



# Annual Report

2022-2023

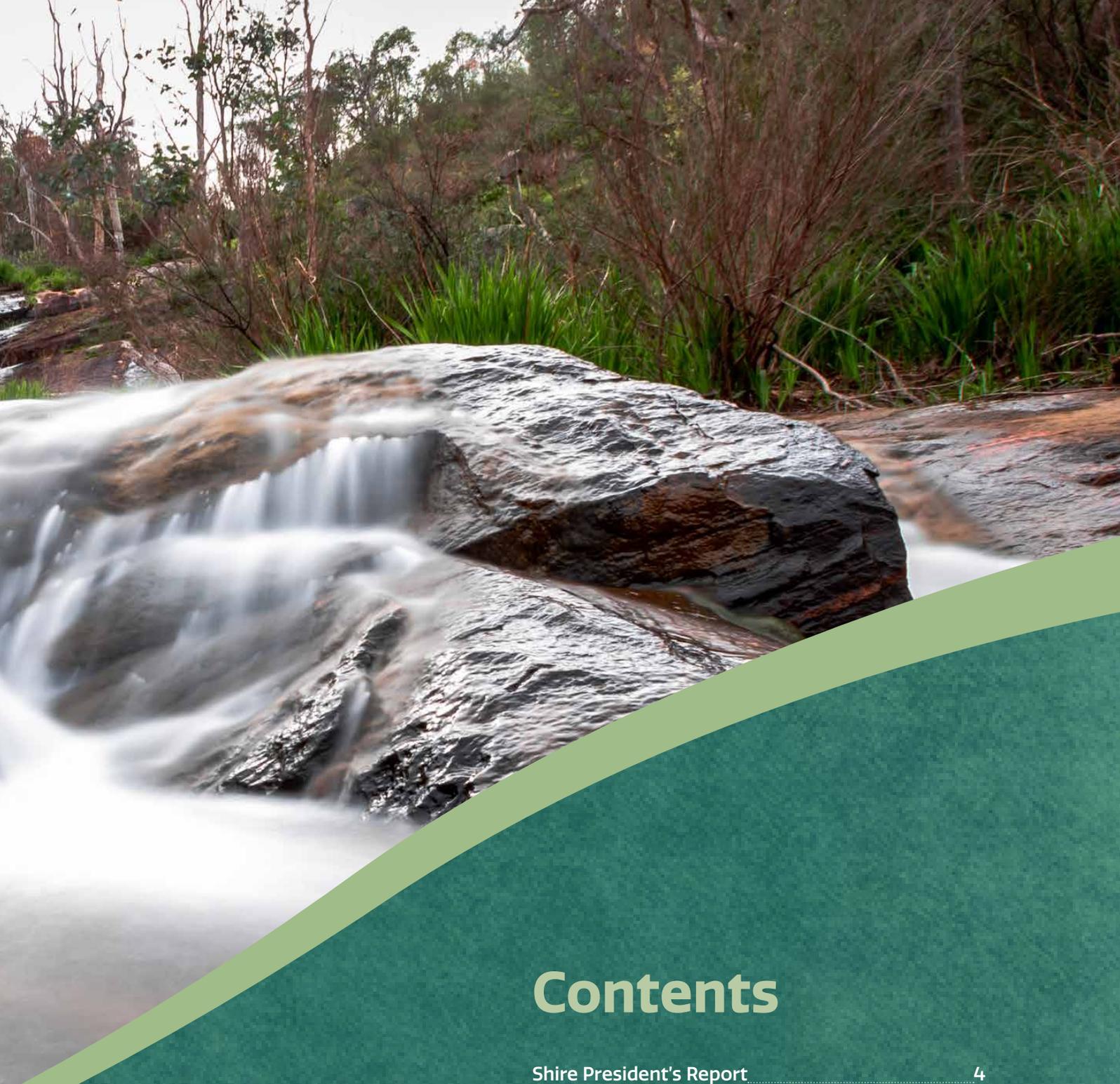


Shire of  
Serpentine  
Jarrahdale



## **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

**The Shire of Serpentine Jarrahdale achieved great progress across the 2022/23 financial year, and it is my pleasure to present this year's Annual Report.**

We have made significant strides in our community, infrastructure and planning sectors over the past 12 months.

Rapid population growth continues to present unique challenges and exciting opportunities for Serpentine Jarrahdale, and I am proud of the progress we have made through strong cooperation between the Shire Council, organisation and of course, our residents.

This cooperation was most evident as we carried out a major review of the Shire's Council Plan 2023 – 2033 (formerly known as Strategic Community Plan), to ensure it adequately reflects the needs and desires of our growing community. The Council Plan is the Shire's key strategic document that will guide us as we continue to grow into the future. Extensive community engagement held throughout the review ensures the plan has been shaped by the locals who call our beautiful Shire home.

Fostering this working relationship between the Shire and its residents has been a key focus throughout this financial year, with the successful review of the Council Plan just one example of the benefits made possible by strong collaboration.

Other great achievements we've seen in 2022/23 include:

- Opening of the SJ Reuse Shop at the Watkins Road Waste Transfer Station
- Delivery of major events including Muddy Buddies Adventure Day and Christmas festivities
- Continued development of upgrades to the Byford Skate Park
- Launch of the 858 CoLab co-working space at our library.

The progress made across this financial year has put our Shire in a strong position to experience continued success, and I am excited to see more forward steps taken into the future.

**Cr Michelle Rich**  
Shire President



## Chief Executive Officer's report

**Over the past year I'm pleased to report the Shire was able to achieve three of its Key Performance Indicators outlined in our Corporate Business Plan (CBP) – a significant milestone for the organisation.**

These indicators are an additional method to measure achievement and include the completion of 80% of strategic operating projects by their due date, of which 12 from a total of 15 strategic operating projects were completed, to achieve a result of 80% and a significant improvement on the 2021–22 result of 35%.

80% of planned road projects were required to be delivered, and the Shire has exceeded with an impressive result of 82%. This achievement highlights the Shire's dedication to fostering a safer road network, and commitment to address community priorities as identified within the Community Perceptions Survey.

Moreover, we have consistently upheld a strong financial health indicator above 70 for the last two years (75 in 2022/23 and 73 in 2021/22), affirming our ongoing responsible management despite two years of significant inflationary pressures. Through sound financial management the Shire has not only been successful in maintaining its financial health, we have also demonstrated improvement. The Shire has been able to do so by continuing to focus heavily on assets renewal programs whilst simultaneously keeping operating costs to a minimum.

Our commitment to excellence extended beyond the CBP key performance indicators as we made significant progress towards our government-funded projects, including the hypergrowth road upgrades, stage two of the Byford Skate

Park, the new Oakford Volunteer Bush Fire Brigade Station and the first stage of the Keirnan Park Recreation and Sporting Precinct.

Further key achievements and highlights include:

- Successful delivery of a full events season post-COVID, including Muddy Buddies and the popular SJ Rocks Food Truck Fiesta series
- Review of Strategic Community Plan incorporating broad community engagement
- Delivery of the Equine Road Safety Awareness Campaign
- Trail renewal – 14 km of trails around Darling Downs Equestrian Estate completed, with refurbishment of information bay off Evening Peel Court
- Renewal of 5-year contract with Landcare SJ
- Re-commitment to addressing the impacts of climate change by becoming a signatory to the WA Local Government Association Climate Change Declaration
- Progression of the Administration Accommodation Project
- Endorsement of advocacy priorities for the 2025 State and Federal Government Election
- Development of Clem Kentish Reserve Masterplan

I want to thank our community, Council and dedicated Shire staff for their commitment and hard work, making these past 12 months a remarkable achievement. I look forward to the opportunities that lie ahead for SJ in the next financial year.

**Paul Martin**  
Chief Executive Officer

# Shire Snapshot

## Our Shire



Shire of Serpentine  
Jarrahdale land area:  
**905 km<sup>2</sup>**

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:  
**34,770\***

Registered pets:  
**4,233** dogs  
and **646** cats



Number of  
households:  
**10,550\***



Couples  
with  
children:  
**4,510**



Couples  
without  
children:  
**2,754**



One  
parent  
families:  
**1,124**



Average  
persons per  
dwelling:  
**2.9**

\*data provided by .idcommunity

## Our Organisation



**39,827**  
customer requests  
completed



On average, **71%** of  
customer requests are  
resolved in the same day



**112**  
development  
applications assessed

## Our Assets



Number of Shire facilities:  
**122**



Total length of roads:  
**811 km**



Total length of sealed roads:  
**661 km**



Total length of unsealed roads:  
**150 km**

## Our Finances 2022/23



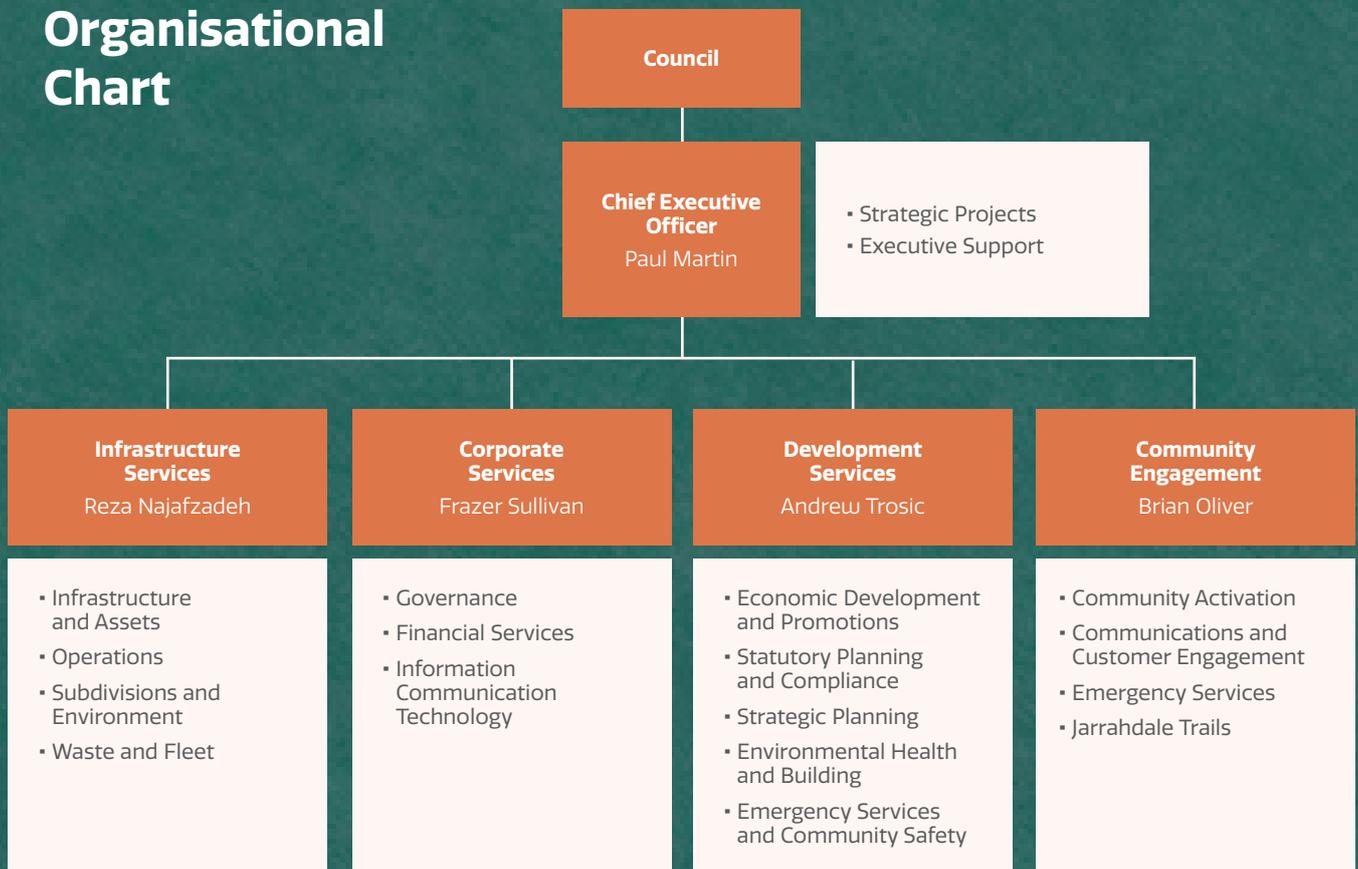
Total capital works value:  
**\$15,659,321**

Total operating revenue:  
**\$43,056,969**



Total non-operating revenue:  
**\$22,723,336**

## Organisational Chart



# Our Key Achievements



## Road Upgrades

The Shire's primary goal for 2022/23 was to enhance the safety of our road network. After receiving a \$20.5 million grant from State Government we accomplished substantial improvements. Our Hypergrowth Roads Project identified 15 local roads needing urgent upgrades and improvements. Keirnan Street underwent upgrades and a roundabout was introduced to Mundijong/ Kargotich Road to improve traffic flow and vehicle safety. Hopkinson, Briggs, Nettleton, Karnup, and Yangedi Roads all received important enhancements throughout the year. A further 11 roads were resealed as part of the Shire's Road Reseal program.



## Equine Road Safety Campaign delivery

We partnered with key horse and road safety groups to develop an equine road safety campaign which was launched in May. The campaign centred around increasing road safety awareness, the presence of horses in the Shire and the importance of sharing the roads safely.

## Opening of the SJ Reuse shop at the Waste Station

The Shire opened the SJ Reuse shop on 1 October 2022, driven by the mission to reduce landfill waste. The shop gives unwanted items a second life, including furniture, bikes, clothing, books and toys, and has gained widespread popularity among residents and visitors.



## Depot Accommodation upgrades

The Major Projects team has delivered the Depot Accommodation Project, consisting of a new transportable office building and toilet block at the Operations Centre. The crib room has been refurbished and now includes a new kitchen, ice machine and flooring. Upgrades also included outside lighting and LED lighting in the old depot building.



## Community Events, Workshops and Programs

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

- A series of events during NAIDOC Week including a Boorloo Aboriginal Cultural Experience
- Seniors Week including high tea at Peel Manor House
- Annual Christmas Street Party and Food Truck Fiesta in Mundijong
- Christmas Lights Competition and Play in the Park event
- Anzac Day Dawn Service and Commemorative Service in conjunction with SJ RSL
- Families Week Fun Day
- Muddy Buddies.



## Review of the Strategic Community Plan

Following the 2022 Community Perception Survey, the Shire conducted a comprehensive review of the Strategic Community Plan. A range of engagement opportunities were held including pop-up events, surveys, workshops, and collaboration with key stakeholders including seniors, youth, horse riders and residents. The community engagement led to over 600 survey responses and numerous ideas and suggestions to shape our community for the next decade. These have been captured in the revised Council Plan for review and endorsement by Council.

## Byford Skate Park – Stage 2 upgrades

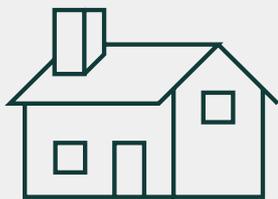
The Shire has made significant strides in advancing the Byford Skate Park project, including successfully concluding the project consultation and concept design phases. The Skate Park Stage 2 project will proceed into construction in the next financial year, thanks to funding from the Department of Local Government, Sport and Cultural Industries.



## Library launched 858 CoLab

858 CoLab – the Shire's first co-working space – was launched at the Serpentine Jarrahdale Library Service this year. Available to SJ's small businesses, freelancers, and entrepreneurs, the co-working space aims to foster collaboration and innovation among locals, providing access to a range of resources for learning, leisure and creativity.

# Our Service Delivery Highlights



## Building and Planning

### Determined:

**1,262** Building Approvals  
at a value of \$179M

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**475** Development  
Applications valued  
at \$67.9M

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**733** Certified Building  
Applications in an average  
assessment time of 6 days

**250** Uncertified Building  
Applications in an average  
assessment time of 16 days

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### Completed:

**840** swimming  
pool inspections



## Communications and Customer Engagement

**1,059,079** users reached  
through social media

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**268,483**  
website visits

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**39,981** Customer  
Requests Received

**39,827** Customer  
Requests Completed

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**41** media releases  
published

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**15** videos produced



## Community Safety and Emergency Services

**8,162** Firebreak Inspections undertaken

**84** fire management plans assessed

Provided training for **260** Bush Fire Brigade Volunteers

**\$591,642** Local Government Grants and Subsidies Program Funding acquitted



## Engineering

**Assessed:**

**112** development applications

**5** stormwater management plans

**Approved:**

**23** subdivision civil drawings

**37** subdivision plans

**2** Local Structure Plans

**167** crossovers

**22** capital design projects



## Environment

**Successful grant applications:**

**Waterwise Greening Scheme** (\$10k)

**Local Biodiversity and Native Vegetation Management Project** (\$11k)

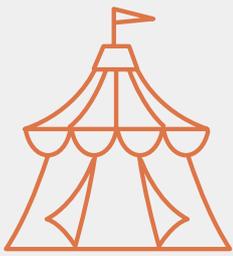


## Environmental Health and Compliance

**276** Food Safety Assessments

**534** Health Risk Assessments undertaken

**181** Health Premises Assessments



## Events and Recreation

More than **13,000** attendees at Shire events and programs

**329** KidSport applications approved

**102** new Australian citizens welcomed

**257** attendees across 6 seniors' workshops

**\$108,708** provided to 25 community groups



## Facilities

**56,798** library resources borrowed

**13,086** library loans through the self-serve machine

**97** children's programs delivered to **1,615** participants

## SJ Reuse shop

opened at Waste Transfer Station

## 858 CoLab

launched at SJ Library Services



## Governance, ICT and Records

Registered **16,594** documents into Content Manager

Completed **5,841** Service Requests

Processed **3,002** purchase orders

Issued **13** tenders and **31** requests for quote

Processed **17** conflict of interest disclosures, **21** secondary employment applications and **4** gift disclosures

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



## Strategic Planning

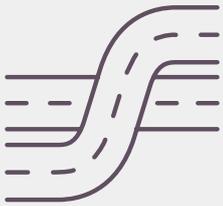
Processed **69** strategic planning applications, including subdivisions, structure plans, local development plans and subdivision clearances

The new **Local Planning Scheme No. 3** was approved

The **Local Heritage Survey** was finalised, branded and distributed

**Local Planning Policy 3.5 Byford Town Centre Public Realm** was adopted

All local planning policies were modified by Council to ensure they are ready for the implementation of the **new planning framework**



## Expenditure on new and upgraded assets

**\$165,000** on new facilities

**\$3.6 million** on road upgrades

**\$2.2 million** on new parks

**\$798,000** on new plant and fleet

**\$47,000** on new street lighting



## Waste

**92%** of bins collected at first pass

Processed the following waste through the Watkins Road Transfer Station:

**2,658** tonnes of hard waste

**2,278** tonnes of recyclable materials

Recycled **1,642** mattresses and **3,409** 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 Shaye Mack**  
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 and that the offices of members filled at the election be vacated. A fresh election was held on 22 October 2022 in which Councillors Coales and Mack were elected to complete the term.

# 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  
**0\***

35-44  
**2\***

45-54  
**3\***

55-64  
**2\***

## Linguistic background



English  
**6\***

## Country of birth



Australia  
**6\***

## Identify as Aboriginal or Torres Strait Islander



**0**

\*Others did not respond.

# Councillor Attendance Register

Shire of Serpentine Jarrahdale Councillor attendance  
1 July 2022 – 20 June 2023

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

Ordinary and Special Council Meetings

\* Elected at Fresh Election held 22 October 2022

Committees

\*\* Appointed following Fresh Election held 22 October 2022

\*\*\* Deputy Committee Member

# 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 (#Mandatory Training) in reporting period	Training provider / conference name	Shire Cost ex GST
Cr Michelle Rich, Shire President	Urban Forest Conference	WALGA	\$200.00
	WA Transport & Road Forum	WALGA	\$63.64
	Breakfast with Heads of Agency	WALGA	\$63.64
	2022 WA Local Government Convention	WALGA	Nil
Cr Dave Atwell, Deputy Shire President	Nil		
Cr Morgan Byas	Nil		
Cr Rob Coales	# Understanding Local Government	WALGA	\$177.27*
	# Serving on Council	WALGA	Nil**
	# Meeting Procedures	WALGA	Nil**
Cr Michael Dagostino	Nil		
Cr Tricia Duggin	Nil		
Cr Shaye Mack	# Understanding Local Government	WALGA	\$220.00
	# Meeting Procedures	WALGA	\$300.00
	# Conflicts of Interest	WALGA	\$220.00
	# Serving on Council	WALGA	\$360.00
	# Understanding Financial Reports and Budgets	WALGA	\$300.00
Cr Lauren Strange	Authentic Engagement with the Aboriginal People of WA	Planning Institute of Australia – WA	\$418.18
	Diploma of Local Government Elected Member (Scholarship) units completed in reporting period: <ul style="list-style-type: none"> <li>• LGAMEM001 Meet elected member responsibilities</li> <li>• LGAMEM002 Perform elected member functions</li> <li>• LGACOR011 Analyse financial reports and budgets</li> <li>• PSPGEN075 Build and maintain community relationships</li> </ul>	WALGA	\$4,508.64***
Cr Dean Strautins	Diploma of Project Management units completed in reporting period: <ul style="list-style-type: none"> <li>• Manage project cost</li> <li>• Manage project human resources</li> <li>• Manage project information and communication</li> <li>• Manage project risk</li> <li>• Manage project integration</li> </ul>	National Training Pty Ltd	\$1,975.00****

# In accordance with Council Policy mandatory training is budgeted separately to individual Councillor allowance

\* Cost incurred in 2021-22, the module was completed in 2022-23

\*\* Recognition of prior learning – Nil cost

\*\*\* Partial cost of Diploma (\$3,745) approved by Council resolution OCM124/06/23 19 June 2023

\*\*\*\* Cost of Diploma was incurred in the 2019-20 financial year

## 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. In May 2022, Council resolved that no changes were to be made to this fee structure.

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 2022-2023 financial year are shown below.

### Statement of Earnings For the Period Year End 2022 / 2023

Councillor	Period covered	Attendance Fee	ICT Allowance	Deputy Shire President Allowance	Shire President Allowance
Cr Michelle Rich	1 July 2022 – 30 June 2023	\$23,131	\$3,500		\$47,045
Cr Dave Atwell	1 July 2022 – 30 June 2023	\$17,250	\$3,500	\$11,761	
Cr Morgan Byas	1 July 2022 – 30 June 2023	\$17,250	\$3,500		
Cr Rob Coales	22 October 2022 – 30 June 2023	\$10,492	\$2,154		
Cr Michael Dagostino	1 July 2022 – 30 June 2023	\$17,250	\$3,500		
Cr Tricia Duggin	1 July 2022 – 30 June 2023	\$17,250	\$3,500		
Cr Shaye Mack	22 October 2022 – 30 June 2023	\$11,879	\$2,411		
Cr Lauren Strange	1 July 2022 – 30 June 2023	\$17,250	\$3,500		
Cr Dean Strautins	1 July 2022 – 30 June 2023	\$17,250	\$3,500		
<b>TOTAL</b>		<b>\$149,002</b>	<b>\$29,065</b>	<b>\$11,761</b>	<b>\$47,045</b>



## Our future plans

**Over the next 12 months, the Shire is dedicated to delivering positive outcomes for Serpentine Jarrahdale residents. The focus will continue to be on improving our local roads network, pushing forward key infrastructure projects, and providing community events.**

Delivering against our Strategic Community Plan 2033, major projects and initiatives set to be progressed in the coming year include:

- Finalisation of new Council Plan and major review of Corporate Business Plan
- Continued development of Keirnan Park Recreation and Sporting Precinct
- Continued development of \$800,000 Byford Skate Park Stage 2 upgrades funded by State Government
- \$194,000 for Youth Centre upgrades

- Oakford Bush Fire Brigade Station
- Construction for upgrades to Kargotich, Orton and Soldiers Road funded by State Government.

Securing funding has been critical to delivering critical road and infrastructure for our growing community:

- \$6.82 million to maintain our local parks, ovals and gardens
- \$1.9 million for Emergency Services and fire prevention
- \$200,000 to renew and revitalise playgrounds.

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've allocated \$1.97 million for vital upgrades and maintenance to our community facilities.

This investment is all about ensuring that our residents can enjoy modern spaces for a wide range of activities, such as events, workshops, meetings and more.

## Parks and gardens

With a significant portion of our community consisting of young families, the upkeep of public open spaces like parks and gardens takes on added significance. These areas serve as essential places for families to bond, play, and thrive, constituting a fundamental aspect of the SJ way of life.

To meet the needs of our expanding community, we're earmarking an investment of \$6.82 million for the maintenance and enhancement of our parks and gardens, guaranteeing they remain suitable for our growing population.

## Serpentine Jarrahdale Library Service

The Serpentine Jarrahdale Library Service is experiencing a consistent increase in demand. Notably, our Mobile library has seen a significant increase in users, now encompassing the suburbs of Whitby and Keysbrook within its network. In response to this high demand, the Mobile Library will soon be accessible to Oakford residents as well.

In our 2023/24 budget, we've allocated a total of \$910,000 to support this facility, ensuring that our library services can meet the needs of our growing community.

## Emergency Services

Our dedicated Emergency Services staff put in tireless effort to ensure the safety of our community. This includes our local bush fire brigades and the State Emergency Service (SES), who offer year-round support.

Through our 2023/24 budget, we're committing a total of \$1.9 million to strengthen our Emergency Services, reinforcing our commitment to safeguarding the well-being of our residents.



# Statutory Reports

## Record Keeping Statement

The Shire of Serpentine Jarrahdale is committed to maintaining good recordkeeping practices, ensuring that all business transactions and activities are created and managed with compliance, reliability, and accuracy in mind. Recognising the important role of records as valuable information, the Shire emphasises that sound records management practices significantly enhance the efficiency and effectiveness of its operations.

To uphold these standards, annual reviews are conducted across all record-keeping procedures and policies. Any necessary amendments resulting from these reviews are authorised and communicated to both staff and Councillors. Regular audits are conducted on all recorded documents to verify compliance with the Shire's titling and naming conventions, as well as correct registration processes. Staff members are promptly informed of record amendments and are offered additional assistance or training if needed.

Mandating a comprehensive review of the Shire's Record Keeping Plan at least once every five years, the Chief Executive Officer evaluates its effectiveness and efficiency. The resulting report is sent to all relevant stakeholders and made accessible to all staff members.

Inclusive staff induction processes address the roles and responsibilities of each employee in complying with the record-keeping plan. New staff members receive relevant literature about adherence to the State Records Act and participate in induction sessions within five days of commencing employment, focusing on the accurate recording of all documents.

To ensure ongoing competency, Information Services conducts training sessions tailored to the specific needs and work practices of users. One-on-one refresher training is available upon request. Future training initiatives will be more comprehensive, featuring a dedicated trainer covering all aspects of system and compliance requirements. Additionally, online training videos will be provided for universal staff access.

The Shire has implemented procedures to scan all incoming hard copy correspondence, aligning with the requirements of the General Disposal Authority for Source Records and the State Records Guideline Digitization Specification. Once electronically reproduced, the original hard copy correspondence is treated as a duplicate and retained for six months to meet operational requirements before being appropriately 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 2022/2023 the Shire received 10 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 is to 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 2022–2023, 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.

### Capital grants, subsidies and contributions

For the purposes of section 5.53(2)(i), the annual report for a financial year beginning on or after 1 July 2022 must include the amount of all capital grants, subsidies and contributions, for replacing and renewing assets, that were received by the local government during (a) the financial year and (b) the 2 financial years before the financial year.

2022/23	\$6,303,762.24
2021/22	\$4,508,322.27
2020/21	\$3,247,227.99

## 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 2022–2023.

## Performance against our Corporate Business Plan

The table below outlines the Shire's performance in 2022/23 against the Corporate Business Plan 2022/26 Key Performance Indicators:

Key Performance Indicator	2022/23 Result
80% of strategic operating projects are completed by their due date	80%
80% of road projects planned to be constructed are delivered	82%
Improvement is seen in all key result areas of the community perceptions survey	The 2022 results show a decline in the Performance Index Scores across the four (4) focus areas of Vision, Liveability, Governance and Rates Value, since the last community perceptions survey was completed in November 2020. The 'Overall Performance Index Score' is a combined measure of the Shire as a 'place to live' and as a 'governing organisation' which the Shire scored 51/100 in November 2022 (14 index points below the industry standard for Western Australia), compared to a result of 58/100 in November 2020 (7 index points below the industry average for Western Australia).
Improvement is seen in the Performance Index Score of the Employee Scorecard Survey	In 2022, the 'Overall Workplace Index Score' is 63, down 2 points from the last survey conducted in 2019 where the overall score was 65. The Overall Performance score, which rates the organisation positively as a place to work is 90% in 2022, a drop of 2% from 2019.
Financial Sustainability – maintain a financial health indicator above 70	71

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 2022/2023 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:

- Upgrades to the Events Calendar on the Shire website to provide accessibility relevant event information.
- Implementation of a Mobile Library Service.
- In response to resident feedback, external safety measures and path widening, as well as improvements to internal evacuation signage at the SJ Library services building in Byford were completed.
- Upgrades to the Shire website to improve access to digital information – 39 languages now available via translation function, and adjustable contrast and size options.
- Input to concept development phases on key Capital Projects, including the Keirnan Park Recreation Precinct, Jarrahdale Cemetery Upgrade, Byford Health Hub and Byford Train Station projects.
- Communication of open consultations such as the Department of Community Disability Access and Inclusion Plan 2022 – 2027 and the Disability Standards for Accessible Public Transport.
- Heightened awareness of disability and accessible sports through the Wheel Life Program.
- Over 30 posts on the dedicated Your Say SJ platform sharing information on topics including; Independent Living, Disability Social and Sporting activities, Advocacy opportunities, local workshops and training opportunities and local Disability Service Provider spotlights.
- Development of Draft Access and Inclusion Plan 2023 – 2028 incl. Community Engagement

## 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 Skatepark, Oakford Bush Fire Brigade Station, Clem Kentish Reserve Master Plan and Mundijong Town Centre Precinct Structure Plan.
- Inclusion of all capital projects with a value over \$250,000 as 'Major Capital Projects' to align with the Council Policy Project Management. These new projects are:
  - Keirnan Park Netball Courts (Stage 1C)
  - Keirnan Street Freight Rail Pedestrian Crossing
  - Baskerville Road Upgrade
  - Indigo Parkway
  - Gossage Road Upgrade
  - Hopeland Road Upgrade
  - Jarrahdale Road Upgrade
  - Gooralong Trail Precinct Carpark Upgrade.
- Removal of the following Major Capital Projects:
  - Byford Town Square: No longer required due to Metronet works for the Byford Rail Extension project
  - Drainage Material Disposal: Project is now a Strategic Operating Project titled Drainage Waste Material Disposal.
  - New Depot Accommodation: This project forms part of the Strategic Operating Project titled Future Development at Lampiter Drive, Mardella.
- Inclusion of the following new Strategic Operating Projects as adopted in the 2023–24 Annual Budget:
  - West Mundijong Industrial Area – Utility Research Project
  - Briggs Precinct Masterplan
  - Expansion of SJ Recreation Centre – Briggs Park

- Byford Water Monitoring
  - Drainage Waste Material Disposal
  - Climate Change Strategy and Action Plan
  - Maintenance Schedules
  - Hypergrowth Road Priorities
  - Trails Centre and Food and Beverage Design Documentation
  - Operations Centre Structure Review – implementation of recommendations and actions
  - Waste Transfer Station Planning
  - ICT Disaster Recovery Plan
  - Customer Service Contact Centre
  - Corporate Business Plan Review
- Removal of the following Strategic Operating Projects:
    - Public Transport Stops Seating Review: Based on Public Transport Authority (PTA) passenger use data, co-funding is available to upgrade stops on a priority bases with stops having the highest patronage meeting PTA funding criteria.
    - Rationalisation of Assets (Building Asset Disposal Report): No budget allocated in 2023–24 for this project, as other projects are prioritised.
    - Deferral of the FOGO project from 2023–24 to 2024–25, to align with the Shire's Long Term Financial Plan.

## Statement of Salaries

	2021	2022	2023
230,000 – 239,999		1	3
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	2		
170,000 – 179,999			3
160,000 – 169,999	2	3	5
150,000 – 159,999	2	6	1
140,000 – 149,999	5		3
130,000 – 139,999	3	3	4
120,000 – 129,999	4	2	4
110,000 – 119,999	5	8	7
100,000 – 109,999	7	9	18

The total remuneration paid to the Chief Executive Officer under the *Salaries and Allowances Act 1975*, including salary, superannuation, private use of a motor vehicle and allowances was \$324,202.14.

Shire of Serpentine Jarrahdale

# FINANCIAL REPORT

For the year ended 30 June 2023

**SHIRE OF SERPENTINE-JARRAHDALE**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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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

**SHIRE OF SERPENTINE-JARRAHDALÉ  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

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

**STATEMENT BY CEO**

The accompanying financial report of the Shire of Serpentine-Jarrahdale has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

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

Signed on the

21

day of

NOVEMBER

2023



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Chief Executive Officer

PAUL MARTIN

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Name of Chief Executive Officer



**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2023**

	NOTE	2023 Actual	2023 Budget	2022 Actual
		\$	\$	\$
<b>Revenue</b>				
Rates	2(a),28	27,564,289	27,463,063	25,429,868
Grants, subsidies and contributions	2(a)	5,062,209	3,536,247	4,362,487
Fees and charges	2(a)	8,556,015	8,274,694	7,713,240
Interest revenue	2	1,478,319	543,500	350,521
Other revenue	2(a)	719,308	463,111	638,081
		43,380,140	40,280,615	38,494,197
<b>Expenses</b>				
Employee costs	2(b)	(18,630,480)	(19,823,043)	(17,890,840)
Materials and contracts		(13,116,563)	(12,537,236)	(10,101,248)
Utility charges		(1,075,776)	(1,119,960)	(1,105,643)
Depreciation		(11,444,354)	(10,474,934)	(10,581,149)
Finance costs	2(b)	(112,712)	(87,148)	(116,351)
Insurance		(476,940)	(459,921)	(443,049)
Other expenditure	2(b)	(1,935,990)	(595,411)	(2,314,721)
		(46,792,815)	(45,097,653)	(42,553,001)
		(3,412,675)	(4,817,038)	(4,058,804)
Capital grants, subsidies and contributions	2	22,723,336	20,093,355	25,597,971
Profit on asset disposals		18,052	101,097	63,454
Loss on asset disposals		(110,417)	(24,512)	0
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	4,114	0	0
Fair value adjustments to investment property	12	(17,182)	0	0
Recognition of investment in associates	23(a)	32,476	0	0
		22,650,379	20,169,940	25,661,425
<b>Net result for the period</b>	27(b)	<b>19,237,704</b>	<b>15,352,902</b>	<b>21,602,621</b>
<b>Other comprehensive income for the period</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	18	10,000,298	0	2,993,511
<b>Total other comprehensive income for the period</b>	18	<b>10,000,298</b>	<b>0</b>	<b>2,993,511</b>
<b>Total comprehensive income for the period</b>		<b>29,238,002</b>	<b>15,352,902</b>	<b>24,596,132</b>

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



**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2023**

	NOTE	2023	2022
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	9,136,290	5,412,029
Trade and other receivables	5	3,967,953	2,946,693
Other financial assets	4(a)	30,850,739	35,018,647
Inventories	6	4,779	18,317
Other assets	7	781,845	22,908
<b>TOTAL CURRENT ASSETS</b>		<b>44,741,606</b>	<b>43,418,594</b>
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	5	259,837	227,497
Other financial assets	4(b)	84,042	79,928
Investment in associate	23(a)	32,476	0
Property, plant and equipment	8	47,521,360	46,313,506
Infrastructure	9	434,190,939	410,972,783
Right-of-use assets	11(a)	90,707	57,877
Investment property	12	730,000	747,182
Intangible assets	13	2,213,730	2,527,250
<b>TOTAL NON-CURRENT ASSETS</b>		<b>485,123,091</b>	<b>460,926,023</b>
<b>TOTAL ASSETS</b>		<b>529,864,697</b>	<b>504,344,617</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	8,896,140	7,600,876
Other liabilities	15	2,272,692	2,860,281
Lease liabilities	11(b)	44,097	31,856
Borrowings	16	820,455	1,253,756
Employee related provisions	17	2,276,514	2,353,572
<b>TOTAL CURRENT LIABILITIES</b>		<b>14,309,898</b>	<b>14,100,341</b>
<b>NON-CURRENT LIABILITIES</b>			
Other liabilities	15	3,045,000	6,200,000
Lease liabilities	11(b)	48,191	27,604
Borrowings	16	3,200,451	4,020,904
Employee related provisions	17	859,315	831,928
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>7,152,957</b>	<b>11,080,436</b>
<b>TOTAL LIABILITIES</b>		<b>21,462,855</b>	<b>25,180,777</b>
<b>NET ASSETS</b>		<b>508,401,842</b>	<b>479,163,840</b>
<b>EQUITY</b>			
Retained surplus		170,664,265	153,655,948
Reserve accounts	31	20,237,359	18,007,972
Revaluation surplus	18	317,500,218	307,499,920
<b>TOTAL EQUITY</b>		<b>508,401,842</b>	<b>479,163,840</b>

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



SHIRE OF SERPENTINE-JARRAHDAL  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2021</b>		134,299,435	15,761,864	304,506,409	454,567,708
Correction of error		0	0	0	0
<b>Restated balance at the beginning of the financial year</b>		<b>134,299,435</b>	<b>15,761,864</b>	<b>304,506,409</b>	<b>454,567,708</b>
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
<b>Total comprehensive income for the period</b>		<b>21,602,621</b>	<b>0</b>	<b>2,993,511</b>	<b>24,596,132</b>
Transfers from reserve accounts	31	5,482,094	(5,482,094)	0	0
Transfers to reserve accounts	31	(7,728,202)	7,728,202	0	0
<b>Balance as at 30 June 2022</b>		<b>153,655,948</b>	<b>18,007,972</b>	<b>307,499,920</b>	<b>479,163,840</b>
Change in accounting policies		0	0	0	0
Correction of error		0	0	0	0
<b>Restated balance at 1 July 2022</b>		<b>153,655,948</b>	<b>18,007,972</b>	<b>307,499,920</b>	<b>479,163,840</b>
Comprehensive income for the period					
Net result for the period		19,237,704	0	0	19,237,704
Other comprehensive income for the period	18	0	0	9,370,298	9,370,298
Correction of double-counted assets	8.18	0	0	630,000	630,000
<b>Total comprehensive income for the period</b>		<b>19,237,704</b>	<b>0</b>	<b>10,000,298</b>	<b>29,238,002</b>
Transfers from reserve accounts	31	4,677,937	(4,677,937)	0	0
Transfers to reserve accounts	31	(6,907,324)	6,907,324	0	0
<b>Balance as at 30 June 2023</b>		<b>170,664,265</b>	<b>20,237,359</b>	<b>317,500,218</b>	<b>508,401,842</b>

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 2023**

	NOTE	2023 Actual \$	2022 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		27,576,334	25,813,216
Grants, subsidies and contributions		4,252,340	4,613,930
Fees and charges		8,556,015	7,749,054
Interest revenue		1,478,319	350,521
Goods and services tax received		474,653	949,161
Other revenue		719,308	638,081
		<b>43,056,969</b>	<b>40,113,963</b>
<b>Payments</b>			
Employee costs		(18,489,584)	(17,384,079)
Materials and contracts		(12,558,008)	(9,217,369)
Utility charges		(1,075,776)	(1,105,643)
Finance costs		(112,712)	(116,351)
Insurance paid		(476,940)	(443,052)
Goods and services tax paid		(720,612)	(931,071)
Other expenditure		(2,273,658)	(2,314,721)
		<b>(35,707,290)</b>	<b>(31,512,286)</b>
<b>Net cash provided by (used in) operating activities</b>	19(b)	<b>7,349,679</b>	<b>8,601,677</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for purchase of property, plant & equipment		(3,652,862)	(5,118,402)
Payments for construction of infrastructure		(11,888,774)	(8,284,162)
Capital grants, subsidies and contributions		8,873,379	17,214,673
Proceeds for financial assets at amortised cost		4,167,908	(21,000,701)
Proceeds from financial assets at fair values through profit and loss		0	(3,268)
Proceeds from sale of property, plant & equipment		189,992	23,714
<b>Net cash provided by (used in) investing activities</b>		<b>(2,310,357)</b>	<b>(17,168,146)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	30(a)	(1,253,754)	(967,091)
Payments for principal portion of lease liabilities	30(b)	(61,307)	(122,978)
<b>Net cash provided by (used in) financing activities</b>		<b>(1,315,061)</b>	<b>(1,090,069)</b>
<b>Net increase (decrease) in cash held</b>		<b>3,724,261</b>	<b>(9,656,537)</b>
Cash at beginning of year		5,412,029	15,068,565
<b>Cash and cash equivalents at the end of the year</b>	19(a)	<b>9,136,290</b>	<b>5,412,029</b>

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

SHIRE OF SERPENTINE-JARRAHDAL  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
Rates	28	27,564,289	27,463,063	25,429,868
Grants, subsidies and contributions		5,062,209	3,536,247	4,362,487
Fees and charges		8,556,015	8,274,694	7,713,240
Interest revenue		1,478,319	543,500	350,521
Other revenue		719,308	463,111	638,081
Profit on asset disposals		18,052	101,097	63,454
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	4,114	0	0
Fair value adjustments to investment property	12	(17,182)	0	0
Recognition of investment in associates	23(e)	32,476	0	0
		<u>43,417,600</u>	<u>40,381,712</u>	<u>38,557,651</u>
<b>Expenditure from operating activities</b>				
Employee costs		(18,630,480)	(19,823,043)	(17,890,840)
Materials and contracts		(13,116,563)	(12,537,236)	(10,101,248)
Utility charges		(1,075,776)	(1,119,960)	(1,105,643)
Depreciation		(11,444,354)	(10,474,934)	(10,581,149)
Finance costs		(112,712)	(87,148)	(116,351)
Insurance		(476,940)	(459,921)	(443,049)
Other expenditure		(1,935,990)	(595,411)	(2,314,721)
Loss on asset disposals		(110,417)	(24,512)	0
		<u>(46,903,232)</u>	<u>(45,122,165)</u>	<u>(42,553,001)</u>
Non-cash amounts excluded from operating activities	29(a)	11,512,358	10,398,349	10,607,147
<b>Amount attributable to operating activities</b>		<u>8,026,726</u>	<u>5,657,896</u>	<u>6,611,797</u>
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		22,723,336	20,093,355	25,597,971
Proceeds from disposal of assets		189,992	501,000	109,714
		<u>22,913,328</u>	<u>20,594,355</u>	<u>25,707,685</u>
<b>Outflows from investing activities</b>				
Purchase of property, plant and equipment	8(a)	(3,770,547)	(13,742,259)	(5,662,981)
Purchase and construction of infrastructure	9(a)	(22,007,050)	(22,448,795)	(22,436,090)
		<u>(25,777,597)</u>	<u>(36,191,054)</u>	<u>(28,099,071)</u>
Non-cash amounts excluded from investing activities	29(b)	0	0	86,000
<b>Amount attributable to investing activities</b>		<u>(2,864,269)</u>	<u>(15,596,699)</u>	<u>(2,305,386)</u>
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from borrowings	30(a)	0	6,000,000	0
Transfers from reserve accounts	31	4,677,937	6,198,982	5,482,094
		<u>4,677,937</u>	<u>12,198,982</u>	<u>5,482,094</u>
<b>Outflows from financing activities</b>				
Repayment of borrowings	30(a)	(1,253,754)	(1,253,756)	(967,091)
Payments for principal portion of lease liabilities	30(b)	(61,307)	(31,856)	(122,978)
Transfers to reserve accounts	31	(6,907,324)	(2,249,662)	(7,728,202)
		<u>(8,222,385)</u>	<u>(3,535,274)</u>	<u>(8,818,271)</u>
<b>Amount attributable to financing activities</b>		<u>(3,544,448)</u>	<u>8,663,708</u>	<u>(3,336,177)</u>
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
Surplus or deficit at the start of the financial year	29(c)	6,395,892	1,265,601	5,425,658
Amount attributable to operating activities		8,026,726	5,657,896	6,611,797
Amount attributable to investing activities		(2,864,269)	(15,596,699)	(2,305,386)
Amount attributable to financing activities		(3,544,448)	8,663,708	(3,336,177)
<b>Surplus or deficit after imposition of general rates</b>	29(c)	<u>8,013,901</u>	<u>(9,494)</u>	<u>6,395,892</u>

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

**SHIRE OF SERPENTINE-JARRAHDALÉ  
FOR THE YEAR ENDED 30 JUNE 2023  
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**SHIRE OF SERPENTINE-JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**1. BASIS OF PREPARATION**

The financial report of the Shire of Serpentine-Jarrahdale which is a Class 2 local government 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 Shire 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 Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 32 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 of fair values of land and buildings, infrastructure and investment property
- estimation uncertainties made in relation to lease accounting

**Initial application of accounting standards**

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

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15

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

**New accounting standards for application in future years**

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

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates  
This standard will result in a terminology change for significant accounting policies
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

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

**SHIRE OF SERPENTINE-JARRAHDAL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**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
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
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
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
Fees and charges - licences, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - 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
Fees and charges - 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	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**2 (a) REVENUE AND EXPENSES (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

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

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**2 (a) REVENUE AND EXPENSES (Continued)**

**Revenue Recognition**

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

**For the year ended 30 June 2023**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	27,564,289	0	27,564,289
Grants, subsidies and contributions	0	5,062,209	0	0	5,062,209
Fees and charges	275,797	0	7,998,581	281,637	8,556,015
Interest revenue	0	0	1,478,319	0	1,478,319
Other revenue	0	0	0	719,308	719,308
Capital grants, subsidies and contributions	0	22,723,336	0	0	22,723,336
<b>Total</b>	<b>275,797</b>	<b>27,785,545</b>	<b>37,041,189</b>	<b>1,000,945</b>	<b>66,103,476</b>

**For the year ended 30 June 2022**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	25,429,868	0	25,429,868
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 revenue	0	0	350,521	0	350,521
Other revenue	0	0	0	638,081	638,081
Capital grants, subsidies and contributions	0	25,597,971	0	0	25,597,971
<b>Total</b>	<b>211,215</b>	<b>29,960,458</b>	<b>33,061,807</b>	<b>858,688</b>	<b>64,092,168</b>

Note	2023 Actual	2022 Actual
	\$	\$
<b>Assets and services acquired below fair value</b>		
Contributed assets	10,235,961	14,616,379
	<u>10,235,961</u>	<u>14,616,379</u>
<b>Interest revenue</b>		
Other interest revenue	1,478,319	350,521
	<u>1,478,319</u>	<u>350,521</u>
<b>(b) Expenses</b>		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	53,200	58,806
- Other services	5,800	5,612
	<u>59,000</u>	<u>64,418</u>
<b>Employee Costs</b>		
Other employee costs	18,630,480	17,890,840
	<u>18,630,480</u>	<u>17,890,840</u>
<b>Finance costs</b>		
Borrowings	110,479	112,911
Lease liabilities	2,233	3,440
	<u>112,712</u>	<u>116,351</u>
<b>Other expenditure</b>		
Sundry expenses	523,445	512,157
Refund	1,412,545	1,802,564
	<u>1,935,990</u>	<u>2,314,721</u>

**SHIRE OF SERPENTINE-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**3. CASH AND CASH EQUIVALENTS**

Note	2023	2022
	\$	\$
Cash at bank and on hand	9,136,290	5,412,029
<b>Total cash and cash equivalents</b>	<b>9,136,290</b>	<b>5,412,029</b>
Held as		
- Unrestricted cash and cash equivalents	3,475,931	2,551,748
- Restricted cash and cash equivalents	5,660,359	2,860,281
	<b>9,136,290</b>	<b>5,412,029</b>

**SIGNIFICANT ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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

**Restricted financial assets**

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

**4. OTHER FINANCIAL ASSETS**

**(a) Current assets**

Financial assets at amortised cost

2023	2022
\$	\$
30,850,739	35,018,647
<b>30,850,739</b>	<b>35,018,647</b>

**Other financial assets at amortised cost**

Term deposits

30,850,739	35,018,647
<b>30,850,739</b>	<b>35,018,647</b>

Held as

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

8,340,688	17,010,675
22,510,051	18,007,972
<b>30,850,739</b>	<b>35,018,647</b>

**(b) Non-current assets**

Financial assets at fair value through profit or loss

84,042	79,928
<b>84,042</b>	<b>79,928</b>

**Financial assets at fair value through profit or loss**

Units in Local Government House Trust - opening balance

57,003	58,353
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Listed Shares

12,900	11,550
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Unlisted Shares

10,025	10,025
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Financial assets at fair value through profit and loss

4,114	0
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Non-Current Financial Assets- closing balance

<b>84,042</b>	<b>79,928</b>
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Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 30(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

**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 26 (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 or loss**

The Shire has elected to classify the following financial assets at fair value through profit or loss:

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

**Impairment and risk**

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

SHIRE OF SERPENTINE-JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2023

5. TRADE AND OTHER RECEIVABLES

Note	2023	2022
	\$	\$
<b>Current</b>		
Rates and statutory receivables	2,757,054	2,630,689
Trade receivables	803,216	154,280
GST receivable	447,683	201,724
Allowance for credit losses of trade receivables	24(b) (40,000)	(40,000)
	3,967,953	2,946,693
<b>Non-current</b>		
Pensioner's rates and ESL deferred	259,837	227,497
	259,837	227,497

Disclosure of opening and closing balances related to contracts with customers

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

Note	30 June 2023 Actual	30 June 2022 Actual	1 July 2021 Actual
	\$	\$	\$
Allowance for credit losses of trade receivables	5 (40,000)	(40,000)	(40,000)
Total trade and other receivables from contracts with customers	(40,000)	(40,000)	(40,000)

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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.

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.

SHIRE OF SERPENTINE-JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2023

6. INVENTORIES

Note	2023	2022
	\$	\$
<b>Current</b>		
Fuel and materials	4,779	9,817
History Books	0	2,321
Inventory	0	6,179
	4,779	18,317
The following movements in inventories occurred during the year:		
<b>Balance at beginning of year</b>	18,317	37,199
Inventories expensed during the year	(351,205)	(258,847)
Reversal of write down of inventories to net realisable value	337,668	239,965
<b>Balance at end of year</b>	4,779	18,317

**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 2023**

**7. OTHER ASSETS**

**Other assets - current**

Prepayments  
Accrued income

	2023	2022
	\$	\$
	49,033	22,908
	732,812	0
	781,845	22,908

**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 2023

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land	Buildings - specialised	Total land and buildings	Furniture and equipment	Plant and equipment	Motor vehicles	Computer equipment	Capital Works in progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	7,684,081	28,000,016	35,684,097	16,352	3,958,477	1,041,127	492,322	154,394	41,346,769
Additions*	0	601,934	601,934	0	988,953	588,501	75,965	3,407,628	5,662,981
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	(1,922,938)	(1,922,938)	0	(165,203)	165,203	0	0	(1,922,938)
<b>Balance at 30 June 2022</b>	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
<b>Comprises:</b>									
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)
Accumulated impairment loss at 30 June 2022	0	0	0	0	0	0	0	0	0
<b>Balance at 30 June 2022</b>	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
Additions*	0	3,016,069	3,016,069	0	467,794	643,397	55,171	(411,884)	3,770,547
Disposals	0	(114,117)	(114,117)	0	0	(168,240)	0	0	(282,357)
Depreciation	0	(1,190,938)	(1,190,938)	(3,270)	(452,264)	(183,785)	(120,370)	0	(1,990,627)
Transfers to Infrastructure	0	340,291	340,291	0	0	0	0	0	340,291
Correction of double-counted assets <sup>[1]</sup>	(510,000)	(120,000)	(630,000)	0	0	0	0	0	(630,000)
<b>Balance at 30 June 2023</b>	7,862,500	29,793,097	37,655,597	9,812	4,324,943	1,982,958	397,912	3,150,138	47,521,360
<b>Comprises:</b>									
Gross balance amount at 30 June 2023	7,862,500	49,391,913	57,254,413	40,876	7,045,322	2,928,111	658,219	3,150,138	71,077,079
Accumulated depreciation at 30 June 2023	0	(19,598,816)	(19,598,816)	(31,064)	(2,720,379)	(945,153)	(260,307)	0	(23,555,719)
Accumulated impairment loss at 30 June 2023	0	0	0	0	0	0	0	0	0
<b>Balance at 30 June 2023</b>	7,862,500	29,793,097	37,655,597	9,812	4,324,943	1,982,958	397,912	3,150,138	47,521,360

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

During the year ended 30 June 2022	0	0	0	0	0	464,451	0	0	464,451
During the year ended 30 June 2023	0	0	0	0	0	117,685	0	0	117,685

[1] A land and building was incorrectly included within Property Plant and Equipment as part of the revaluation last year (as well as in investment properties, refer to Note 12). As this error was assessed to be not material, the correction in the current year has been accounted for prospectively through the revaluation surplus, refer to the Statement of Change in Equity.

SHIRE OF SERPENTINE-JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2023

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
<b>Land and buildings</b>						
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		Cost	Cost	N/A	N/A	N/A
Motor vehicles		Cost	Cost	N/A	N/A	N/A
Computer equipment		Cost	Cost	N/A	N/A	N/A
Other property, plant and equipment		Cost	Cost	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 2023**

**9. INFRASTRUCTURE**

**(a) Movements in Balances**

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks & Ovals	Capital Works in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	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	0	0	0	1,922,938	0	1,922,938
<b>Balance at 30 June 2022</b>	259,892,205	19,775,687	86,891,391	39,846,220	4,567,280	410,972,783
<b>Comprises:</b>						
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)
Accumulated impairment loss at 30 June 2022	0	0	0	0	0	0
<b>Balance at 30 June 2022</b>	259,892,205	19,775,687	86,891,391	39,846,220	4,567,280	410,972,783
Additions*	6,836,057	1,058,227	4,631,177	596,145	8,885,444	22,007,050
Revaluation increments / (decrements) transferred to revaluation surplus	(19,692,830)	3,965,595	39,689,705	(13,332,172)	0	10,630,298
Depreciation	(5,485,223)	(349,618)	(1,793,887)	(1,450,173)	0	(9,078,901)
Transfers from Property Plant and Equipment	0	0	0	(340,291)	0	(340,291)
<b>Balance at 30 June 2023</b>	241,550,209	24,449,891	129,418,386	25,319,729	13,452,724	434,190,939
<b>Comprises:</b>						
Gross balance at 30 June 2023	424,520,428	28,339,663	154,206,152	41,457,394	13,452,724	661,976,361
Accumulated depreciation at 30 June 2023	(182,970,219)	(3,889,772)	(24,787,766)	(16,137,665)	0	(227,785,422)
Accumulated impairment loss at 30 June 2023	0	0	0	0	0	0
<b>Balance at 30 June 2023</b>	241,550,209	24,449,891	129,418,386	25,319,729	13,452,724	434,190,939

\* Asset additions included additions received at substantially less than fair value:  
During the year ended 30 June 2022 5,119,263  
During the year ended 30 June 2023 4,111,030

SHIRE OF SERPENTINE-JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

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	Independent Valuers	June 2023	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	Independent Valuers	June 2023	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	Independent Valuers	June 2023	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	Independent Valuers	June 2023	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.

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**10. FIXED ASSETS**

**(a) Depreciation**

**Depreciation rates**

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

<b>Asset Class</b>	<b>Useful life</b>
<b>Buildings</b>	
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
<b>Plant and Equipment</b>	5 – 15 years
<b>Motor Vehicles</b>	2 – 5 years
<b>Furniture and Equipment</b>	4 – 10 years
<b>Computer Equipment</b>	2 – 5 years
<b>Roads</b>	
Subgrade	Not depreciated
Pavement	
Unsealed	10 years
Urban and Regional	60 - 100 years
Surface	5 – 20 years
<b>Surface Water Channel</b>	
Kerbing	40 years
Drains	8 – 15 years
<b>Drainage</b>	
Culvert	50 - 80 years
Stormwater Drainage	50 years
<b>Footpaths</b>	40 – 80 years
<b>Parks and Reserves</b>	
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
<b>Right of Use (Plant)</b>	Based on the remaining lease
<b>Right of Use (Furniture)</b>	Based on the remaining lease
<b>Intangibles</b>	
Computer Software	18 years

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
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**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 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.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, 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 Shire's revaluation policy, 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 consistent with *Financial Management Regulation 17A(4)*.

**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 consistent with *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 asset classes are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss. Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

**Depreciation**

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.

**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.
- (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 10(a).

**Impairment**

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 or losses on disposal**

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

SHIRE OF SERPENTINE-JARRAHDAL  
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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 2021		53,574	128,864	182,438
Depreciation		(38,474)	(86,087)	(124,561)
<b>Balance at 30 June 2022</b>		<b>15,100</b>	<b>42,777</b>	<b>57,877</b>
Additions		0	94,136	94,136
Depreciation		(30,031)	(31,275)	(61,306)
<b>Balance at 30 June 2023</b>		<b>(14,931)</b>	<b>105,638</b>	<b>90,707</b>

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

	2023 Actual \$	2022 Actual \$
Depreciation on right-of-use assets	(61,306)	(124,561)
Finance charge on lease liabilities	30(b) (2,303)	(3,440)
<b>Total amount recognised in the statement of comprehensive income</b>	<b>(63,609)</b>	<b>(128,001)</b>
Total cash outflow from leases	(63,610)	(126,418)
<b>(b) Lease Liabilities</b>		
Current	44,097	31,856
Non-current	48,191	27,604
	30(b) <b>92,288</b>	<b>59,460</b>

**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 30(b).

**Right-of-use assets - measurement**

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised 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 depreciated over the useful life of the underlying asset.

**SHIRE OF SERPENTINE-JARRAHDALÉ  
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**11. LEASES (Continued)**

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

	2023 Actual	2022 Actual
Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease		
Rental income	5,200	5,245

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 12 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**  
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**12. INVESTMENT PROPERTY**

	2023 Actual	2023 Budget	2022 Actual
	\$	\$	\$
<b>Non-current assets - at fair value</b>			
Carrying balance at 1 July	747,182	0	747,182
Acquisitions			
Capitalised subsequent expenditure			
Classified as held for sale or disposal			
Net gain/(loss) from fair value adjustment	(17,182)	0	0
Closing balance at 30 June	730,000		747,182
<b>Amounts recognised in profit or loss for investment properties</b>			
Rental income	5,200	0	5,245
Direct operating expenses from property that generated rental income	0	0	(224)
<b>Leasing arrangements</b>			
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	5,200	0	5,245
	5,200	0	5,245

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

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the Shire is exposed to changes in the residual value at the end of the current leases, the Shire group 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 11 for details of leased property, plant and equipment not classified as investment property

**SIGNIFICANT ACCOUNTING POLICIES**

**Investment properties**

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the Shire. Investment properties are carried at fair value in accordance with the significant accounting policies disclosed at Note 10.

**Fair value of investment properties**

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

**SHIRE OF SERPENTINE-JARRAHDALÉ  
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**13. INTANGIBLE ASSETS**

	2023 Actual \$	2022 Actual \$
<b>Intangible assets</b>		
<b>Non-current</b>		
Computer software development	3,135,203	3,135,203
Less: Accumulated amortisation	(921,473)	(607,953)
	2,213,730	2,527,250
 Movements in balances of computer software during the financial year are shown as follows:		
<b>Balance at 1 July</b>	2,527,250	2,796,419
Amortisation	(313,520)	(269,169)
<b>Balance at 30 June</b>	2,213,730	2,527,250
<b>TOTAL INTANGIBLE ASSETS</b>	2,213,730	2,527,250

**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.

Information on useful life, amortisation rates and amortisation methods can be found in Note 10.

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
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**14. TRADE AND OTHER PAYABLES**

**Current**

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

	2023	2022
	\$	\$
	23,745	56,536
	2,552,364	2,413,954
	454,959	351,106
	86,714	0
	3,185,128	2,507,825
	25,905	20,577
	2,567,325	2,250,878
	8,896,140	7,600,876

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

**Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the 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 income for the prepaid rates that have not been refunded.

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
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**15. OTHER LIABILITIES**

	2023	2022
	\$	\$
<b>Current</b>		
Contract liabilities	235,457	364,050
Capital grant/contributions liabilities	2,037,235	2,496,231
	2,272,692	2,860,281
<b>Non-current</b>		
Capital grant/contributions liabilities	3,045,000	6,200,000
	3,045,000	6,200,000
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	364,050	112,607
Additions	592,528	364,050
Revenue from contracts with customers included as a contract liability at the start of the period	(721,121)	(112,607)
	235,457	364,050
<b>Reconciliation of changes in capital grant/contribution liabilities</b>		
Opening balance	8,696,231	2,549,150
Additions	(6,110,227)	3,597,931
Revenue from capital grant/contributions held as a liability at the start of the period	2,496,231	2,549,150
	5,082,235	8,696,231
<b>Expected satisfaction of capital grant/contribution liabilities</b>		
Less than 1 year	2,037,235	3,149,231
1 to 2 years	3,045,000	3,666,500
2 to 3 years	0	1,880,500
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	5,082,235	8,696,231

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

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 by the Shire which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 26(i)) due to the unobservable inputs, including own credit risk.

**SHIRE OF SERPENTINE-JARRAHDALE  
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**16. BORROWINGS**

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Long Term Borrowings		820,455	3,200,451	4,020,906	1,253,756	4,020,904	5,274,660
<b>Total secured borrowings</b>	30(a)	820,455	3,200,451	4,020,906	1,253,756	4,020,904	5,274,660

**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**

The Shire has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

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 26(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 30(a).

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**17. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	2023	2022
	\$	\$
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	1,563,089	1,621,427
Long service leave	653,247	667,852
Other employee leave provisions	60,178	64,293
<b>Total current employee related provisions</b>	<b>2,276,514</b>	<b>2,353,572</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	859,315	828,838
Other employee provisions	0	3,090
<b>Total non-current employee related provisions</b>	<b>859,315</b>	<b>831,928</b>
<b>Total employee related provisions</b>	<b>3,135,829</b>	<b>3,185,500</b>

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:

	Note	2023	2022
		\$	\$
<b>Amounts are expected to be settled on the following basis:</b>			
Less than 12 months after the reporting date		2,316,165	2,687,345
More than 12 months from reporting date		819,664	498,155
		<b>3,135,829</b>	<b>3,185,500</b>

Timing of the payment of current leave liabilities is difficult to determine as it is depended on future decision of employees.

Expected settlement timing are based on information obtained from employees and historical leave trends and assume no events will occur to impact on these historical trends

**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.

SHIRE OF SERPENTINE-JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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18. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation	2022 Closing Balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	5,309,633	0	5,309,633	4,621,214	688,419	5,309,633
Revaluation surplus - Buildings - non-specialised <sup>[1]</sup>	13,479,109	(630,000)	12,849,109	11,174,017	2,305,092	13,479,109
Revaluation surplus - Furniture and equipment	45,243	0	45,243	45,243	0	45,243
Revaluation surplus - Plant and equipment	17,648	0	17,648	17,648	0	17,648
Revaluation surplus - Computer equipment	6,246	0	6,246	6,246	0	6,246
Revaluation surplus - Infrastructure - Roads	176,540,880	(19,692,830)	156,848,050	176,540,880	0	176,540,880
Revaluation surplus - Infrastructure - Footpaths	16,746,136	3,965,595	20,711,731	16,746,136	0	16,746,136
Revaluation surplus - Infrastructure - Drainage	67,928,039	39,689,705	107,617,744	67,928,039	0	67,928,039
Revaluation surplus - Infrastructure - Parks & Ovals	27,426,986	(13,332,172)	14,094,814	27,426,986	0	27,426,986
	307,499,920	10,000,298	317,500,218	304,506,409	2,993,511	307,499,920

[1] A land and building was incorrectly included within Property Plant and Equipment as part of the revaluation last year (as well as in investment properties, refer to Note 12). As this error was assessed to be not material, the correction in the current year has been accounted for prospectively through the revaluation surplus, refer to the Statement of Change in Equity.

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2023**

**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	2023 Actual \$	2022 Actual \$
Cash and cash equivalents	3	9,136,290	5,412,029
<b>Restrictions</b>			
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	5,660,359	2,860,281
- Financial assets at amortised cost	4	16,849,692	18,007,972
		22,510,051	20,868,253
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	31	20,237,359	18,007,972
Contract liabilities	15	235,457	364,050
Capital grant liabilities	15	2,037,235	2,496,231
<b>Total restricted financial assets</b>		22,510,051	20,868,253
<b>(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities</b>			
Net result		19,237,704	21,602,621
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(4,114)	0
Adjustments to fair value of investment property		17,182	0
Depreciation/amortisation		11,444,354	10,581,149
(Profit)/loss on sale of asset		92,365	(63,454)
Share of profits of associates		(32,476)	0
Assets received for substantially less than fair value		(10,235,961)	(14,616,379)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(1,053,600)	70,361
(Increase)/decrease in other assets		(758,937)	(5,778)
(Increase)/decrease in inventories		13,538	18,882
Increase/(decrease) in trade and other payables		1,295,263	1,362,639
Increase/(decrease) in employee related provisions		(49,671)	467,785
Increase/(decrease) in other liabilities		(3,742,589)	251,443
Increase/(decrease) in grant liabilities		0	6,147,081
Non-Cash Proceeds of Sale		0	(86,000)
Capital grants, subsidies and contributions		(8,873,379)	(17,128,673)
Net cash provided by/(used in) operating activities		7,349,679	8,601,677
<b>Loan facilities</b>			
Loan facilities - current		820,455	1,253,756
Loan facilities - non-current		3,200,451	4,020,904
<b>Total facilities in use at balance date</b>		4,020,906	5,274,660

SHIRE OF SERPENTINE-JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2023

19. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)

Note	2023 Actual \$	2022 Actual \$
<b>(c) Credit Standby Arrangements</b>		
Credit card limit	10,000	10,000
Credit card balance at balance date	(7,358)	(1,830)
<b>Total amount of credit unused</b>	<b>2,642</b>	<b>8,170</b>
<b>Loan facilities</b>		
Loan facilities - current	820,455	1,253,756
Loan facilities - non-current	3,200,451	4,020,904
<b>Total facilities in use at balance date</b>	<b>4,020,906</b>	<b>5,274,660</b>

**SHIRE OF SERPENTINE-JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**20. CONTINGENT LIABILITIES**

The Shire of Serpentine-Jarrahdale has not identified any contingent liabilities for the year ended 30 June 2023

**21. CAPITAL COMMITMENTS**

	2023	2022
	\$	\$
Contracted for:		
- capital expenditure projects	3,045,329	864,362
- plant & equipment purchases	1,137,447	257,470
	4,182,776	1,121,832
Payable:		
- not later than one year	4,182,776	1,121,832

SHIRE OF SERPENTINE-JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2023

22. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
<b>Elected member M Rich</b>			
President's annual allowance	47,045	47,045	47,045
President's meeting attendance fees	23,131	23,131	23,131
President's ICT expenses	3,500	3,500	3,500
President's travel and accommodation expenses	0	250	0
President's training expenses	0	1,500	0
	<b>73,676</b>	<b>75,426</b>	<b>73,676</b>
<b>Elected member D Atwell</b>			
Deputy President's annual allowance	11,761	11,761	11,761
Deputy President's meeting attendance fees	17,250	17,250	17,250
Deputy President's ICT expenses	3,500	3,500	3,500
Deputy President's travel and accommodation expenses	0	250	0
Deputy President's training expenses	0	1,500	0
	<b>32,511</b>	<b>34,261</b>	<b>32,511</b>
<b>Elected member M Dagositno</b>			
Meeting attendance fees	17,250	17,250	17,250
ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,500	0
	<b>20,750</b>	<b>22,500</b>	<b>20,750</b>
<b>Elected member C McConkey</b>			
Meeting attendance fees	0	0	5,069
ICT expenses	0	0	1,028
Travel and accommodation expenses	0	0	0
Training	0	0	0
	<b>0</b>	<b>0</b>	<b>6,097</b>
<b>Elected member M Byas</b>			
Meeting attendance fees	17,250	17,250	17,250
ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,500	0
	<b>20,750</b>	<b>22,500</b>	<b>20,750</b>
<b>Elected member D Strautins</b>			
Meeting attendance fees	17,250	17,250	17,250
ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,500	0
	<b>20,750</b>	<b>22,500</b>	<b>20,750</b>
<b>Elected member L Strange</b>			
Meeting attendance fees	17,250	17,250	17,250
ICT expenses	3,500	3,500	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,500	0
	<b>20,750</b>	<b>22,500</b>	<b>20,750</b>
<b>Elected member R Coales</b>			
Meeting attendance fees	10,492	15,237	14,865
ICT expenses	2,154	3,128	3,500
Travel and accommodation expenses	0	250	0
Training	0	1,500	0
	<b>12,646</b>	<b>20,115</b>	<b>18,365</b>
<b>Elected member W Denholm</b>			
Meeting attendance fees	0	0	5,069
ICT expenses	0	0	1,028
Travel and accommodation expenses	0	0	0
Training	0	0	0
	<b>0</b>	<b>0</b>	<b>6,097</b>

**SHIRE OF SERPENTINE-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	Note	2023 Actual	2023 Budget	2022 Actual
<b>Elected member G Singh</b>				
Meeting attendance fees		0	0	12,209
ICT expenses		0	0	2,477
Travel and accommodation expenses		0	0	0
Training		0	0	0
		0	0	14,686
<b>Elected member T Duggin</b>				
Meeting attendance fees		17,250	17,250	12,209
ICT expenses		3,500	3,500	2,477
Travel and accommodation expenses		0	250	0
Training		0	1,500	0
		20,750	22,500	14,686
<b>Elected member S Mack</b>				
Meeting attendance fees		11,878	17,250	0
ICT expenses		2,410	3,500	0
Travel and accommodation expenses		0	250	0
Training		0	1,500	0
		14,288	22,500	0
	22(b)	236,871	264,802	249,118

**(b) Key Management Personnel (KMP) Compensation**

	Note	2023 Actual \$	2022 Actual \$
The total of compensation paid to KMP of the Shire during the year are as follows:			
Short-term employee benefits		1,212,582	1,114,951
Post-employment benefits		112,871	133,779
Employee - other long-term benefits		12,117	25,313
Council member costs	22(a)	236,871	249,118
		1,574,441	1,523,161

*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 2023**

**22. RELATED PARTY TRANSACTIONS**

**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:

	2023 Actual \$	2022 Actual \$
Sale of goods and services	0	1,978

**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 and are detailed in Notes 22(a) and 22(b)

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

The shire has an interest in the Rivers Regional Council which is accounted for in these financial statements for the first time using the equity method.

For the details of interest held in associates refer to Note 23

The Shire's interest in Rivers Regional Council is based on the tonnes of waste delivered during the previous financial year.

The percentage interest for year on year tonnage contributions (from the Cities of Armadale, Gosnells, Mandurah, South Perth and Shires of Serpentine Jarrahdale and Murray) was 9%, representing an interest of \$32,476. The total contribution paid to Rivers Regional Council during the year was \$25,231.

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**23. INVESTMENT IN ASSOCIATES**

**(a) Investment in associates**

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

Name of entity	% of ownership interest		2023	2022
	2023	2022	Actual	Actual
<b>Rivers Regional Council</b>	<b>9.00%</b>	<b>9.00%</b>	\$	\$
Initial recognition of investment (9% Share of net equity of \$360,843)			32,476	0
Adjustment for current period			0	0
Balance as at 30 June 2023 (9% of net equity of \$360,843)			32,476	0

The Shire is accounting for its interest in Rivers Regional Council using the equity method for the first time in 2022-2023 and has bought in the initial recognition of investment as at 30th June 2023.

**SIGNIFICANT ACCOUNTING POLICIES**

**Investments in associates**

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

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

**SHIRE OF SERPENTINE-JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**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.

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

The 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 department under policies approved by the council. The finance department 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.

	<b>Weighted Average Interest Rate</b>	<b>Carrying Amounts</b>	<b>Fixed Interest Rate</b>	<b>Variable Interest Rate</b>	<b>Non Interest Bearing</b>
	<b>%</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>2023</b>					
Cash and cash equivalents	1.99%	9,136,290	0	9,136,290	0
Financial assets at amortised cost - term deposits	8.07%	30,850,739	30,850,739	0	0
<b>2022</b>					
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

**Sensitivity**

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

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit or loss and equity*	91,363	54,120

\* 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 30(a).

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**24. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Credit risk**

***Trade and Other Receivables***

The Shire's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire manages this risk by monitoring outstanding debt and employing debt recovery policies.

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 and other receivables. To measure the expected credit losses, receivables from grants, contributions and reimbursements are separated from other trade receivables due to the difference in payment terms and security.

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2022 or 1 July 2023 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 users to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
<b>30 June 2023</b>					
Trade receivables					
Expected credit loss	0.04%	0.09%	0.09%	0.09%	
Gross carrying amount	672,170	2,010	4,101	124,935	803,216
Loss allowance	28,580	175	357	10,888	40,000
<b>30 June 2022</b>					
Trade 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
Loss allowance	8,418	5,869	5,953	19,760	40,000

SHIRE OF SERPENTINE-JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2023

24. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

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

	Trade receivables	
	2023 Actual	2022 Actual
	\$	\$
Opening loss allowance as at 1 July	40,000	40,000
Closing loss allowance at 30 June	40,000	40,000

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

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

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**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
	\$	\$	\$	\$	\$
<b>2023</b>					
Trade and other payables	8,896,140	0	0	8,896,140	8,896,136
Borrowings	820,455	3,200,451	0	4,020,906	3,826,858
Lease liabilities	44,097	48,191	0	92,288	92,289
	9,760,692	3,248,642	0	13,009,334	12,815,283
<b>2022</b>					
Trade and other payables	7,600,876	0	0	7,600,876	7,600,876
Borrowings	1,176,960	4,027,638	324,921	5,529,519	5,274,660
Lease liabilities	35,295	30,557	0	65,852	59,460
	8,813,131	4,058,195	324,921	13,196,247	12,934,996

**SHIRE OF SERPENTINE-JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**25. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD**

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

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**26. 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 report is presented.

**e) Budget comparative figures**

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

**f) Superannuation**

The 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 revenue**

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

**i) Fair value hierarchy**

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

**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 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.

**SHIRE OF SERPENTINE-JARRAHDALE  
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**27. FUNCTION AND ACTIVITY**

**(a) Service objectives and descriptions**

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

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

SHIRE OF SERPENTINE-JARRAHDAL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023

27. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2023 Actual	2022 Actual
	\$	\$
<b>Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
Governance	0	1,055
General purpose funding	29,500,664	26,134,929
Law, order, public safety	326,228	286,382
Health	250,421	239,668
Education and welfare	238	0
Community amenities	6,774,357	5,925,614
Recreation and culture	275,925	298,911
Transport	255,323	274,476
Economic services	834,797	954,116
Other property and services	137,439	80,014
	<b>38,355,392</b>	<b>34,195,165</b>
<b>Grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
General purpose funding	3,688,996	3,319,668
Law, order, public safety	677,010	568,994
Health	0	11,364
Education and welfare	90,403	105,048
Community amenities	10,335,575	6,675,346
Recreation and culture	3,345,401	10,165,861
Transport	9,594,806	9,110,040
Economic services	53,353	4,136
Other property and services	0	0
	<b>27,785,544</b>	<b>29,960,457</b>
<b>Total Income</b>	<b>66,140,936</b>	<b>64,155,622</b>
<b>Expenses</b>		
Governance	(1,247,569)	(1,511,450)
General purpose funding	(1,197,772)	(867,996)
Law, order, public safety	(3,657,203)	(3,784,332)
Health	(975,518)	(951,285)
Education and welfare	(451,512)	(420,526)
Community amenities	(12,054,506)	(11,278,259)
Recreation and culture	(10,101,323)	(8,994,490)
Transport	(13,140,821)	(12,223,723)
Economic services	(2,127,437)	(1,848,840)
Other property and services	(1,949,571)	(672,100)
<b>Total expenses</b>	<b>(46,903,232)</b>	<b>(42,553,001)</b>
<b>Net result for the period</b>	<b>19,237,704</b>	<b>21,602,621</b>
<b>(c) Total Assets</b>		
Governance	7,142,946	5,111,441
General purpose funding	46,487,593	45,458,862
Law, order, public safety	2,768,865	3,705,548
Health	747,000	523,188
Community amenities	628,154	617,269
Recreation and culture	47,762,924	65,122,747
Transport	420,527,014	376,296,792
Economic services	650,049	649,950
Other property and services	2,066,594	6,220,395
Unallocated	1,083,558	638,425
	<b>529,864,697</b>	<b>504,344,617</b>



SHIRE OF SERPENTINE-JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2023

29. DETERMINATION OF SURPLUS OR DEFICIT

Note	2022/23			
	2022/23 (30 June 2023 Carried Forward)	Budget (30 June 2023 Carried Forward)	2022/23 (1 July 2022 Brought Forward)	2021/22 (30 June 2022 Carried Forward)
	\$	\$	\$	\$
<b>(a) Non-cash amounts excluded from operating activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	(18,052)	(101,097)	(63,454)	(63,454)
Less: Fair value adjustments to financial assets at fair value through profit or loss	(4,114)	0	0	0
Add: Loss on disposal of assets	110,417	24,512	0	0
Add: Depreciation	11,444,354	10,474,934	10,581,149	10,581,149
Investment property	17,182	0	0	0
Pensioner deferred rates	(32,340)	0	(23,513)	(23,513)
Employee benefit provisions	27,387	0	112,965	112,965
<b>Non-cash amounts excluded from operating activities</b>	<b>11,512,358</b>	<b>10,398,349</b>	<b>10,607,147</b>	<b>10,607,147</b>
<b>(b) Non-cash amounts excluded from investing activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to investing activities</b>				
Property, plant and equipment received for substantially less than fair value	8(a) (117,685)	0	464,451	464,451
Infrastructure received for substantially less than fair value	9(a) 10,118,276	0	14,151,928	14,151,928
Non cash Capital grants, subsidies and contributions	(10,000,591)	0	(14,616,379)	(14,616,379)
Non Cash Proceeds of Sale of Asset	0	0	86,000	86,000
<b>Non-cash amounts excluded from investing activities</b>	<b>0</b>	<b>0</b>	<b>86,000</b>	<b>86,000</b>
<b>(c) Surplus or deficit after imposition of general rates</b>				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
<b>Adjustments to net current assets</b>				
Less: Reserve accounts	31 (20,237,359)	(12,252,786)	(18,007,972)	(18,007,972)
Less: Current assets not expected to be received at end of year				
- Unspent Grants held in non-current liabilities	(3,045,000)	242,956	(6,200,000)	(6,200,000)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	16 820,455	6,000,000	1,253,756	1,253,756
- Current portion of lease liabilities	11(b) 44,097	31,856	31,856	31,856
<b>Total adjustments to net current assets</b>	<b>(22,417,807)</b>	<b>(5,977,974)</b>	<b>(22,922,360)</b>	<b>(22,922,360)</b>
<b>Net current assets used in the Statement of Financial Activity</b>				
Total current assets	44,741,606	17,393,292	43,418,594	43,418,594
Less: Total current liabilities	(14,309,898)	(11,424,812)	(14,100,341)	(14,100,341)
Less: Total adjustments to net current assets	(22,417,807)	(5,977,974)	(22,922,360)	(22,922,360)
<b>Surplus or deficit after imposition of general rates</b>	<b>8,013,901</b>	<b>(9,494)</b>	<b>6,395,892</b>	<b>6,395,892</b>

SHIRE OF SERPENTINE-JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30 JUNE 2023

30. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual						Budget					
		New Loans		Principal		Principal		New Loans		Principal		Principal	
		During 2021-22	During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	Repayments During 2022-23	Principal at 30 June 2023	During 2022-23	During 2022-23	Repayments During 2022-23	Principal at 30 June 2023	During 2022-23	Principal at 30 June 2023
Council Chamber Refurbishment		\$ 273,227	\$ (133,668)	\$ 0	\$ 139,559	\$ 0	\$ 139,559	\$ 0	\$ 0	\$ (139,559)	\$ 0	\$ 0	
Abernethy Road		2,023,307	(262,257)	0	1,761,050	0	(270,716)	0	0	(270,716)	1,490,334	1,450,335	
Webb Road		1,230,217	(304,073)	0	926,144	0	(306,382)	0	0	(306,382)	519,762	519,761	
Briggs Park Upgrade		1,117,404	(109,927)	0	1,007,477	0	(221,052)	0	0	(221,052)	786,425	786,426	
Abernethy Road		1,597,596	(157,166)	0	1,440,430	0	(316,045)	0	0	(316,045)	1,124,385	1,124,383	
Civic Centre Upgrade		0	0	0	0	0	0	0	0	0	0	0	
<b>Total</b>		<b>6,241,751</b>	<b>(967,091)</b>	<b>0</b>	<b>5,274,660</b>	<b>0</b>	<b>(1,253,754)</b>	<b>0</b>	<b>6,000,000</b>	<b>(1,253,756)</b>	<b>4,020,906</b>	<b>10,020,905</b>	
<b>Total Borrowings</b>	16	<b>6,241,751</b>	<b>(967,091)</b>	<b>0</b>	<b>5,274,660</b>	<b>0</b>	<b>(1,253,754)</b>	<b>0</b>	<b>5,000,000</b>	<b>(1,253,756)</b>	<b>10,020,905</b>	<b>10,020,905</b>	

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
Council Chamber Refurbishment		117	WATC*	4.36%	26/05/2023	\$ (7,622)	\$ (7,622)	\$ (11,413)
Briggs Park Upgrade		123	WATC*	0.73%	24/09/2025	(6,917)	(6,917)	(7,728)
Abernethy Road		121	WATC*	3.20%	17/05/2028	(54,205)	(54,205)	(69,122)
Webb Road		122	WATC*	0.76%	30/05/2025	(7,031)	(7,031)	(13,599)
Abernethy Road		124	WATC*	0.73%	24/09/2025	(7,589)	(9,889)	(11,049)
Civic Centre Upgrade		LTI	WATC*	3.00%	TBA	0	(1,192,000)	0
<b>Total</b>						<b>(83,354)</b>	<b>(1,277,664)</b>	<b>(112,911)</b>
<b>Total Finance Cost Payments</b>						<b>(83,354)</b>	<b>(1,277,664)</b>	<b>(112,911)</b>

\* 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-JARRAHDAL  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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30. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual				Budget						
		New Leases		Principal		New Leases		Principal				
		Principal at 1 July 2021	During 2021-22	Repayments During 2021-22	Principal at 30 June 2022	Principal at 1 July 2022	During 2022-23	Repayments During 2022-23	Principal at 30 June 2023			
Photocopiers - Admin		\$ 26,765	\$ 0	\$ (22,941)	\$ 3,824	\$ 13,382	\$ (17,206)	\$ 0	\$ 3,824	\$ 0	\$ (3,824)	\$ 0
Photocopiers - Emerg. Services		20,296	0	(9,020)	11,276	0	(9,020)	2,256	11,276	0	(9,020)	2,256
Ford Ranger - CESM		61,788	0	(17,428)	44,360	0	(19,012)	25,348	42,776	0	(19,012)	23,764
Gymnasium Equip (2)		12,875	0	(12,875)	0	0	0	0	0	0	0	0
Patching Truck		11,657	0	(11,657)	0	0	0	0	0	0	0	0
Scania Tip Truck with Crane		49,057	0	(49,057)	0	12,264	(12,264)	0	0	0	0	0
Photocopiers		0	0	0	0	68,489	(3,805)	64,684	0	0	0	0
<b>Total Lease Liabilities</b>	11(b)	182,438	0	(122,978)	59,460	94,135	(61,307)	92,288	57,876	0	(31,856)	26,020

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term - (Months)
Photocopiers - Admin		IW85510127001	Canon	2.10%	31/03/202	\$ (585)	\$ (130)	\$ (783)	60
Photocopiers - Emerg. Services		IW85510204001	Canon	2.10%	30/09/2023	(508)	(508)	(508)	60
Ford Ranger - CESM		FMOLT_Q21451	Fleetcare	2.00%	30/09/2024	(846)	(846)	(846)	48
Gymnasium Equip (1)		E6N0158736	MAIA	2.00%	N/A	0	0	(64)	60
Patching Truck		E6R01E2595	MAIA	2.00%	N/A	0	0	(96)	24
Scania Tip Truck with Crane		E6R01E2897	MAIA	2.00%	31/07/2022	(286)	0	(1,143)	24
Photocopiers		L35751	Fuji	2.00%	30/04/2026	(78)	0	0	0
<b>Total Finance Cost Payments</b>						<b>(2,303)</b>	<b>(1,484)</b>	<b>(3,440)</b>	

**SHIRE OF SERPENTINE-JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**31. RESERVE ACCOUNTS**

	2023 Actual		2023 Budget		2023 Budget		2023 Budget		2022 Actual		2022 Actual		2022 Actual	
	Opening Balance	Transfer to	Actual	Transfer (from)	Opening Balance	Transfer to	Transfer (from)	Closing Balance	Opening Balance	Transfer to	Transfer (from)	Opening Balance	Transfer to	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Administration Building	1,337,664	15,259	1,352,923	(709,460)	643,463	6,958	(1,350,500)	2,509	1,596,355	2,961	(261,652)	1,337,664		1,337,664
(b) Briggs Park	95,529	1,323	96,852	0	96,852	563	0	96,545	95,337	192	0	95,529		95,529
(c) Buildings Asset Management	1,078,994	31,467	1,110,461	(221,960)	888,501	5,933	(899,923)	223,360	1,216,366	2,308	(139,680)	1,078,994		1,078,994
(d) Byford BMX Track	203,547	2,819	206,366	0	206,366	665	0	114,034	270,961	332	(67,746)	203,547		203,547
(e) Byford Developer Contribution Fund	4,404,203	1,471,464	5,875,667	(1,557,020)	4,318,647	17,431	(138,117)	2,862,960	4,554,140	2,594,593	(2,744,530)	4,404,203		4,404,203
(f) Car Parking	91,309	10,113	101,422	0	101,422	538	0	92,281	91,125	184	0	91,309		91,309
(g) Community Facilities	150,832	1,842	152,674	0	152,674	785	(150,000)	2,309	528	150,304	0	150,832		150,832
(h) Community Grants	211,642	97,445	309,087	(91,733)	217,354	94,306	(226,155)	54,458	158,020	90,465	(36,843)	211,642		211,642
(i) Community Infrastructure	3,059,478	1,119,091	4,178,569	(220,787)	3,957,782	550,904	(346,446)	3,102,936	1,598,320	1,854,068	(392,910)	3,059,478		3,059,478
(j) Drainage Asset Management	161,622	2,238	163,860	0	163,860	952	0	163,328	161,297	325	0	161,622		161,622
(k) Emergency Management	240,206	3,327	243,533	0	243,533	1,415	0	242,533	239,723	483	0	240,206		240,206
(l) Fire Asset Management	6,647	251,557	258,204	0	258,204	1,439	0	8,123	6,634	13	0	6,647		6,647
(m) Footpaths Asset Management	243,494	92	243,586	0	243,586	38	0	244,644	243,004	490	0	243,494		243,494
(n) Investment	684,874	9,624	694,498	0	694,498	4,101	0	702,253	693,476	1,398	0	684,874		684,874
(o) Jarrahdale Communications Tower	264,736	10,003	274,739	(22,354)	252,385	46,283	(21,971)	287,060	214,787	70,201	(20,252)	264,736		264,736
(p) Light Fleet & Plant Acquisition	52,312	725	53,037	0	53,037	312	0	52,871	52,207	105	0	52,312		52,312
(q) Jarrahdale Community Infrastructure	1,305,573	818,922	2,124,495	(807,421)	1,317,074	807,183	(1,748,200)	375,330	944,045	976,846	(615,318)	1,305,573		1,305,573
(r) Local Government Election	1,073	83,010	84,083	0	84,083	42,280	0	43,486	45,045	41,028	(85,000)	1,073		1,073
(s) Miscellaneous Developer Contribution	550,980	7,631	558,611	0	558,611	3,253	0	556,754	549,871	1,109	0	550,980		550,980
(t) Multi Use Trails	18,586	257	18,843	0	18,843	112	0	18,784	18,549	37	0	18,586		18,586
(u) Mundijong Whitty Shire Contribution	209,011	2,895	211,906	(54,203)	157,703	1,204	(46,335)	164,889	208,590	421	0	209,011		209,011
(v) Parks & Gardens Asset Management	154,874	2,145	157,019	0	157,019	914	0	156,528	154,562	312	0	154,874		154,874
(w) Public Art	119,351	143,218	262,569	0	262,569	5,681	(35,000)	90,323	119,124	240	(13)	119,351		119,351
(x) Rates Revaluation	53,126	25,484	78,610	(75,000)	3,610	25,340	(75,000)	3,711	29,019	24,107	0	53,126		53,126
(y) Renewable Energy	34,683	480	35,163	0	35,163	201	0	35,046	34,613	70	0	34,683		34,683
(z) Road and Bridge Asset Management	310,289	1,015,379	1,325,668	(144,009)	1,181,659	605,349	0	915,691	150,009	983,789	(823,509)	310,289		310,289
(aa) Serpentine Jarrahdale Locality Funding	28,659	397	29,056	0	29,056	174	0	28,970	28,601	58	0	28,659		28,659
(bb) Serpentine Jarrahdale Sporting Precinct	328,417	4,548	332,965	0	332,965	1,940	0	331,921	327,756	661	0	328,417		328,417
(cc) Tourism	13,038	181	13,219	0	13,219	75	0	13,173	13,012	26	0	13,038		13,038

**SHIRE OF SERPENTINE-JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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**31. RESERVE ACCOUNTS (Continued)**

	2023		2023		2023		2023		2023		2023		2023		2022		2022	
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
	Opening	Transfer to	Transfer (from)	Closing	Opening	Transfer to	Transfer (from)	Closing	Opening	Transfer to	Opening	Transfer to	Transfer (from)	Closing	Opening	Transfer to	Transfer (from)	Closing
	Balance			Balance	Balance			Balance	Balance		Balance			Balance	Balance			Balance
(dd) Unspent Grants & Contributions	38	0	0	38	0	0	0	0	0	0	38	0	0	38	0	0	0	38
(ee) Waste	1,648,369	134,311	(66,410)	1,716,270	1,713,701	9,684	(540,000)	1,183,385	1,747,367	3,443	1,747,367	3,443	(102,441)	1,648,369	1,747,367	3,443	(102,441)	1,648,369
(ff) W. Mundijong Industrial DCP	983	851,200	(132,580)	719,603	68,768	368	(46,335)	22,801	149,383	36,600	149,383	36,600	(185,000)	983	149,383	36,600	(185,000)	983
(gg) Oakford Fire Station	343,443	4,180	(45,000)	302,623	101,479	568	(45,000)	57,047	50,000	300,643	50,000	300,643	(7,200)	343,443	50,000	300,643	(7,200)	343,443
(hh) ICT Reserve	530,878	783,873	(530,000)	784,751	530,000	2,743	(530,000)	2,743	0	530,878	0	530,878	0	530,878	0	530,878	0	530,878
(ii) Public Open Space	59,512	824	0	60,336	0	0	0	0	0	59,512	0	59,512	0	59,512	0	59,512	0	59,512
	18,007,972	6,907,324	(4,677,937)	20,237,359	16,202,105	2,249,662	(6,198,982)	12,252,786	15,761,864	7,728,202	15,761,864	7,728,202	(5,482,094)	18,007,972	15,761,864	7,728,202	(5,482,094)	18,007,972

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts. In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside and their anticipated date of use are as follows:

**SHIRE OF SERPENTINE-JARRAHDALE  
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Name of reserve account	Purpose of the reserve account
(a) Restricted by legislation/agreement	
(b) Administration Building	To provide for the employee accommodation requirements.
(c) Biggs Park	To provide for the future Biggs Park development.
(d) Buildings Asset Management	To provide funds for the upgrade, renewal, replacement and creation of new Shire facilities.
(e) Byford BMX Track	To provide for the future Byford BMX track.
(f) Byford Developer Contribution Fund	To provide for future community infrastructure funded from the Byford Developer Contribution Plan.
(g) Car Parking	To provide for future public car parking infrastructure funded from Developer contributions for cash-in-lieu of car parking.
(h) Community Facilities	This reserve is for the establishment of additional facilities in the community.
(i) Community Grants	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	To provide for future community infrastructure, matching funds from the Community Infrastructure Developer Contribution Plan.
(k) Drainage Asset Management	To provide funds for the upgrade, renewal, replacement and creation of new Shire drainage.
(l) Emergency Management	To provide for unanticipated significant emergency services events or plant repairs.
(m) Fire Asset Management	To provide for the future additions and maintenance required for fire fighting assets and mitigation strategies.
(n) Footpaths Asset Management	To provide funds for the upgrade, renewal, replacement and creation of new Shire footpaths.
(o) Investment	To support economic, subdivision and tourism development opportunities for the Shire.
(p) Jarrahdale Communications Tower	To provide for the upgrades and maintenance of the tower when required.
(q) Jarrahdale Community Infrastructure	To provide funds for the upgrade, renewal or replacement of community assets in the Jarrahdale locality.
(r) Light Fleet & Plant Acquisition	To provide for new and renewal of Light Fleet, Plant and Equipment as required under the replacement and acquisition program.
(s) Local Government Election	To provide for Bi-Annual, and other interim local government election expenses.
(t) Miscellaneous Developer Contribution	To be used to fund capital works and administration as per each agreement.
(u) Multi Use Trails	To allow for the construction of Multi Use Trails.
(v) Mundijong Whitty Shire Contribution	To provide towards the future contribution requirements of the Mundijong Whitty Community Development Contribution Scheme.
(w) Parks & Gardens Asset Management	To provide funds for the upgrade, renewal, replacement and creation of new Shire parks, gardens and natural reserves.
(x) Public Art	To provide for public art development and creation.
(y) Rates Revaluation	To provide for the tri-ennial Gross Rental Valuation (GRV).
(z) Renewable Energy	This reserve is to allow Council to undertake renewable energy projects.
(aa) Road and Bridge Asset Management	To provide funds for the upgrade, renewal, replacement and creation of new Shire road and bridge infrastructure.
(ab) Serpentine Jarrahdale Locality Funding	Council initiated townscape related projects in the Serpentine Jarrahdale Shire.
(ac) Serpentine Jarrahdale Sporting Precinct	To provide funds for the Serpentine Jarrahdale Regional Sporting Precinct when grant applications require contribution funding.
(ad) Tourism	To fund the implementation of the tourism strategy and development of tourism throughout the district and region.
(ae) Unspent Grants & Contributions	To restrict unspent grants & contributions
(af) Waste	To provide for waste management requirements and future waste infrastructure.
(ag) W. Mundijong Industrial DCP	To provide for future community infrastructure funded from the West Mundijong Developer Contribution Plan.
(ah) Oakford Fire Station	To provide funding the construction of the new Oakford Fire Station.
(ai) ICT Reserve	To provide for the Shire's ICT requirements
(aj) Public Open Space	To provide for future public open space funded from Developer contributions for cash-in-lieu of public open space.

**SHIRE OF SERPENTINE-JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2023**

**32. 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:

	<b>1 July 2022</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2023</b>
	\$	\$	\$	\$
Cash in Lieu of Public Open Space	304,222	0	0	304,222
	304,222	0	0	304,222



## Auditor General

### INDEPENDENT AUDITOR'S REPORT 2023 Shire of Serpentine Jarrahdale

To the Council 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 as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity 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 2023 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, the 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 2023, 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 (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the 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](https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf).

## **My independence and quality management 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 ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management 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 2023 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  
22 November 2023







Shire of  
Serpentine  
Jarrahdale

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This document is available in alternate  
format on request by phoning 9526 1111

