and industry data.

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

14. TRADE AND OTHER PAYABLES

Current

Sundry creditors	
Prepaid rates	
Accrued payroll liabilities	
Bonds and deposits held	
Accrued Interest on Long Term Borrowings	
Accrued Expenses	

	2022	2021
	\$	\$
	56,536	41,113
	2,413,954	2,047,063
	351,106	226,133
	2,507,825	2,612,659
	20,577	23,551
	2,250,878	1,287,718
	7,600,876	6,238,237

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

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

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

Prepaid rates

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

**SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

15. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities

Non-current

Capital grant/contributions liabilities

Reconciliation of changes in contract liabilities

Opening balance
Additions
Revenue from contracts with customers included as a contract liability at the start of the period

The Shire expects to satisfy the performance obligations from contracts with customers unsatisfied at the end of the reporting period to be satisfied within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance
Additions
Revenue from capital grant/contributions held as a liability at the start of the period

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

	2022	2021
	\$	\$
Current		
Contract liabilities	364,050	112,607
Capital grant/contributions liabilities	2,496,231	2,549,150
	2,860,281	2,661,757
Non-current		
Capital grant/contributions liabilities	6,200,000	0
	6,200,000	0
Reconciliation of changes in contract liabilities		
Opening balance	112,607	208,053
Additions	364,050	(1,644,924)
Revenue from contracts with customers included as a contract liability at the start of the period	(112,607)	1,549,478
	364,050	112,607
Reconciliation of changes in capital grant/contribution liabilities		
Opening balance	2,549,150	0
Additions	8,696,231	2,549,150
Revenue from capital grant/contributions held as a liability at the start of the period	(2,549,150)	0
	8,696,231	2,549,150
Expected satisfaction of capital grant/contribution liabilities		
Less than 1 year	3,149,231	0
1 to 2 years	3,666,500	2,549,150
2 to 3 years	1,880,500	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	8,696,231	2,549,150

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

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

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

Non-current capital grant/contribution liabilities fair values are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

16. BORROWINGS

	Note	2022			2021		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Bank loans		1,253,756	4,020,904	5,274,660	3,414,998	2,826,753	6,241,751
Total secured borrowings	29(a)	1,253,756	4,020,904	5,274,660	3,414,998	2,826,753	6,241,751

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the Shire of Serpentine Jarrahdale. Other loans relate to transferred receivables. Refer to Note 5.

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.

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

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

Risk

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

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

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

17. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2022	2021
	\$	\$
Current provisions		
Employee benefit provisions		
Annual Leave	1,621,427	1,379,384
Long Service Leave	667,852	623,444
Other employee provisions	64,293	91,063
	2,353,572	2,093,891
Non-current provisions		
Long Service Leave	828,838	705,433
Other employee provisions	3,090	0
	831,928	705,433
	3,185,500	2,799,324

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

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

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date
 More than 12 months from reporting date

Note	2022	2021
	\$	\$
Less than 12 months after the reporting date	2,687,345	2,093,891
More than 12 months from reporting date	498,155	705,433
	3,185,500	2,799,324

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

Provision is made for the Shire'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 Shire'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

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

The Shire's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Shire 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.

Appendix 2

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

18. REVALUATION SURPLUS

	2022		2022		2022		2021		2021		2021	
	Opening Balance	Change in Accounting Policy	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Revaluation surplus - Land - freehold land	4,621,214	0	688,419	0	688,419	5,309,633	4,621,214	0	0	0	4,621,214	
Revaluation surplus - Buildings - specialised	11,174,017	0	2,305,092	0	2,305,092	13,479,109	11,174,017	0	0	0	11,174,017	
Revaluation surplus - Furniture and equipment	45,243	0	0	0	0	45,243	45,243	0	0	0	45,243	
Revaluation surplus - Plant and equipment	17,648	0	0	0	0	17,648	17,648	0	0	0	17,648	
Revaluation surplus - Computer Equipment	6,246	0	0	0	0	6,246	6,246	0	0	0	6,246	
Revaluation surplus - Infrastructure - Roads	176,540,880	0	0	0	0	176,540,880	176,540,880	0	0	0	176,540,880	
Revaluation surplus - Infrastructure - footpaths	16,746,136	0	0	0	0	16,746,136	16,746,136	0	0	0	16,746,136	
Revaluation surplus - Infrastructure - drainage	67,928,039	0	0	0	0	67,928,039	67,928,039	0	0	0	67,928,039	
Revaluation surplus - Infrastructure - parks & ovals	27,426,986	0	0	0	0	27,426,986	27,426,986	0	0	0	27,426,986	
	304,506,409	0	2,993,511	0	2,993,511	307,499,920	304,506,409	0	0	0	304,506,409	

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.

SHIRE OF SERPENTINE JARRAHDAL
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

19. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$	
Cash and cash equivalents	3	5,412,029	13,325,551	15,068,565
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	0	(841,696)	1,743,919
- Financial assets at amortised cost	4	18,007,972	14,017,945	14,017,945
		18,007,972	13,176,249	15,761,864
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	30	18,007,972	12,033,769	15,761,864
Restricted non-current contract liabilities		0	0	0
Unspent loans	29(b)	0	1,142,480	0
Total restricted financial assets		18,007,972	13,176,249	15,761,864

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

Net result		21,602,621	13,675,884	11,661,923
Non-cash items:				
Adjustments to fair value of financial assets at fair value through profit and loss		0	0	(3,829)
Adjustments to fair value of investment property		0	0	0
Depreciation/amortisation		10,581,149	9,825,198	9,844,544
(Profit)/loss on sale of asset		(63,454)	(49,540)	5,157
Share of profits of associates		0	0	0
Loss on revaluation of fixed assets		0	0	0
Assets received for substantially less than fair value		(14,616,379)	0	0
Reversal of loss on revaluation of fixed assets		0	0	0
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables		70,361	705,000	767,680
(Increase)/decrease in other assets		(5,778)	0	22,868
(Increase)/decrease in inventories		18,882	5,004	(16,058)
(Increase)/decrease in contract assets		0	0	211,048
Increase/(decrease) in trade and other payables		1,362,639	275,000	1,859,664
Increase/(decrease) in employee related provisions		467,785	400,000	203,048
Increase/(decrease) in other provisions		(0)	0	7,658
Increase/(decrease) in other liabilities		251,443	0	(2,057,196)
Increase/(decrease) in grant liabilities		6,147,081	0	0
Non-Cash Proceeds of Sale		(86,000)	0	0
Non-operating grants, subsidies and contributions		(17,128,673)	(17,541,797)	(13,142,526)
Net cash provided by/(used in) operating activities		8,601,677	7,294,749	9,363,981

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	0	0
Credit card balance at balance date	0	0
Total amount of credit unused	0	0

Loan facilities

Loan facilities - current	1,253,756	3,414,998
Loan facilities - non-current	4,020,904	2,826,753
Total facilities in use at balance date	5,274,660	6,241,751

Unused loan facilities at balance date

0	0
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SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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20 CONTINGENT LIABILITIES

The Shire of Serpentine-Jarrahdale has not identified any contingent liabilities for the year ended 30 June 2022

21 EVENTS OCCURRING AFTER BALANCE DATE

The Shire of Serpentine-Jarrahdale has not identified any material subsequent events after the balance date requiring disclosure in this annual report.

22 CAPITAL COMMITMENTS

	2022	2021
	\$	\$
Contracted for:		
- capital expenditure projects	864,362	162,364
- plant & equipment purchases	257,470	102,430
	1,121,832	264,794
Payable:		
- not later than one year	1,121,832	264,794

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Elected member M Rich			
President's annual allowance	47,045	47,045	47,045
Meeting attendance fees	23,131	23,131	23,131
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	73,676	74,926	73,676
Elected member D Atwell			
Deputy President's annual allowance	11,761	11,761	11,761
Meeting attendance fees	17,250	17,250	17,250
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	32,511	33,761	32,511
Elected member M Dagoitno			
Meeting attendance fees	17,250	17,250	17,250
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	20,750	22,000	20,750
Elected member C McConkey			
Meeting attendance fees	5,069	17,250	17,250
Annual allowance for ICT expenses	1,028	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	6,097	22,000	20,750
Elected member M Byas			
Meeting attendance fees	17,250	17,250	17,250
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	20,750	22,000	20,750
Elected member D Strautins			
Meeting attendance fees	17,250	17,250	17,250
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	20,750	22,000	20,750
Elected member L Strange			
Meeting attendance fees	17,250	17,250	17,250
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	20,750	22,000	20,750
Elected member R Coales			
Meeting attendance fees	14,865	17,250	17,051
Annual allowance for ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	18,365	22,000	20,551
Elected member W Denholm			
Meeting attendance fees	5,069	17,250	17,250
Annual allowance for ICT expenses	1,028	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,000	0
	6,097	22,000	20,750

SHIRE OF SERPENTINE JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration (Continued)

Note	2022 Actual	2022 Budget	2021 Actual
Elected member G Singh			
Meeting attendance fees	12,209	2,000	0
Annual allowance for ICT expenses	2,477	0	0
Travel and accommodation expenses	0	0	0
Training	0	0	0
	14,686	2,000	0
Elected member T Duggin			
Meeting attendance fees	12,209	2,000	0
Annual allowance for ICT expenses	2,477	0	0
Travel and accommodation expenses	0	0	0
Training	0	0	0
	14,686	2,000	0
	249,118	266,687	251,238
Fees, expenses and allowances to be paid or reimbursed to elected council members.			
	2022 Actual	2022 Budget	2021 Actual
	\$	\$	\$
President's annual allowance	47,045	47,045	47,045
Deputy President's annual allowance	11,761	11,761	11,761
Meeting attendance fees	158,802	165,131	160,932
Annual allowance for ICT expenses	31,510	31,500	31,500
Travel and accommodation expenses	0	2,250	0
Training	0	9,000	0
23(b)	249,118	266,687	251,238

(b) Key Management Personnel (KMP) Compensation

	2022 Actual	2021 Actual
	\$	\$
The total of compensation paid to KMP of the Shire during the year are as follows:		
Short-term employee benefits	1,114,951	1,084,213
Post-employment benefits	133,779	130,493
Employee - other long-term benefits	25,313	25,971
Council member costs	249,118	251,238
23(a)	1,523,161	1,491,915

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service leave entitlements 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).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

23. RELATED PARTY TRANSACTIONS

(c) Transactions with related parties

Transactions between related parties and the Shire 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 guarantees exist in relation to related parties at year end.

In addition to KMP compensation above the following transactions occurred with related parties:

	2022 Actual	2021 Actual
	\$	\$
Sale of goods and services	1,978	256

(d) Related Parties

The Shire's main related parties are as follows:

i. Key management personnel

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

ii. Other Related Parties

An associate person of KMP was employed by the Shire under normal employment terms and conditions.

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the Shire.

iii. Entities subject to significant influence by the Shire

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.

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	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 investments	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 Shire 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 Shire's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the Shire to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the Shire 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, term deposits, and Treasury bonds 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	0.35%	5,412,029	0	5,412,029	0
Financial assets at amortised cost - term deposits	1.60%	35,018,647	35,018,647	0	0
2021					
Cash and cash equivalents	0.16%	15,068,565	7,495,362	7,573,203	0
Financial assets at amortised cost - term deposits	0.25%	14,017,945	14,017,945	0	0

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*	54,120	75,732

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The Shire does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 29(a).

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The Shire'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 Shire 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 Shire to recover these debts as a secured charge over the land, that is, the land can be sold to recover the debt. The Shire is able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

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

The Shire 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 36 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.

The loss allowance as at 30 June 2022 and 30 June 2021 for rates receivable was determined as follows:

	Less than 1 year past due	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total	Note
30 June 2022						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	1,803,375	537,043	184,582	105,689	2,630,689	5
Loss allowance	0	0	0	0	0	5
30 June 2021						
Rates receivable						
Expected credit loss	0.00%	0.00%	0.00%	0.00%		
Gross carrying amount	1,969,268	464,909	117,741	118,741	2,670,659	5
Loss allowance	0	0	0	0	0	5

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	Note
30 June 2022						
Trade and other receivables						
Expected credit loss	1.69%	1.24%	1.90%	1.11%		
Gross carrying amount	70,431	19,916	11,458	52,475	154,280	5
Loss allowance	8,418	5,869	5,953	19,760	40,000	5
30 June 2021						
Trade and other receivables						
Expected credit loss	2.01%	4.38%	6.15%	33.95%		
Gross carrying amount	52,762	25,467	557	111,308	190,094	5
Loss allowance	1,061	1,115	34	37,790	40,000	5

SHIRE OF SERPENTINE JARRAHDALÉ
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2022

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Rates receivable		Trade and other receivables		Contract Assets	
	2022 Actual	2021 Actual	2022 Actual	2021 Actual	2022 Actual	2021 Actual
Opening loss allowance as at 1 July	\$ 0	\$ 40,000	\$ 40,000	\$ 40,000	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	0	40,000	0	0	0	0
Unused amount reversed	0	(80,000)	0	0	0	0
Closing loss allowance at 30 June	0	0	40,000	40,000	0	0

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Shire, and a failure to make contractual payments for a period of greater than 120 days past due.

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

Contract Assets

The Shire's contract assets represent work completed, which have not been invoiced at year end. This is due to the Shire not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The Shire applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Shire has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

24. 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 Shire manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 19(c).

The contractual undiscounted cash flows of the Shire'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					
Trade and other payables	7,600,876	0	0	7,600,876	7,600,876
Borrowings	1,176,960	4,027,638	324,921	5,529,520	5,274,660
Lease liabilities	35,295	30,557	0	65,852	59,460
	<u>8,813,131</u>	<u>4,058,196</u>	<u>324,921</u>	<u>13,196,248</u>	<u>12,934,996</u>
2021					
Trade and other payables	6,238,237	0	0	6,238,237	6,238,237
Borrowings	3,497,474	2,387,107	649,842	6,534,423	6,241,751
Lease liabilities	128,001	60,543	0	188,544	182,438
	<u>9,863,712</u>	<u>2,447,650</u>	<u>649,842</u>	<u>12,961,204</u>	<u>12,662,426</u>

25. 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 Shire's operational cycle. In the case of liabilities where the Shire 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 Shire'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 Shire 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 Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

AASB 13 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 level that an input that is significant to the measurement can be categorised into as follows:

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

j) Impairment of assets

In accordance with Australian Accounting Standards the Shire'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 regularity to ensure the carrying value does not differ materially from that which would be determined using fair value at the end of the reporting period.

k) Initial application of accounting standards

During the current year, no new or revised Australian Accounting Standards and Interpretations were compiled, became mandatory and were applicable to its operations.

New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

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

**SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

26. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

Shire operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective	Description
<p>Governance To provide a decision making process for the efficient allocation of scarce resources.</p>	Members of Council and Chief Executive Office
<p>General purpose funding To collect revenue to allow for the provision of services.</p>	Rate revenue, late payment penalty, general purpose grants, untied road grants, commissions, interest on investments, reimbursements and banking costs.
<p>Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.</p>	Volunteer bushfire brigades, fire prevention, animal control, emergency management and public safety.
<p>Health To provide an operational framework for environmental and community health.</p>	Health services including food and water quality, inspection of premises, public health protection and promotion.
<p>Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.</p>	Youth services and program, and facilities for community based services such as family centres, early education providers.
<p>Community amenities To provide services required by the community.</p>	Waste management including household refuse and recycling, waste transfer station, environmental and sustainability , town planning, public conveniences and cemeteries.
<p>Recreation and culture To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.</p>	Provision of facilities and support of organisations with leisure activities and sport including halls, sports grounds, parks and gardens, community development and the Shire's Library.
<p>Transport To provide safe, effective and efficient transport services to the community.</p>	Construction and maintenance of roads, bridges, footpaths, Shire depot, purchases of plant and equipment and engineering design.
<p>Economic services To help promote the shire and its economic wellbeing.</p>	Rural services such as weed control of reserves, tourism and area promotion, management of building applications and economic development.
<p>Other property and services To monitor and control overhead operating accounts.</p>	Private works, public works overheads, plant operation, finance and administration costs.

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

26. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

Income excluding grants, subsidies and contributions

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Governance	1,055	0	3,829
General purpose funding	26,134,929	26,855,421	25,407,787
Law, order, public safety	286,382	168,750	251,086
Health	239,668	203,462	217,563
Education and welfare	0	1,596	1,478
Housing	0	0	0
Community amenities	5,925,614	5,676,275	5,391,088
Recreation and culture	298,911	252,915	280,073
Transport	274,476	258,200	257,613
Economic services	954,116	872,436	934,264
Other property and services	80,014	28,746	48,634

34,195,165 **34,317,801** **32,793,415**

Grants, subsidies and contributions

Governance	0	0	0
General purpose funding	3,319,668	2,667,000	3,266,760
Law, order, public safety	568,995	1,581,440	685,196
Health	11,364	12,500	0
Education and welfare	105,048	100,000	1,200
Housing	0	0	0
Community amenities	6,675,346	312,959	3,480,888
Recreation and culture	10,165,861	4,743,579	346,082
Transport	9,110,040	12,088,218	11,142,016
Economic services	4,136	3,000	63,212
Other property and services	0	0	0

29,960,458 **21,508,696** **18,985,354**

Total Income

64,155,623 **55,826,497** **51,778,769**

Expenses

Governance	(1,511,450)	(1,042,574)	(2,220,957)
General purpose funding	(867,996)	(1,616,214)	(833,595)
Law, order, public safety	(3,784,332)	(3,611,980)	(3,353,329)
Health	(951,285)	(975,211)	(824,504)
Education and welfare	(420,526)	(457,293)	(244,526)
Community amenities	(11,278,259)	(9,744,729)	(8,745,786)
Recreation and culture	(8,994,490)	(10,132,815)	(8,400,702)
Transport	(12,223,723)	(11,597,430)	(12,894,788)
Economic services	(1,848,840)	(2,004,440)	(1,674,655)
Other property and services	(672,100)	(967,927)	(924,004)

Total expenses

(42,553,001) **(42,150,613)** **(40,116,846)**

Net result for the period

21,602,622 **13,675,884** **11,661,923**

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

26. FUNCTION AND ACTIVITY (Continued)

	2022 Actual	2022 Budget	2021 Actual
(c) Fees and Charges	\$	\$	\$
Governance	1,040	0	0
General purpose funding	163,711	139,000	203,405
Law, order, public safety	272,099	153,650	214,726
Health	86,242	73,982	87,499
Education and welfare	0	1,595	1,478
Community amenities	5,915,167	5,676,275	5,387,452
Recreation and culture	146,175	175,811	133,212
Transport	244,548	200,000	251,845
Economic services	871,531	855,828	914,950
Other property and services	12,727	8,197	5,200
	7,713,240	7,284,338	7,199,767
(d) Total Assets	\$	\$	
Governance	5,111,441	4,989,073	
General purpose funding	45,458,862	26,709,260	
Law, order, public safety	3,705,548	3,496,789	
Health	523,188	535,742	
Community amenities	617,269	159,214	
Recreation and culture	65,122,747	62,331,041	
Transport	376,296,792	367,172,017	
Economic services	649,950	568,634	
Other property and services	6,220,395	6,729,445	
Unallocated	638,425	0	
	504,344,617	472,691,215	

SHIRE OF SERPENTINE JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

27. RATING INFORMATION

(a) General Rates

RATE TYPE	Rate in \$	Number of Properties	Basis of valuation	2021/22		2021/22		2021/22		2021/22		2021/22		2020/21	
				Actual Rateable Value *	Actual Rate	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue	Actual Total Revenue			
GRV Residential	0.10332	7,619	Gross rental valuation	125,104,972	12,925,970	141,739	\$	0	13,067,709	927,000	\$	0	13,852,970	13,061,973	
GRV Vacant	0.1893	501	Gross rental valuation	5,111,211	967,527	339,747	\$	0	1,307,274	0	\$	0	967,527	909,102	
GRV Commercial/Industrial	0.11776	139	Gross rental valuation	18,233,984	2,147,289	(23,917)	\$	0	2,123,372	50,000	\$	0	2,197,289	2,135,663	
UV General	0.00414	823	Unimproved valuation	792,515,094	3,275,667	1,255	\$	0	3,276,922	0	\$	0	3,277,050	6,968,722	
UV Rural Residential	0.00434	1,319	Unimproved valuation	622,095,000	2,702,886	(26,058)	\$	0	2,676,828	0	\$	0	2,701,136	0	
UV Commercial/Industrial	0.0062	98	Unimproved valuation	63,545,014	394,170	(16,517)	\$	0	377,653	0	\$	0	394,170	0	
UV Intensive Farming	0.00827	17	Unimproved valuation	13,025,000	107,717	(10,669)	\$	0	97,048	0	\$	0	107,717	100,414	
Sub-Total		10,516		1,639,630,275	22,521,226	405,580		0	22,926,806	977,000		0	23,497,859	23,155,874	
Minimum payment															
GRV Residential	1.276	337	Gross rental valuation	3,803,678	430,012	0	\$	0	430,012	0	\$	0	430,012	432,564	
GRV Vacant	972	462	Gross rental valuation	2,010,849	449,064	0	\$	0	449,064	0	\$	0	449,064	367,416	
GRV Commercial/Industrial	1.434	13	Gross rental valuation	139,157	18,642	0	\$	0	18,642	0	\$	0	18,642	20,076	
UV General	1.383	126	Unimproved valuation	23,636,360	174,258	0	\$	0	174,258	0	\$	0	174,258	5,532	
UV Rural Residential	1.750	936	Unimproved valuation	311,980,795	1,638,000	0	\$	0	1,638,000	0	\$	0	1,638,000	719,160	
UV Commercial/Industrial	1.750	5	Unimproved valuation	1,157,986	8,750	0	\$	0	8,750	0	\$	0	8,750	0	
UV Intensive Farming	1.750	0	Unimproved valuation	0	0	0	\$	0	0	0	\$	0	0	0	
Sub-Total		1,879		342,728,825	2,718,726	0		0	2,718,726	0		0	2,718,726	1,544,748	
Discounts on general rates (Refer note 27(c))		12,395		1,982,359,100	25,239,952	405,580		0	25,645,532	977,000		0	26,216,585	24,700,622	
Concessions on general rates (Refer note 27(c))															
Total amount raised from general rates									25,645,532				26,216,585	24,700,622	
* Rateable value is based on the value of properties at the time the rate is raised.															
Discounts on specified area and ex gratia rates (Refer note 27(c))															
Concessions on specified area and ex gratia rates (Refer note 27(c))															
Total amount raised from rates (excluding general rates)									(215,664)				(215,664)	(242,984)	
Total Rates									25,429,868				26,000,921	24,457,638	

(b) Total Rates

The entire balance of rates revenue has been recognised at a point in time in accordance with AASB 1058 Income for not-for-profit entities.

**SHIRE OF SERPENTINE JARRAHDALÉ
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27. RATING INFORMATION (Continued)

(c) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

Rate or Fee Discount Granted	Type	Discount %	Discount \$	2022 Actual	2022 Budget	2021 Actual	Circumstances in which Discount is Granted
General Rates		0	\$ 0	0	2,000	2,000	
Waivers or Concessions			\$ 0	0	2,000	2,000	
Rate or Fee and Charge to which the Waiver or Concession is Granted	Type	Waiver/ Concession	Discount %	2022 Actual	2022 Budget	2021 Actual	2021 Actual
UV Rural	Specified area Concession		31.00%	\$ 211,253	\$ 211,253	\$ 238,446	\$
UV Rural	Specified area Concession		50.00%	4,411	4,411	4,538	4,538
				215,664	215,664	242,984	242,984
Total discounts/concessions (Note 27)				215,664	217,664	244,984	244,984

SHIRE OF SERPENTINE JARRAHDAL
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27. RATING INFORMATION (Continued)

(d) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	13/09/2021	0.0	0.00%	0.00%
Option Two				
First instalment	13/09/2021	0.0	0.00%	0.00%
Second instalment	15/11/2021	0.0	2.00%	7.00%
Option Three				
First instalment	13/09/2021	0.0	0.00%	0.00%
Second instalment	15/11/2021	0.0	2.00%	7.00%
Third instalment	17/01/2022	0.0	2.00%	7.00%
Fourth instalment	21/03/2022	0.0	2.00%	7.00%

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Interest on unpaid rates	249,564	280,000	255,452
Interest on instalment plan	40,143	46,000	40,163
Charges on instalment plan	0	0	45,512
	289,707	326,000	341,127

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

28. RATE SETTING STATEMENT INFORMATION

		2021/22 Budget	2020/21
	2021/22 (30 June 2022 Carried Forward)	(30 June 2022 Carried Forward)	(30 June 2021 Carried 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 <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	10(b) (63,454)	(53,800)	(2,714)
Less: Reversal of prior year loss on revaluation of fixed assets	0	0	0
Less: Fair value adjustments to financial assets at fair value through profit and loss	0	0	(3,829)
Add: Loss on disposal of assets	10(b) 0	4,260	7,871
Add: Depreciation	10(a) 10,581,149	9,825,198	9,844,544
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	(23,513)	0	(6,004)
Employee benefit provisions	112,965	0	63,410
Non-cash amounts excluded from operating activities	10,607,147	9,775,658	9,903,278
(b) Non-cash amounts excluded from investing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
Property, plant and equipment received for substantially less than fair value	8(a) 464,451	0	0
Infrastructure received for substantially less than fair value	9(a) 14,151,928	0	0
Non cash non-operating grants, subsidies and contributions	(14,616,379)	0	0
Non Cash Proceeds of Sale of Asset	86,000	0	0
Movement in non current liability from transfers to acquire or construct nonfinancial assets to be controlled by the entity	0	0	(2,961,422)
Non-cash amounts excluded from investing activities	86,000	0	(2,961,422)
(c) Surplus/(deficit) after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	30 (18,007,972)	(12,033,769)	(15,761,864)
Less: Current assets not expected to be received at end of year			
- Unspent Grants held in non-current liabilities	(6,200,000)	(1,142,480)	0
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	16 1,253,756	2,033,000	3,414,998
- Current portion of lease liabilities	11(b) 31,856	61,069	124,562
Total adjustments to net current assets	(22,922,360)	(11,082,180)	(12,222,304)
Net current assets used in the Rate Setting Statement			
Total current assets	43,418,594	17,953,729	32,181,406
Less: Total current liabilities	(14,100,341)	(6,871,549)	(14,533,445)
Less: Total adjustments to net current assets	(22,922,360)	(11,082,180)	(12,222,304)
Net current assets used in the Rate Setting Statement	6,395,892	0	5,425,657

**SHIRE OF SERPENTINE-JARRAHDALE
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29 BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		Principal at 1 July 2020	New Loans During 2020-21	Principal at 30 June 2021	Principal Repayments During 2020-21	Principal at 30 June 2022	Principal Repayments During 2021-22	New Loans During 2021-22	Principal at 30 June 2022
Council Chamber Refurbishment		\$ 401,252	\$ 0	\$ 273,227	\$ (133,668)	\$ 139,559	\$ 0	\$ 273,252	\$ 139,252
Abernethy Road		2,277,369	0	2,023,307	(262,257)	1,761,050	0	2,028,369	1,771,369
Webb Road		1,532,000	0	1,230,217	(304,073)	926,144	0	1,230,000	926,000
Briggs Park Upgrade		1,224,000	0	1,117,404	(109,927)	1,007,477	0	1,117,404	874,991
Abernethy Road		1,750,000	0	1,597,596	(152,404)	1,440,430	0	1,597,596	1,251,009
Recreation Centre		0	0	0	0	0	0	0	0
Administration Building Redevelopment		0	0	0	0	0	0	0	0
Total		7,184,621	0	6,241,751	(967,091)	5,274,660	0	6,246,621	3,000,000
Total Borrowings	16	7,184,621	0	6,241,751	(967,091)	5,274,660	0	6,246,621	9,782,121

Borrowing Interest Repayments

Purpose	Note	Function and activity	Loan Number	Institution	Interest Rate	Actual for year ending 30 June 2022	Budget for year ending 30 June 2022
Council Chamber Refurbishment		Governance	117	WATC*	4.36%	\$ (1,413)	\$ (9,842)
Briggs Park Upgrade		Recreation and culture	123	WATC*	0.73%	(7,728)	0
Abernethy Road		Transport	121	WATC*	3.20%	(69,122)	(80,054)
Webb Road		Transport	122	WATC*	0.76%	(13,599)	(16,996)
Abernethy Road		Transport	124	WATC*	0.73%	(11,049)	0
Briggs Park Upgrade		Recreation and culture	STL	WATC*	Variable	0	(61,281)
Recreation Centre		Recreation and culture	91	WATC*	6.02%	0	(376)
Total						(112,911)	(168,549)
Total Interest Repayments	2(b)					(112,911)	(168,549)

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

SHIRE OF SERPENTINE JARRAHDALÉ
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022

29 BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual				Budget				
		Principal at 1 July 2020	New Leases During 2020-21	Principal at 30 June 2021	Principal Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2021	New Leases During 2021-22	Principal Repayments During 2021-22	Principal at 30 June 2022
ICT Equipment (1)		\$ 16,377	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
ICT Equipment (2)		0	0	0	0	0	0	0	0	0
Photocopiers - Admin		52,103	0	29,162	0	6,221	29,246	0	(23,336)	5,910
Photocopiers - Emerg. Services		29,918	0	20,898	0	(9,020)	20,928	0	(9,179)	11,749
Ford Ranger - CESM		0	77,384	63,125	0	(17,428)	62,302	0	(18,892)	43,410
Gymnasium Equip (1)		16,238	0	0	0	0	0	0	0	0
Gymnasium Equip (2)		55,422	0	3,923	0	(12,875)	4,306	0	(4,306)	0
Scania Tip Truck with Crane		0	0	0	0	0	0	0	0	0
Patching Truck		0	0	0	0	0	0	0	0	0
Patching Truck		60,402	0	16,029	0	(11,657)	11,714	0	(11,714)	0
Scania Tip Truck with Crane		0	98,358	49,301	0	(49,057)	49,663	0	(49,663)	0
Total Lease Liabilities	11(b)	230,460	175,742	182,438	0	(122,978)	178,159	0	(117,090)	61,069

Lease Interest Repayments

Purpose	Note	Function and activity	Lease Number	Institution	Interest Rate	Actual for year ending 30 June 2021	Budget for year ending 30 June 2022	Lease Term - (Months)
ICT Equipment (1)		Governance	E6N0160563	MAIA	2.00%	\$ (62)	\$ 0	36
ICT Equipment (2)		Governance	E6N0160676	MAIA	2.00%	0	0	36
Photocopiers - Admin		Governance	IW85510127001	Canon	2.10%	(892)	(388)	60
Photocopiers - Emerg. Services		Law, order, public safety	IW85510204001	Canon	2.10%	(553)	(349)	60
Ford Ranger - CESM		Law, order, public safety	FMOLT Q21451	Fleetcare	2.00%	(736)	(694)	48
Gymnasium Equip (1)		Recreation and culture	E6N0158736	MAIA	2.00%	(71)	(7)	60
Gymnasium Equip (2)		Recreation and culture	E6N0160210	MAIA	2.00%	(661)	0	48
Scania Tip Truck with Crane		Transport	E6N0159380	MAIA	2.00%	0	0	24
Patching Truck		Transport	E6N0155211	MAIA	2.00%	0	0	24
Patching Truck		Transport	E6R0162595	MAIA	2.00%	(732)	(39)	24
Scania Tip Truck with Crane		Transport	E6R0162897	MAIA	2.00%	(1,505)	(537)	24
Total Interest Repayments	2(b)					(5,212)	(2,014)	

**SHIRE OF SERPENTINE JARRAHDALÉ
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30 RESERVE ACCOUNTS

Restricted by legislation/agreement

	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance	2022 Budget Opening Balance	2022 Budget Transfer to	2022 Budget Transfer (from)	2022 Budget Closing Balance	2021 Actual Opening Balance	2021 Actual Transfer to	2021 Actual Transfer (from)	2021 Actual Closing Balance
(a) Administration Building	1,596,355	2,961	(261,652)	1,337,664	1,601,660	9,696	(1,295,000)	316,356	491,839	1,104,516	0	1,596,355
(b) Briggs Park	95,337	192	0	95,529	97,928	645	0	98,573	94,822	515	0	95,337
(c) Buildings Asset Management	1,216,366	2,308	(139,680)	1,078,994	1,234,347	7,683	(374,025)	868,005	768,391	506,329	(58,354)	1,216,366
(d) Byford BMX Track	270,961	332	(67,746)	203,547	278,176	1,840	0	280,016	269,498	1,463	0	270,961
(e) Byford Developer Contribution Fund	4,554,140	2,594,593	(2,744,530)	4,404,203	3,499,247	23,135	0	3,522,382	2,400,759	2,380,331	(226,950)	4,554,140
(f) Car Parking	91,125	184	0	91,309	93,550	618	0	94,168	90,633	492	0	91,125
(g) Committed Works	0	0	0	0	0	0	0	0	2	(2)	0	0
(h) Community Facilities	528	150,304	0	150,832	779	150,996	0	151,775	525	3	0	528
(i) Community Grants	158,020	90,465	(36,843)	211,642	123,231	91,042	(208,100)	6,173	250,054	1,260	(93,294)	158,020
(j) Community Infrastructure	1,598,320	1,854,068	(392,910)	3,059,478	1,608,803	544,139	0	2,152,942	1,039,124	613,685	(54,489)	1,598,320
(k) Drainage Asset Management	161,296	325	0	161,621	163,476	1,080	0	164,556	160,425	871	0	161,296
(l) Emergency Management	239,722	483	0	240,205	211,358	1,396	0	212,754	255,079	1,358	(16,715)	239,722
(m) Fire Asset Management	6,634	13	0	6,647	7,965	50	0	8,015	6,598	36	0	6,634
(n) Footpaths Asset Management	243,004	490	0	243,494	242,664	1,602	0	244,266	42,453	200,551	0	243,004
(o) Investment	693,476	1,398	0	694,874	707,111	4,676	0	711,787	689,701	3,775	0	693,476
(p) Jarrahdale Communications Tower	214,787	70,201	(20,252)	264,736	230,083	69,932	(21,971)	278,044	200,678	39,609	(25,500)	214,787
(q) Jarrahdale Community Infrastructure	52,207	105	0	52,312	53,596	352	0	53,948	51,925	282	0	52,207
(r) Light Fleet & Plant Acquisition	944,045	976,846	(615,318)	1,305,573	809,428	955,484	(1,764,200)	712	570,630	756,095	(382,680)	944,045
(s) Local Government Election	45,045	41,028	(85,000)	1,073	46,116	41,191	(85,000)	2,307	4,823	40,222	0	45,045
(t) Miscellaneous Developer Contribution	549,871	1,109	0	550,980	548,989	3,630	0	552,619	546,902	2,969	0	549,871
(u) Multi Use Trails	18,549	37	0	18,586	19,043	123	0	19,166	18,449	100	0	18,549
(v) Mundijong Whitby Shire Contribution	208,590	421	0	209,011	216,335	1,430	0	217,765	209,586	1,137	(2,133)	208,590
(w) Parks & Gardens Asset Management	154,563	312	0	154,875	158,676	1,051	0	159,727	153,728	835	0	154,563
(x) Public Art	119,124	240	(13)	119,351	81,728	518	(35,000)	47,246	78,832	40,292	0	119,124
(y) Rates Revaluation	29,019	24,107	0	53,126	29,624	24,352	0	53,976	5,875	23,144	0	29,019
(z) Renewable Energy	34,613	70	0	34,683	35,535	232	0	35,767	34,426	187	0	34,613
(aa) Road Asset Management	150,009	983,789	(823,509)	310,289	152,047	1,006	0	153,053	149,199	810	0	150,009
(ab) Serpentine Jarrahdale Locality Funding	28,602	58	0	28,660	29,238	194	0	29,432	28,325	277	0	28,602
(ac) Serpentine Jarrahdale Sporting Precinct	327,756	661	0	328,417	336,484	2,225	0	338,709	325,987	1,769	0	327,756
(ad) Tourism	13,012	26	0	13,038	13,394	86	0	13,480	12,946	66	0	13,012
(ae) Unspent Grants & Contributions	38	0	0	38	0	0	0	0	0	0	0	38
(af) Waste	1,747,367	3,443	(102,441)	1,648,369	1,768,237	11,334	(535,000)	1,244,571	2,200,636	11,132	(464,401)	1,747,367
(ag) W. Mundijong Industrial DCP	149,383	36,600	(185,000)	983	0	0	0	0	0	205,265	(65,882)	149,383
(ah) Oakford Fire Station	50,000	300,843	(7,200)	343,443	50,000	201,479	(250,000)	1,479	0	50,000	0	50,000
(ai) ICT Reserve	0	530,878	0	530,878	0	0	0	0	0	0	0	0
(aj) Public Open Space	0	59,512	0	59,512	0	0	0	0	0	0	0	0
Total	15,761,864	7,728,202	(5,482,094)	18,007,972	14,448,848	2,153,217	(4,568,296)	12,033,769	11,152,850	5,989,412	(1,380,398)	15,761,864

**SHIRE OF SERPENTINE JARRAHDALÉ
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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:

	Name of Reserve	Anticipated date of use	Purpose of the reserve
(a)	Administration Building	Ongoing	To provide for the employee accommodation requirements.
(b)	Briggs Park	Future Date	To provide for the future Briggs Park development.
(c)	Buildings Asset Management	Ongoing	To provide funds for the upgrade, renewal, replacement and creation of new Shire facilities.
(d)	Byford BMX Track	Future Date	To provide for the future Byford BMX track.
(e)	Byford Developer Contribution Fund	Ongoing	To provide for future community infrastructure funded from the Byford Developer Contribution Plan.
(f)	Car Parking	Future Date	To provide for future public car parking infrastructure funded from Developer contributions for cash-in-lieu of car parking.
(g)	Committed Works	Completed	To transfer unspent municipal funded expenditure on specific projects, to enable identification of carryover expenditure into the next financial year.
(h)	Community Facilities	Ongoing	This reserve is for the establishment of additional facilities in the community.
(i)	Community Grants	Ongoing	To provide funds and project management support for delivery of community infrastructure to enable individuals and community groups to build capacity within the community, encourage volunteering and youth development, and deliver sustainable, accessible and demonstrated social, environmental and economic benefits.
(j)	Community Infrastructure	Future Date	To provide for future community infrastructure, matching funds from the Community Infrastructure Developer Contribution Plan.
(k)	Drainage Asset Management	Ongoing	To provide funds for the upgrade, renewal, replacement and creation of new Shire drainage.
(l)	Emergency Management	Ongoing	To provide for unanticipated significant emergency services events or plant repairs.
(m)	Fire Asset Management	Ongoing	To provide for the future additions and maintenance required for fire fighting assets and mitigation strategies.
(n)	Footpaths Asset Management	As required	To provide funds for the upgrade, renewal, replacement and creation of new Shire footpaths.
(o)	Investment	Ongoing	To support economic, subdivision and tourism development opportunities for the Shire.
(p)	Jarrahdale Communications Tower	Ongoing	To provide for the upgrades and maintenance of the tower when required.
(q)	Jarrahdale Community Infrastructure	Ongoing	To provide funds for the upgrade, renewal or replacement of community assets in the Jarrahdale locality.
(r)	Light Fleet & Plant Acquisition	Ongoing	To provide for new and renewal of Light Fleet, Plant and Equipment as required under the replacement and acquisition program.
(s)	Local Government Election	Ongoing	To provide for Bi-Annual, and other interim local government election expenses.
(t)	Miscellaneous Developer Contribution	Ongoing	To be used to fund capital works and administration as per each agreement.
(u)	Multi Use Trails	Ongoing	To allow for the construction of Multi Use Trails.
(v)	Mundijong Whitby Shire Contribution	Future date	To provide towards the future contribution requirements of the Mundijong Whitby Community Development Contribution Scheme.
(w)	Parks & Gardens Asset Management	Ongoing	To provide funds for the upgrade, renewal, replacement and creation of new Shire parks, gardens and natural reserves.
(x)	Public Art	Ongoing	To provide for public art development and creation.
(y)	Rates Revaluation	Ongoing	To provide for the tri-ennial Gross Rental Valuation (GRV).
(z)	Renewable Energy	Ongoing	This reserve is to allow Council to undertake renewable energy projects.
(f)	Road Asset Management	Future date	To provide funds for the upgrade, renewal, replacement and creation of new Shire road infrastructure.
(l)	Serpentine Jarrahdale Locality Funding	Ongoing	Council initiated townscape related projects in the Serpentine Jarrahdale Shire.
(l)	Serpentine Jarrahdale Sporting Precinct	Future date	To provide funds for the Serpentine Jarrahdale Regional Sporting Precinct when grant applications require contribution funding.
(~)	Tourism	Future date	To fund the implementation of the tourism strategy and development of tourism throughout the district and region.
(r)	Unspent Grants & Contributions	Ongoing	
(e)	Waste	Future date	To provide for waste management requirements and future waste infrastructure.
(b)	W. Mundijong Industrial DCP	Future date	To provide for future community infrastructure funded from the West Mundijong Developer Contribution Plan.
(j)	Oakford Fire Station	Future date	To provide funding the construction of the new Oakford Fire Station.
(f)	ICT Reserve	Future date	To provide for the Shire's ICT requirements
(c)	Public Open Space	Future date	To provide for future public open space funded from Developer contributions for cash-in-lieu of public open space.

**SHIRE OF SERPENTINE JARRAHDALE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2022**

31. 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:

	<u>1 July 2021</u>	<u>Amounts Received</u>	<u>Amounts Paid</u>	<u>30 June 2022</u>
	\$	\$	\$	\$
Cash in Lieu of Public Open Space	304,222	0	0	304,222
	<u>304,222</u>	<u>0</u>	<u>0</u>	<u>304,222</u>



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