



# Annual Report

2023-2024

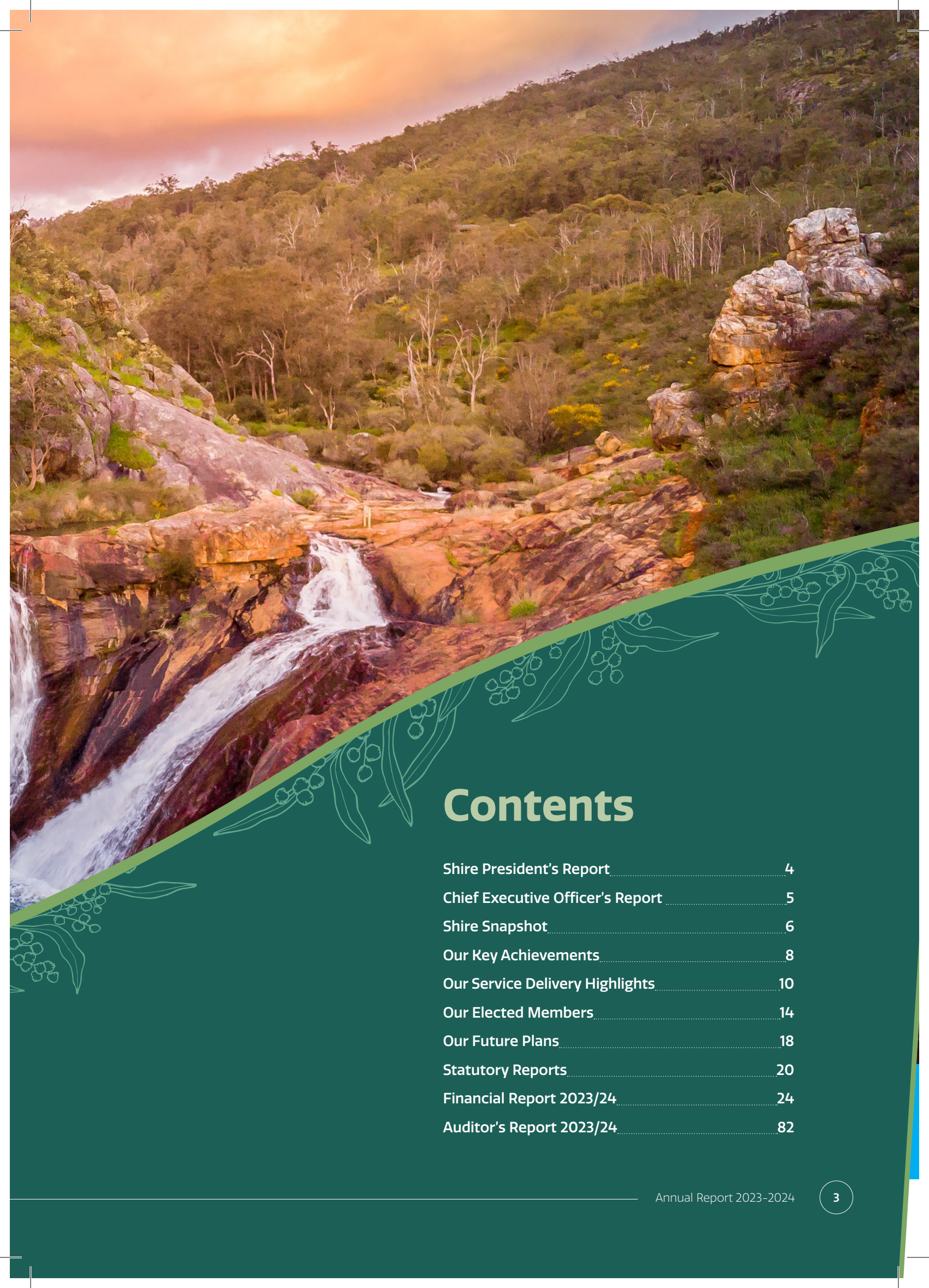


Shire of  
Serpentine  
Jarrahdale



## **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.



# Contents

Shire President's Report .....	4
Chief Executive Officer's Report .....	5
Shire Snapshot .....	6
Our Key Achievements .....	8
Our Service Delivery Highlights .....	10
Our Elected Members .....	14
Our Future Plans .....	18
Statutory Reports .....	20
Financial Report 2023/24 .....	24
Auditor's Report 2023/24 .....	82

# Shire President's report

**The Shire of Serpentine Jarrahdale is pleased to present the Annual Report for the 2023/24 financial year, reflecting significant achievements across community development, advocacy, and infrastructure planning. These accomplishments underscore our unwavering commitment to fostering a thriving, liveable, and connected community.**

## **Key Highlights of 2023/24**

One of the year's most notable milestones was the adoption of the Council Plan 2023–2033. This comprehensive 10-year strategy outlines a clear vision and priorities for the Shire's growth, ensuring we meet the needs of our rapidly expanding population while planning for sustainable development.

During the latter half of the financial year, we intensified advocacy efforts to secure vital infrastructure and resources in the lead-up to the 2025 State and Federal elections. This included high-level discussions with key government leaders and strategic collaboration with the City of Rockingham on critical road repairs, such as Mundijong Road. These initiatives are pivotal to supporting the Shire's growth with robust and future-ready infrastructure.

As one of the fastest-growing local government areas in Australia, the Shire prioritised managing growth to enhance residents' lifestyles and opportunities. A standout achievement was our focus on youth engagement. The second annual Career and Enterprise Expo, held in partnership with Byford Secondary College, and the launch of the Youth Skill Up program, exemplify our dedication to equipping young people with valuable skills and connections to potential employers.

## **Community Events and Collaboration**

Our community events continued to foster unity and a sense of belonging. The SJ Christmas Street Festival and the Christmas Lights Competition brought joy and celebration to the Shire, showcasing the vibrant community spirit of our residents.

Advocating to the State Government Metronet Project, we achieved significant progress on the Byford Rail Extension, which will greatly enhance connectivity to Perth and set the foundation for the Byford Town Centre. The new train station is set to become a dynamic hub, supporting local businesses and creating a stronger sense of community. With an estimated 3,450 daily commuters, this transformative project will substantially improve residents' quality of life.

## **Environmental Sustainability Initiatives**

In alignment with our commitment to environmental sustainability, the Shire installed two new water drinking stations in local reserves to support and protect native wildlife, particularly the endangered black cockatoo. This initiative highlights our dedication to preserving the natural environment and fostering a thriving ecosystem.

## **Looking Ahead**

The progress achieved in the 2023/24 financial year is a testament to the Shire's commitment to its residents. As we continue to strive toward our shared vision of a welcoming and inclusive community, we remain dedicated to building on these achievements and working collaboratively with all stakeholders.

This report reflects our collective efforts and demonstrates the Shire's focus on creating a welcoming community where everyone feels at home.

**Rob Coales**  
Shire President



# Chief Executive Officer's report

**The 2023/24 financial year has been a period of substantial growth and transformation for the Shire of Serpentine Jarrahdale, marked by significant achievements and enhanced community engagement.**

## Key Performance Indicators and Achievements

The Shire successfully met three Key Performance Indicators outlined in its Corporate Business Plan. Notably, 83% of strategic operating projects scheduled for completion were delivered on time. Additionally, 92% of planned road projects were constructed within the year. This included vital upgrades to Gossage Road, Mundijong Road, Kingsbury Drive, and Jarrahdale Road, as well as rehabilitation works on Briggs and Nettleton Roads.

For the third consecutive year, the Shire maintained a Financial Health Indicator above 70, achieving a score of 73 in 2023/24. This performance was acknowledged by the Office of the Auditor General in its Local Government 2022–23 Financial Audit Results report, which recognised the Shire as a best-practice entity for the timeliness and quality of its financial reporting and controls.

## Advancements in Operational Efficiencies

The implementation of OneComm, a powerful information-sharing and operational efficiency platform, has progressed significantly. Operational crews have already adopted the system, resulting in faster response times for maintenance and repairs, including urgent issues such as fallen trees. These efficiencies are expected to grow as OneComm becomes fully integrated into daily operations.

The Shire's Volunteer Bushfire Brigades have also embraced OneComm to streamline the management of resources, time, and equipment. This integration allows for greater focus on training and lifesaving services, enhancing overall efficiency and responsiveness.

## Waste Management Initiatives

Following the closure of the Watkins Road Waste Transfer Station due to asbestos contamination, the Shire implemented a range of measures to mitigate the impact on residents. These included scheduled green waste collection services, a bookable hard waste verge collection service, and the provision of tip passes to the Armadale Landfill and Recycling Facility, ensuring residents could easily dispose of bulky waste.

## Planning for Growth in Mundijong

Mundijong remains a key planning priority, with three new residential estates under development. Over the next

30 years, these projects are expected to deliver nearly 20,000 new homes, addressing critical housing needs in Western Australia. The Shire continues to collaborate with developers and the State Government to ensure the necessary infrastructure is in place to support this growth.

## Service Enhancements and Infrastructure Upgrades

The Shire launched a new Customer Contact Centre this year, utilising a cloud-based system to improve resident engagement, address service gaps, and enhance communication efficiency.

Significant upgrades were also made to Shire offices, including new toilet and shower facilities, a modern kitchen, and a revamped lounge area. Improvements to the depot included a workshop extension, a shade canopy, a paved patio, and enhanced access to amenities. These enhancements aim to create a safer, more collaborative, and productive workplace.

To further enhance service delivery, the Shire introduced the position of Executive Manager Operations. This role oversees parks and gardens, facility maintenance, waste, and fleet services, while strengthening the capacity of the Infrastructure Directorate to deliver major capital works programs.

## Acknowledgments and Vision for the Future

The achievements of 2023/24 reflect the dedication of the Council, staff, and the community. These collective efforts have allowed the Shire to achieve significant milestones and lay a strong foundation for continued progress.

Together, we are shaping a future for the Shire that is thriving, liveable, and connected

**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:

**1102 ha**



Number of reserves  
and public open  
spaces we manage:  
**241**

Shire of Serpentine  
Jarrahdale gazetted:  
**July 1961**



## Our Community



Estimated residential  
population:  
**38,389\***

Median  
age:  
**33**



Number of  
households:  
**12,476\***



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



**33,046**  
customer requests  
completed



**99%** of customer  
complaints are resolved  
within 14 days

## Our Assets



Number of Shire facilities:

**120**



Total length of roads:

**813 km**



Total length of sealed roads:

**661 km**



Total length of unsealed roads:

**150 km**

## Our Finances 2023/24



Total capital works value:

**\$37,396,800**

Total operating revenue:

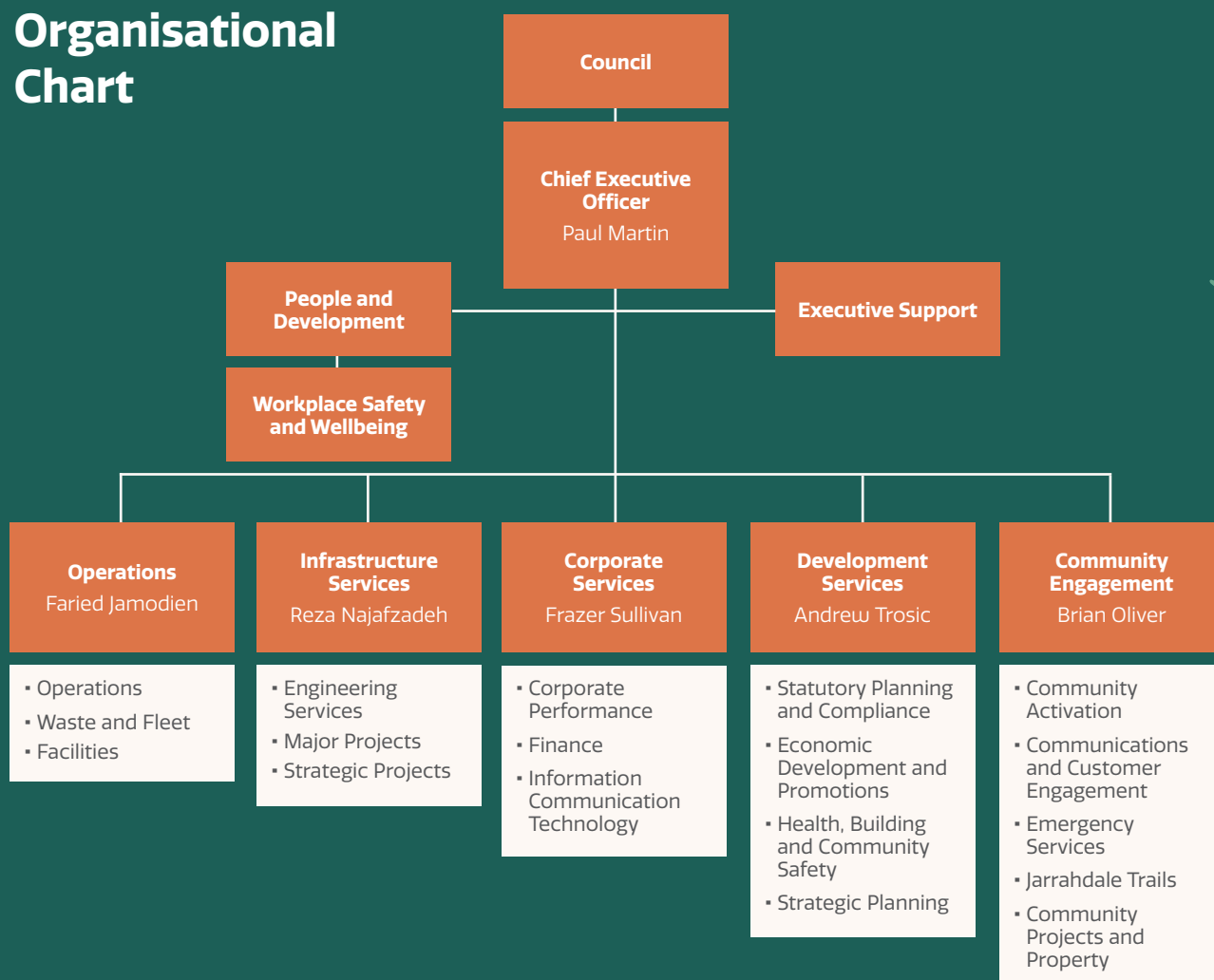
**\$47,333,535**



Total non-operating revenue:

**\$21,287,414**

## Organisational Chart



# Our Key Achievements



## Road upgrades including Hypergrowth Roads Program

The Shire has prioritised road safety and infrastructure improvements as part of its network upgrade initiatives and the Hypergrowth Roads Program. With \$3.7 million in State and Federal grants, we have made significant progress across multiple key locations. As part of the Hypergrowth Roads Program, two key roundabouts were upgraded at the intersections of Soldiers Road with Cardup Siding Road and Soldiers Road and Keirnan Street. These upgrades aim to enhance road user safety, improve traffic flow, and elevate the aesthetics of our growing community.



## Community Events, Workshops and Programs

The Shire's annual community events calendar featured a range of exciting activities, including the expanded school holiday and after-school drop-in programs and a special celebration for Australian Citizenship Day. Seniors Week was a standout, with six local Shire and community-run events. The calendar also included partnered accessible events, Christmas Street Party, Food Truck Fiesta and the Christmas Lights Competition. Youth events such as Youth Fest and the Skill Up Program engaged younger residents, and the ever-popular Muddy Buddies event provided fun for all.



## Launch of new Council Plan 2023-2033

Following months of community engagement throughout 2023, the Shire proudly adopted its 10-year Council Plan in December. This plan, shaped by community input, outlines our mission and vision for the future. Three pillars – thriving, liveable, connected – will guide our actions over the next decade to help us achieve our vision of creating a welcoming community where everyone feels at home.



## Maintenance Schedules for Shire's green spaces

As part of the Green Spaces community conversation, we reached out to the SJ community to gather feedback on the Shire's performance in maintaining its green spaces. The feedback revealed several key themes, including concerns about general maintenance, the availability of public toilets, litter and rubbish, graffiti, and the need for more shade in public areas. These insights are helping guide improvements to ensure our green spaces meet community expectations. As a result, maintenance schedules for streetscapes have been included in our software system "OneComm", which helps manage our processes and operations.

## SJ Remembers – Inaugural Community History Awards

This year, our first ever SJ Remembers Community History Awards celebrated and preserved our rich heritage. The awards recognised community members' efforts to research and document local stories and memories of a bygone era through categories of Oral History, Written Memoir, and Photographic Memory.



## Customer Service Contact Centre

To advance our customer service capabilities, we implemented a new cloud-based Contact Centre platform. This platform provides real-time insights into key performance metrics, such as service levels, enabling us to continually improve our support. A new Knowledge Base provides a single source of truth for all staff, allowing quick access to relevant information, to resolve enquiries efficiently and often at the first point of contact. We've also upgraded our pre-recorded message menu, informing callers of our business hours and providing options for after-hours assistance. This has reduced non-urgent calls and lowered after-hours service costs.



## Jarrahdale Outdoor Hub

The Jarrahdale Outdoor Hub, a brand-new public open space, opened to the public this year. This transformation around Bruno Gianatti Hall creates an ideal spot for picnics and outdoor activities for families which includes new irrigated lawns and accessible pathways that enhance the play area. Led by the Jarrahdale Community Collective and funded by the Shire of Serpentine Jarrahdale, Alcoa, and the Department of Local Government, Sport and Cultural Industries, these upgrades provide a welcoming and versatile community space..

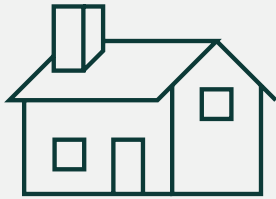
## Work on second major development front – Mundijong

Over the past year, Mundijong has entered an exciting new phase of growth, with three residential estates now underway. This major development front marks the beginning of a transformation that will see nearly 20,000 new homes added to the area over the next 30 years. Supported by the upcoming Tonkin Highway extension, expected by 2028, and the new rail station in Byford, Mundijong is on track to become a vibrant destination of choice, expanding its appeal alongside Byford.





# Our key service delivery outcomes for 2023/24



## Building and Planning

### Determined:

**1,262** building approvals at a value of \$214,682,401

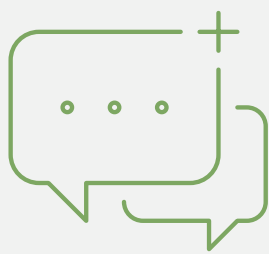
**478** new homes

**960** certified building applications in an average assessment time of 9 days

**226** uncertified building applications in an average assessment time of 23 days

### Completed:

**787** swimming pool barrier compliance inspections



## Communications and Customer Engagement

**4,346,707** users reached through social media

**325,486** website visits

**2,445** new social media followers

**85** design projects delivered

**45** media releases published

**55** videos produced



## Community Safety and Emergency Services

**130** cat registrations

**936** dog registrations

**89** dog infringements / cautions

**135** litter and building site waste infringements / cautions

**10** livestock infringements / cautions

**537** parking infringements / warnings

**11,500** firebreak inspections undertaken

**56** fire management plans assessed



## Engineering

### Assessed:

**121** development applications

**51** subdivision applications

**3** Local Structure Plans

### Approved:

**15** subdivision civil drawings

**206** crossovers

**7** stormwater management plans

**17** capital design projects progressed to project delivery team



## Environment

### Successful grant applications:

**Roadside conservation values** (\$11k)

**Urban Greening Grant Round 2**

(\$50,026) applied for in June, awarded August

**Waterwise Greening Scheme**

(\$4,266) for street trees

(\$4,581) for free verge plants



## Environmental Health and Compliance

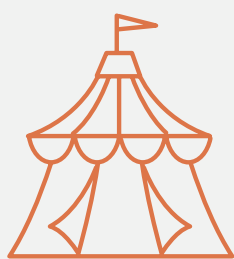
**268** food Safety Assessments

**215** health application approvals

**153** other health premises assessments

**317** health risk assessments on proposed developments

**1,464** community environmental health services requests



## Events and Recreation

**17,847** attendees at community events

**98%** attendance at ticketed events

**4,117** youth attendances at drop-in programs

**56** community events

**5** new public art installations

**12** group advisory meetings

**70%** staff completed cultural awareness training

**166** new citizens from 36 countries

**560** Kidsport vouchers processed to the value of \$122,022.11

**\$150,000+** of community funding allocated



## Facilities

**3** leases completed

**1,044** casual bookings

**59** community bus bookings



## Governance, ICT and Records

Registered **14,019** documents into Content Manager

Completed **12,747** service requests

Processed **3,552** purchase orders

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

**11** Ordinary Council Meetings, **8** Committee Meetings and **4** Special Council Meetings held



## Strategic Planning

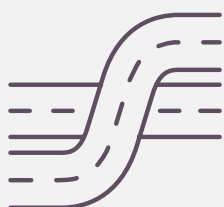
Processed **61** strategic planning applications, including subdivisions, structure plans, local development plans and subdivision clearances

Shire was re-endorsed as a **Waterwise Gold Council**

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

Received **3** grants for planting trees to the value of \$70k

The location of the future **Regional Level Playground**, at Cardup Brook, was determined through community engagement



## Expenditure on new and upgraded assets

**\$561,000** on new facilities

**\$439,000** on new/upgraded footpaths

**\$942,000** on new parks

**\$4.34 million** on road upgrades

**\$26,000** on new street lighting

**\$76,000** on landscaping, signage, bus shelters and bollards

**99%** of bins collected at first pass



## Waste

Processed the following waste through the Watkins Road Transfer Station (before it closed in October 2023) and verge collections:

**269** tonnes of hard waste

**1,950** tonnes of green waste

**2,127** tonnes of recyclable waste

Recycled **573** mattresses and **2,252** tyres

# Our Elected Members

**October 2023  
– June 2024**



**Rob Coales\***  
**Shire President**

Term expires: October 2027\*



**Tricia Duggin**  
**Deputy Shire President**  
South Ward

Term expires: October 2025



**Cr Reece Jerrett**  
South Ward

Term expires: October 2027



**Cr Shaye Mack**  
North Ward

Term expires: October 2025



**Cr Courtney Mazzini\*\***  
North Ward

Term: 25 March 2024  
– October 2025\*



**Cr Morgan Byas**  
North West Ward

Term expires: October 2025



**Cr Nathan Bishop**  
North West Ward

Term expires: October 2027

**July 2023  
– October 2023**



**Cr Michelle Rich**  
**Shire President**  
South Ward

Term expired: October 2023



**Cr Dave Atwell**  
**Deputy Shire President**  
South Ward

Term expired: October 2023



**Cr Tricia Duggin**  
South Ward

Term expires: October 2025



**Cr Lauren Strange**  
North Ward

Term expired: October 2023



**Cr Rob Coales\***  
North Ward

Term expires: October 2027\*



**Cr Shaye Mack**  
North Ward

Term expires: October 2025



**Cr Morgan Byas**  
North West Ward

Term expires: October 2025



**Cr Michael Dagostino**  
North West Ward

Term expired: October 2023



**Cr Dean Strautins**  
North West Ward

Term expired: October 2023

\* The legislative reform to the Electoral Act 1907 resulted in the Shire nominating to move from nine (9) Councillors across three (3) Wards to six (6) Councillors across three (3) Wards and a directly elected President.

\*\* The North Ward office was vacated by Rob Coales at the 21 October 2023 Local Government Election. An Extraordinary Election was held on Saturday 23 March 2024 to fill the vacated position for a one year term to the expiry of the original position (October 2025).

# 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.

Five of seven Elected Members participated in providing data

## Gender



Male

3

Female

2

## Age demographic

18-24

0

25-34

2

35-44

1

45-54

2

## Linguistic background



English

5

55-64

0

64+

0

## Country of birth



Australia

5

## Identify as Aboriginal or Torres Strait Islander



0

## Elected Member Attendance Register

Shire of Serpentine  
Jarrahdale Councillor  
attendance

### Ordinary and Special Council Meetings

\* Local Government Election held on 21 October 2023 and new Elected Members sworn in at Special Council meeting 30 October 2023

\*\* Appointed following Extraordinary Election 23 March 2024 following North Ward position vacated through direct election of a President. Sworn in 25 March 2024.

\*\*\* Term ceased 21 October 2023

### Committees

\*\*\*\* Following 21 October 2023 election, Council resolved that all Elected Members are delegates on Committees.

Our Elected Members	Ordinary Council Meeting (11)	Special Council Meeting (4)	Audit, Risk and Governance Committee (5)	CEO Employment Committee (3)
October 2023 – June 2024				
President Rob Coales	11	4	5	1
Cr Tricia Duggin	11	4	4	2
Cr Reece Jerrett	6*	2*	4	1
Cr Shaye Mack	9	4	5	1
Cr Courtney Mazzini	3**	0**	1	0
Cr Morgan Byas	6	3	2	1
Cr Nathan Bishop	6*	2*	3	1
July 2023 – October 2023				
President Michelle Rich	4***	2***	1	2
Cr Dave Atwell	4***	2***	0	2
Cr Lauren Strange	4***	2***	1	2
Cr Michael Dagostino	3***	2***	0	0
Cr Dean Strautins	3***	2***	0	0

# 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

Our Elected Members	Training course / module completed / conference (#Mandatory Training) in reporting period	Training provider / conference name	Shire Cost ex GST
President Rob Coales	Emergency Management for LG Leaders	WALGA	\$295.00
	Media Training	Clarity Communications	\$454.55
	*Council Induction Values and Culture Workshop x 2 (Group Training)	Mint Collaborative	\$2,847.20
Cr Tricia Duggin, Deputy President	*Council Induction Values and Culture Workshop x 2 (Group Training)	Mint Collaborative	\$2,847.20
Cr Nathan Bishop	# Understanding Local Government e-learning	WALGA	\$220.00
	# Meeting Procedures e-learning	WALGA	\$350.00
	# Understanding Financial Reports Budgets e-learning	WALGA	\$350.00
	* Council Induction Values and Culture Workshop x 1 (Group training)	Mint Collaborative	\$2,847.20
Cr Morgan Byas	* Council Induction Values and Culture Workshop x 1	Mint Collaborative	\$2,847.20
Cr Reece Jerrett	# Understanding Financial Reports and Budgets	WALGA	\$495.00
	# Understanding Local Government	WALGA	\$240.00
	# Meeting Procedures	WALGA	\$495.00
	# Serving on Council	WALGA	\$990.00
	* Council Induction Values and Culture Workshop x 2 (Group Training)	Mint Collaborative	\$2,847.20
Cr Shaye Mack	* Council Induction Values and Culture Workshop x 2 (Group Training)	Mint Collaborative	\$2,847.20
Cr Courtney Mazzini	Nil	Nil	Nil

# Mandatory training is a separate budget to individual training allowances.

\* As per Council's policy the cost of group training – Values and Culture (\$17,083.18) was split evenly between all Elected Members registered. The North Ward position was vacant until March 2024

# 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 2023–2024 financial year are shown below.

## Statement of Earnings For the Period Year End 2023 / 2024

Our Elected Members	Period covered	Attendance Fee	ICT Allowance	Deputy Shire President Allowance	Shire President Allowance
<b>October 2023 – June 2024</b>					
President Rob Coales	01.07.2023 – 30.06.2024	\$20,694.13	\$2,500.08		\$32,523.53
Cr Tricia Duggin	01.07.2023 – 30.06.2024	\$17,250.00	\$2,500.08	\$7,840.88	
Cr Reece Jerrett	01.11.2023 – 30.06.2024	\$11,500.00	\$1,666.72		
Cr Shaye Mack	01.07.2023 – 30.06.2024	\$17,250.00	\$2,500.08		
Cr Courtney Mazzini	01.03.2024 – 30.06.2024	\$4,690.58	\$679.81		
Cr Morgan Byas	01.07.2023 – 30.06.2024	\$17,250.00	\$2,500.08		
Cr Nathan Bishop	01.11.2023 – 30.06.2024	\$11,500.00	\$1,666.72		
<b>July 2023 – October 2023</b>					
President Michelle Rich	01.07.2023 – 21.10.2023	\$7,113.50	\$768.86		\$14,468.02
Cr David Atwell	01.07.2023 – 21.10.2023	\$5,304.97	\$768.86	\$3,616.99	
Cr Lauren Strange	01.07.2023 – 21.10.2023	\$5,304.97	\$768.86		
Cr Michael Dagostino	01.07.2023 – 21.10.2023	\$5,304.97	\$768.86		
Cr Dean Strautins	01.07.2023 – 21.10.2023	\$5,304.97	\$768.86		
<b>TOTAL</b>		<b>\$128,468.08</b>	<b>\$17,857.85</b>	<b>\$11,457.87</b>	<b>\$46,991.55</b>



## Our future plans

**Over the next year, we'll continue to prioritise our community's needs as outlined in the Council Plan 2023–2033 by improving local roads, advancing key infrastructure projects, and delivering engaging community events.**

Our commitment to expanding playgrounds, sporting facilities, and recreational spaces remains a high priority for the next year. From breaking ground at Keirnan Park to adding a dynamic pump track at Briggs Park Precinct, we're dedicated to providing inclusive spaces that foster community engagement and well-being.

In response to our community's invaluable feedback, we've allocated budget provisions to address waste management concerns.

Aligned with our Strategic Community Plan 2023–2033, major projects and initiatives set to move forward this year include:

## **Roads, Footpaths and Drainage \$34.5 million**

We know that roads are the number one priority for our community. This year we're investing \$34.5 million to renew and upgrade roads including Kargotich, Orton, Mundijong, and Karnup Roads. Funding has also been allocated to replace the footpath along Clondyke Drive and create a new footpath along Soldiers Road for better connectivity and safety.



## **Parks and playgrounds \$10.6 million**

We're investing \$10.6 million in our parks and playgrounds this year. Highlights include the Byford Pump Track, completion of Byford Skate Park – Stage 2, continuation of Keirnan Park development, resurfacing Mundijong Netball Courts, extending the Gooralong Trails carpark, maintenance of the Shire's green spaces, and adding new playground equipment and shade sails in various parks.



## **Community Facilities \$7.9 million**

This year, we're upgrading facilities to better serve our community. Projects include refurbishing Byford Kindy, installing fencing at the Byford Scout Hall, improving leech drainage and septs at Shire-owned facilities as well as their ongoing maintenance, improvements for access and inclusion, as well as planning for new public toilets. We'll also continue the planning and delivery of the Oakford Bushfire Brigade Station.



## **Community Services \$4.5 million**

Our budget enhances community services by increasing funding for libraries, events, youth programs, and emergency services. These initiatives aim to keep residents of all ages engaged and connected, while our bolstered emergency services ensure safety in our Shire, which is 97% bushfire-prone.



## **Waste Services \$5.7 million**

As well as our weekly bin collection service, we'll continue the hard and green waste verge collections for our Shire, as well as investigate options for the reopening of the Watkins Road Waste Transfer Facility. We've also allocated resources to remove illegal dumping throughout the Shire.





# Statutory Reports

## Record Keeping Statement

The Shire of Serpentine Jarrahdale is committed to ensuring all recordkeeping functions are undertaken to ensure that business transactions and activities are created and managed in a manner this is compliant, reliable and accurate.

Annual reviews and audits are conducted on all record keeping procedures and policies to ensure the Shire is compliant.

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

As part of staff induction, new staff are provided with relevant literature regarding compliance to the State Records Act and participate in relevant records management training within five days of commencement.

Ongoing training sessions are conducted by Information Services to cover all aspects of system and compliance training and online videos are also available for staff to access.

In accordance with the General Disposal Authority for Source Records and the State Records Guideline Digitization Specification, the Shire has established procedures to scan all incoming hard copy correspondence. Original, hard copy correspondence is treated as a copy and retained for six months to meet operational requirements before being 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 2023/2024 the Shire received 11 requests for information and documents under the Act.

## Register of Complaints

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

The register of complaints 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 2023–2024, no complaints were recorded in the register of complaints.

## National Competition Policy Statement

### Competitive Neutrality

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

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

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

## Structural Reform

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

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

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

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

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

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



## Legislation Review

The Shire of Serpentine Jarrahdale makes local laws in accordance with Part 3 of the Local Government Act 1995. This procedure ensures all amendments to existing, and all future local laws consider compliance with the National Competition Policy (NCP) to ensure no anti-competitive practices are included. In 2023-2024, the Shire made the following local laws.

- Shire of Serpentine Jarrahdale Cat Amendment Local Law 2024
- Shire of Serpentine Jarrahdale Cat Local Law 2023
- Shire of Serpentine Jarrahdale Dog Local Law 2023



## Performance against our Corporate Business Plan

The table below outlines the Shire's performance in 2023/24 against the Corporate Business Plan 2022/26 Key Performance Indicators:

Key Performance Indicator	2023/24 Result
80% of strategic operating projects are completed by their due date	83%
80% of road projects planned to be constructed are delivered	92%
Improvement is seen in all key result areas of the community perceptions survey	Not applicable – the survey is carried out biannually and is not due again until 2024– 25.
Improvement is seen in the Performance Index Score of the Employee Scorecard Survey	Not applicable – the employee survey is conducted biannually and is not due again until 2024–25.
Financial Sustainability – maintain a financial health indicator above 70	73%

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 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:

- Input to design development phases on key capital projects, including the Keirnan Park Recreation Precinct, Jarrahdale Trails, local parks, Byford Health Hub and Byford Train Station projects
- Endorsement of the Access and Inclusion Plan 2023–2028 and corresponding Implementation Plan
- Development and release of the Shire's first Easy Read Document being the Access and Inclusion Plan
- Development of social stories for events, released for Youth Fest 2024
- Embed the 'Creating Accessible Events Checklist' in the event application process
- Conducting workshops for staff and residents on how to run accessible events
- Finalised Local Planning Policy 2.8 Public Open Space Development Standards including the goal for incorporating accessible playground equipment
- Raising awareness of disability and accessible sports through the Abilities Unleashed! sports day and continued support for Mundijong Starkick program
- Supporting local businesses and service providers to bring accessible events to the Shire including the establishment of Byford Beatz Disco at the Byford & Districts Country Club and the first Disability Expo in Mundijong
- Working with disability employment service providers to explore opportunities for employment at the Shire and promoting the employment champions network throughout local businesses
- Advocating for the inclusion of a changing places facility at the Byford Train Station and Town Centre
- Over 50 posts on the dedicated Your Say SJ platform sharing information on topics including: local disability service provider spotlights, advocacy opportunities, disability social and sporting activities, local workshops and training opportunities and independent living skills. <https://www.yoursaysj.sjshire.wa.gov.au/aiag>

## Significant modifications to the Corporate Business Plan

As part of the Shire's annual Integrated Planning and Reporting process and in accordance with Regulation 19DA of the Local Government (Administration) Regulations 1996, any modifications made to the Corporate Business Plan in 2023-2024 have been adopted by absolute majority of Council.

All modifications made to the Corporate Business Plan throughout the 2023-2024 financial year are available on the Shire's website, within the following Council Meeting Minutes:

- Adoption of the 2023-27 Corporate Business Plan: [Item 6.3 – Minutes of the Special Council Meeting – 31 July 2023](#)
- Quarter 1 Corporate Business Plan Performance Report: [Item 10.3.4 – Minutes of the Ordinary Council Meeting – 20 November 2023](#)
- Quarter 2 Corporate Business Plan Performance Report: [Item 10.3.5 – Minutes of the Ordinary Council Meeting – 18 March 2024](#)
- Quarter 3 Corporate Business Plan Performance Report: [Item 10.3.8 – Minutes of the Ordinary Council Meeting – 20 May 2024](#)

## Statement of Salaries

	2021	2022	2023	2024
230,000 – 239,999		1	3	2
220,000 – 229,999	1	1	1	
210,000 – 219,999		2		1
200,000 – 209,999		2		
190,000 – 199,999			1	
180,000 – 189,999	2			
170,000 – 179,999			3	2
160,000 – 169,999	2	3	5	6
150,000 – 159,999	2	6	1	7
140,000 – 149,999	5		3	4
130,000 – 139,999	3	3	4	4
120,000 – 129,999	4	2	4	6
110,000 – 119,999	5	8	7	10
100,000 – 109,999	7	9	18	13

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 2024



**SHIRE OF SERPENTINE-JARRAHDAL**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**TABLE OF CONTENTS**

Statement by Chief Executive Officer	26
Statement of Comprehensive Income	27
Statement of Financial Position	28
Statement of Changes in Equity	29
Statement of Cash Flows	30
Statement of Financial Activity	31
Index of Notes to the Financial Report	32
Independent Auditor's Report	82

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

*A welcoming community where everyone feels at home.*

Principal place of business:  
6 Paterson Street  
Mundijong WA 6123



**SHIRE OF SERPENTINE-JARRAHDAL  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

*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 2024 and the financial position as at 30 June 2024.

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

Signed on the

17<sup>th</sup>

day of

December

2024



CEO

PAUL MARTIN

Name of CEO



**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2024**

				Restated*
	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>Revenue</b>				
Rates	2(a),29	30,657,492	29,898,171	27,564,289
Grants, subsidies and contributions	2(a)	4,386,321	4,355,380	5,062,209
Fees and charges	2(a)	9,310,462	8,782,025	8,556,015
Service charges	2(a)	0	0	0
Interest revenue	2(a)	2,102,468	613,000	1,478,319
Other revenue	2(a)	716,479	467,936	719,308
		47,173,222	44,116,512	43,380,140
<b>Expenses</b>				
Employee costs	2(b)	(21,344,425)	(21,641,519)	(18,630,480)
Materials and contracts		(13,431,924)	(14,150,284)	(13,116,563)
Utility charges		(1,299,015)	(1,242,820)	(1,075,776)
Depreciation		(15,735,764)	(11,589,842)	(11,444,354)
Finance costs		(68,277)	(100,887)	(112,712)
Insurance		(527,797)	(548,000)	(476,940)
Other expenditure	2(b)	(1,482,722)	(686,556)	(1,935,990)
		(53,889,924)	(49,959,908)	(46,792,815)
		(6,716,702)	(5,843,396)	(3,412,675)
Capital grants, subsidies and contributions	2(a)	21,287,414	22,021,504	27,248,647
Profit on asset disposals		84,154	109,866	18,052
Loss on asset disposals		0	(3,306)	(110,417)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(779)	0	4,114
Fair value adjustments to investment property	12	85,000	0	(17,182)
Share of net profit/(loss) of associates accounted for using the equity method	24(c)	(8,062)	0	32,476
		21,447,727	22,128,064	27,175,690
<b>Net result for the period</b>	28(b)	<b>14,731,025</b>	<b>16,284,668</b>	<b>23,763,015</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	19	0	0	10,000,298
<b>Total other comprehensive income for the period</b>	19	<b>0</b>	<b>0</b>	<b>10,000,298</b>
<b>Total comprehensive income for the period</b>		<b>14,731,025</b>	<b>16,284,668</b>	<b>33,763,313</b>

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

\*Restated – Refer to Note 34



**SHIRE OF SERPENTINE-JARRAHDALE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024**

	NOTE	2024	Restated* 2023	Restated* 1-Jul-22
		\$	\$	
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	3	6,841,593	9,136,290	5,412,029
Trade and other receivables	5	3,698,577	3,967,953	2,946,693
Other financial assets	4(a)	32,866,801	30,850,739	35,018,647
Inventories	6	6,435	4,779	18,317
Other assets	7	1,093,806	781,845	22,908
<b>TOTAL CURRENT ASSETS</b>		<b>44,507,212</b>	<b>44,741,606</b>	<b>43,418,594</b>
<b>NON-CURRENT ASSETS</b>				
Trade and other receivables	5	290,121	259,837	227,497
Other financial assets	4(b)	83,263	84,042	79,928
Investment in associate	23(b)	24,414	32,476	0
Property, plant and equipment	8	51,789,519	47,521,360	46,313,506
Infrastructure	9	454,416,046	441,487,394	413,743,927
Right-of-use assets	11(a)	69,695	90,707	57,877
Investment property	12	815,000	730,000	747,182
Intangible assets	13	1,900,209	2,213,730	2,527,250
<b>TOTAL NON-CURRENT ASSETS</b>		<b>509,388,267</b>	<b>492,419,546</b>	<b>463,697,167</b>
<b>TOTAL ASSETS</b>		<b>553,895,479</b>	<b>537,161,152</b>	<b>507,115,761</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables	14	8,280,266	8,896,140	7,600,876
Other liabilities	15	2,627,154	2,272,692	2,860,281
Lease liabilities	11(b)	39,061	44,097	31,856
Borrowings	16	3,853,168	820,455	1,253,756
Employee related provisions	17	2,572,292	2,276,514	2,353,572
<b>TOTAL CURRENT LIABILITIES</b>		<b>17,371,941</b>	<b>14,309,898</b>	<b>14,100,341</b>
<b>NON-CURRENT LIABILITIES</b>				
Other liabilities	15	0	3,045,000	6,200,000
Lease liabilities	11(b)	32,216	48,191	27,604
Borrowings	16	1,747,283	3,200,451	4,020,904
Employee related provisions	17	989,497	859,315	831,928
Other provisions	18	3,325,220	0	
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>6,094,216</b>	<b>7,152,957</b>	<b>11,080,436</b>
<b>TOTAL LIABILITIES</b>		<b>23,466,157</b>	<b>21,462,855</b>	<b>25,180,777</b>
<b>NET ASSETS</b>		<b>530,429,322</b>	<b>515,698,297</b>	<b>481,934,984</b>
<b>EQUITY</b>				
Retained surplus		188,328,768	177,960,720	156,427,092
Reserve accounts	32	24,600,336	20,237,359	18,007,972
Revaluation surplus	19	317,500,218	317,500,218	307,499,920
<b>TOTAL EQUITY</b>		<b>530,429,322</b>	<b>515,698,297</b>	<b>481,934,984</b>

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

\*Restated – Refer to Note 34



**SHIRE OF SERPENTINE-JARRAHDAL**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	RETAINED SURPLUS \$	RESERVE ACCOUNTS \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2022- as previously reported</b>		<b>153,655,948</b>	<b>18,007,972</b>	<b>307,499,920</b>	<b>479,163,840</b>
Correction of error		2,771,144	0	0	2,771,144
<b>Restated balance at the beginning of the financial year</b>		<b>156,427,092</b>	<b>18,007,972</b>	<b>307,499,920</b>	<b>481,934,984</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	19	0	0	10,000,298	10,000,298
Total comprehensive income for the period		19,237,704	0	10,000,298	29,238,002
Transfers from reserve accounts	32	4,677,937	(4,677,937)	0	0
Transfers to reserve accounts	32	(6,907,324)	6,907,324	0	0
Correction of error		4,525,311	0	0	4,525,311
<b>Balance as at 30 June 2023</b>		<b>177,960,720</b>	<b>20,237,359</b>	<b>317,500,218</b>	<b>515,698,297</b>
Change in accounting policies		0	0	0	0
<b>Restated balance at 1 July 2023</b>		<b>177,960,720</b>	<b>20,237,359</b>	<b>317,500,218</b>	<b>515,698,297</b>
Comprehensive income for the period					
Net result for the period		14,731,025	0	0	14,731,025
Other comprehensive income for the period	19	0	0	0	0
Total comprehensive income for the period		14,731,025	0	0	14,731,025
Transfers from reserve accounts	32	3,554,862	(3,554,862)	0	0
Transfers to reserve accounts	32	(7,917,839)	7,917,839	0	0
<b>Balance as at 30 June 2024</b>		<b>188,328,768</b>	<b>24,600,336</b>	<b>317,500,218</b>	<b>530,429,322</b>

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

\*Restated – Refer to Note 34

**SHIRE OF SERPENTINE-JARRAHDAL**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2023 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Rates		30,665,438	27,543,994
Grants, subsidies and contributions		5,277,821	4,212,152
Fees and charges		8,555,011	8,628,543
Interest revenue		2,041,642	762,330
Goods and services tax received		415,960	474,653
Other revenue		810,944	702,485
		47,766,816	42,324,157
<b>Payments</b>			
Employee costs		(20,821,146)	(18,487,824)
Materials and contracts		(13,659,392)	(12,437,421)
Utility charges		(1,140,603)	(1,146,722)
Finance costs		(60,126)	(107,669)
Insurance paid		(527,797)	(477,190)
Goods and services tax paid		(408,755)	(720,612)
Other expenditure		(2,215,674)	(1,597,040)
		(38,833,493)	(34,974,478)
<b>Net cash provided by operating activities</b>	20(b)	8,933,323	7,349,679
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for financial assets at amortised cost		(2,016,062)	0
Payments for purchase of property, plant & equipment	8(a)	(6,502,832)	(3,652,862)
Payments for construction of infrastructure		(9,720,708)	(11,888,774)
Capital grants, subsidies and contributions		5,250,959	8,873,379
Proceeds for financial assets at amortised cost		0	4,167,908
Proceeds from sale of property, plant & equipment		234,776	189,992
<b>Net cash (used in) investing activities</b>		(12,753,867)	(2,310,357)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings	31(a)	(820,455)	(1,253,754)
Payments for principal portion of lease liabilities	31(d)	(53,698)	(61,307)
Proceeds from new borrowings	31(a)	2,400,000	0
<b>Net cash provided by (used in) financing activities</b>		1,525,847	(1,315,061)
<b>Net increase (decrease) in cash held</b>		(2,294,697)	3,724,261
Cash at beginning of year		9,136,290	5,412,029
<b>Cash and cash equivalents at the end of the year</b>	20(a)	6,841,593	9,136,290

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

**SHIRE OF SERPENTINE-JARRAHDALE  
STATEMENT OF FINANCIAL ACTIVITY  
FOR THE YEAR ENDED 30 JUNE 2024**

			Restated*	
	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
<b>OPERATING ACTIVITIES</b>				
<b>Revenue from operating activities</b>				
General rates	29	30,657,492	29,898,171	27,564,289
Grants, subsidies and contributions		4,386,321	4,355,380	5,062,209
Fees and charges		9,310,462	8,782,025	8,556,015
Interest revenue		2,102,468	613,000	1,478,319
Other revenue		716,479	467,936	719,308
Profit on asset disposals		84,154	109,866	18,052
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(779)	0	4,114
Fair value adjustments to investment property	12	85,000	0	(17,182)
Share of net profit of associates accounted for using the equity method	24(c)	(8,062)	0	32,476
		47,333,535	44,226,378	43,417,600
<b>Expenditure from operating activities</b>				
Employee costs		(21,344,425)	(21,641,519)	(18,630,480)
Materials and contracts		(13,431,924)	(14,150,284)	(13,116,563)
Utility charges		(1,299,015)	(1,242,820)	(1,075,776)
Depreciation		(15,735,764)	(11,589,842)	(11,444,354)
Finance costs		(68,277)	(100,887)	(112,712)
Insurance		(527,797)	(548,000)	(476,940)
Other expenditure		(1,482,722)	(686,556)	(1,935,990)
Loss on asset disposals		0	(3,306)	(110,417)
		(53,889,924)	(49,963,214)	(46,903,232)
Non cash amounts excluded from operating activities	30(a)	19,000,570	11,483,282	11,512,358
<b>Amount attributable to operating activities</b>		12,444,181	5,746,446	8,026,726
<b>INVESTING ACTIVITIES</b>				
<b>Inflows from investing activities</b>				
Capital grants, subsidies and contributions		21,287,414	22,021,504	27,248,647
Proceeds from disposal of assets		234,776	446,000	189,992
		21,522,190	22,467,504	27,438,639
<b>Outflows from investing activities</b>				
Right of use assets received - non cash	11(a)	(32,687)	0	(94,135)
Purchase of property, plant and equipment	8(a)	(6,502,832)	(14,306,572)	(3,770,547)
Purchase and/or construction of infrastructure	9(a)	(26,213,146)	(26,270,835)	(26,532,361)
		(32,748,665)	(40,577,407)	(30,397,043)
Non-cash amounts excluded from investing activities	30(b)	32,687	0	94,135
<b>Amount attributable to investing activities</b>		(11,193,788)	(18,109,903)	(2,864,269)
<b>FINANCING ACTIVITIES</b>				
<b>Inflows from financing activities</b>				
Proceeds from borrowings	31(a)	2,400,000	8,095,000	0
Proceeds from new leases - non cash	31(d)	32,687	0	94,135
Transfers from reserve accounts	32	3,554,862	4,784,210	4,677,937
		5,987,549	12,879,210	4,772,072
<b>Outflows from financing activities</b>				
Repayment of borrowings	31(a)	(820,455)	(1,129,164)	(1,253,754)
Payments for principal portion of lease liabilities	31(d)	(53,698)	(44,559)	(61,307)
Transfers to reserve accounts	32	(7,917,839)	(2,136,590)	(6,907,324)
		(8,791,992)	(3,310,313)	(8,222,385)
Non-cash amounts excluded from financing activities	30(c)	(32,687)	0	(94,135)
<b>Amount attributable to financing activities</b>		(2,837,130)	9,568,897	(3,544,448)
<b>MOVEMENT IN SURPLUS OR DEFICIT</b>				
<b>Surplus or deficit at the start of the financial year</b>	30(d)	8,013,901	2,794,560	6,395,892
Amount attributable to operating activities		12,444,181	5,746,446	8,026,726
Amount attributable to investing activities		(11,193,788)	(18,109,903)	(2,864,269)
Amount attributable to financing activities		(2,837,130)	9,568,897	(3,544,448)
<b>Surplus or deficit after imposition of general rates</b>	30(d)	<b>6,427,164</b>	<b>0</b>	<b>8,013,901</b>

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

\*Restated – Refer to Note 34



**SHIRE OF SERPENTINE-JARRAHDALE  
FOR THE YEAR ENDED 30 JUNE 2024  
INDEX OF NOTES TO THE FINANCIAL REPORT**

Note 1	Basis of Preparation	33
Note 2	Revenue and Expenses	34
Note 3	Cash and Cash Equivalents	37
Note 4	Other Financial Assets	38
Note 5	Trade and Other Receivables	39
Note 6	Inventories	40
Note 7	Other Assets	41
Note 8	Property, Plant and Equipment	42
Note 9	Infrastructure	44
Note 10	Fixed Assets	46
Note 11	Leases	48
Note 12	Investment Property	50
Note 13	Intangible Assets	51
Note 14	Trade and Other Payables	52
Note 15	Other Liabilities	53
Note 16	Borrowings	54
Note 17	Employee Related Provisions	55
Note 18	Other Provisions	56
Note 19	Revaluation Surplus	57
Note 20	Notes to the Statement of Cash Flows	58
Note 21	Contingent Liabilities	60
Note 22	Capital Commitments	60
Note 23	Related Party Transactions	61
Note 24	Investment in Associates	63
Note 25	Financial Risk Management	64
Note 26	Events Occuring	67
Note 27	Other Material Accounting Policies	68
Note 28	Function and Activity	69
<b>Information required by legislation</b>		
Note 29	Rating Information	71
Note 30	Determination of Surplus or Deficit	72
Note 31	Borrowing and Lease Liabilities	73
Note 32	Reserve accounts	76
Note 33	Trust Funds	79
Note 34	Correction of Errors	80

**SHIRE OF SERPENTINE-JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**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.

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraph 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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.

The *Local Government (Financial Management) Regulations 1996* provide that:

- Land and buildings classified as property, plant and equipment; or
- Infrastructure; or
- Vested improvements that the local government controls; and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116: Property, Plant and Equipment, which would have required the Shire to assessed at each reporting date whether the carrying amount of the above mentioned non-financial assets materiality differs from their fair value and, if so, revalue the class of non-financial asset.

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

**Critical accounting estimates and judgements**

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

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

As with all estimates, the use of different assumptions could lead to material changes in the amounts reported in the financial report.

**The following are estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year and further information on their nature and impact can be found in the relevant note:**

- Fair value measurement of assets carried at reportable value including:
  - Property, plant and equipment - note 8
  - Infrastructure - note 9
- **Expected credit losses on financial assets - note 5**
- Impairment losses of non-financial assets - note 2 (b)
- Investment property - note 12
- Estimated useful life of intangible assets - note 13
- *Measurement of employee benefits - note 17*
  - *Measurement of provisions - note 17*

Fair value heirarchy information can be found in note 26

**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 0 of the financial report.

**Initial application of accounting standards**

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

- *AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates*

This standard resulted in terminology changes relating to material accounting policies (formerly referred to as significant accounting policies).

**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 2021-7c 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*

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

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

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

- *AASB 2023-1 Amendments to Australian Accounting Standards - Supplier Finance Arrangements*

These amendments may result in additional disclosures in the case of applicable finance arrangements.

**SHIRE OF SERPENTINE-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**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-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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

**(a) Revenue (Continued)**

Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within 7 days	On entry or at conclusion of hire
Memberships	Gym 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 2024**

**2. REVENUE AND EXPENSES**

**(a) 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 2024**

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	30,657,492	0	30,657,492
Grants, subsidies and contributions	0	4,386,321	0	0	4,386,321
Fees and charges	182,355	0	8,842,575	285,532	9,310,462
Interest revenue	0	0	2,102,468	0	2,102,468
Other revenue	0	0	0	716,479	716,479
Capital grants, subsidies and contributions	0	29,293,369	0	(8,005,955)	21,287,414
<b>Total</b>	<b>182,355</b>	<b>33,679,690</b>	<b>41,602,535</b>	<b>(7,003,944)</b>	<b>68,460,636</b>

**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	4,525,311	27,248,647
<b>Total</b>	<b>275,797</b>	<b>27,785,545</b>	<b>37,041,189</b>	<b>5,526,256</b>	<b>70,628,787</b>

**(a) Revenue (Continued)**

Note	2024 Actual	2023 Actual
	\$	\$
<b>Assets and services acquired below fair value</b>		
Contributed assets	13,167,218	10,235,961
	13,167,218	10,235,961
<b>Interest revenue</b>		
Other interest revenue	2,102,468	1,478,319
	2,102,468	1,478,319

**(b) Expenses**

<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	41,890	53,200
- Other services – grant acquittals	5,520	5,800
	47,410	59,000
<b>Employee Costs</b>		
Other employee costs	21,344,425	18,630,480
	21,344,425	18,630,480
<b>Finance costs</b>		
Borrowings	66,521	110,479
Lease liabilities	1,756	2,233
	68,277	112,712
<b>Other expenditure</b>		
Write Offs	5,734	0
Sundry expenses	576,988	523,445
Refund	900,000	1,412,545
	1,482,722	1,935,990



**SHIRE OF SERPENTINE-JARRAHDAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**3. CASH AND CASH EQUIVALENTS**

	Note	2024	2023
		\$	\$
Cash at bank and on hand		6,841,593	9,136,290
<b>Total cash and cash equivalents</b>	20(a)	6,841,593	9,136,290
Held as			
- Unrestricted cash and cash equivalents		3,441,003	430,931
- Restricted cash and cash equivalents	20(a)	3,400,590	8,705,359
		6,841,593	9,136,290

**MATERIAL ACCOUNTING POLICIES**

**Cash and cash equivalents**

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

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.

**SHIRE OF SERPENTINE-JARRAHDAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**4. OTHER FINANCIAL ASSETS**

	Note	2024	2023
		\$	\$
<b>(a) Current assets</b>			
Financial assets at amortised cost		32,866,801	30,850,739
		32,866,801	30,850,739
<b>Other financial assets at amortised cost</b>			
Term deposits		32,866,801	30,850,739
		32,866,801	30,850,739
Held as			
- Unrestricted other financial assets at amortised cost		5,600,681	5,295,688
- Restricted other financial assets at amortised cost	20(a)	27,266,120	25,555,051
		32,866,801	30,850,739
<b>(b) Non-current assets</b>			
Financial assets at amortised cost		0	0
Financial assets at fair values through other comprehensive income		0	0
Financial assets at fair value through profit or loss		83,263	84,042
		83,263	84,042
<b>Financial assets at fair value through profit or loss</b>			
Units in Local Government House Trust - opening balance		63,157	57,003
Listed Shares		10,860	12,900
Unlisted Shares		10,025	10,025
Movement in Local Government House Trust		(779)	4,114
Total Financial assets at fair value through profit or loss		83,263	84,042

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 values through other comprehensive income**

The Shire has elected to classify the following financial assets at fair value through other comprehensive income:

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

**Impairment and risk**

Information regarding impairment and exposure to risk can be found at Note 25.



**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**5. TRADE AND OTHER RECEIVABLES**

Note	2024	2023
	\$	\$
<b>Current</b>		
Rates and statutory receivables	2,805,223	2,757,054
Trade receivables	492,876	803,216
GST receivable	440,478	447,683
Allowance for credit losses of trade receivables	(40,000)	(40,000)
	3,698,577	3,967,953
<b>Non-current</b>		
Deferred - Rates	290,121	259,837
	290,121	259,837

**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 2024 Actual	30 June 2023 Actual	1 July 2022 Actual
	\$	\$	\$
Allowance for credit losses of trade receivables	(40,000)	(40,000)	(40,000)
Total trade and other receivables from contracts with customers	(40,000)	(40,000)	(40,000)

**MATERIAL ACCOUNTING POLICIES**

**Rates and statutory receivables**

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and 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 or for the construction of recognisable non financial assets 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 and amounts received as 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 25.

**SHIRE OF SERPENTINE-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**6. INVENTORIES**

	Note	2024	2023
<b>Current</b>		<b>\$</b>	<b>\$</b>
Fuel and materials		6,435	4,779
		6,435	4,779
The following movements in inventories occurred during the year:			
<b>Balance at beginning of year</b>		4,779	18,316
Inventories expensed during the year		(426,766)	(351,205)
Additions to inventory		428,422	337,668
<b>Balance at end of year</b>		<b>6,435</b>	<b>4,779</b>

**MATERIAL ACCOUNTING POLICIES**

**General**

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

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

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**7. OTHER ASSETS**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Other assets - current</b>		
Prepayments	41,633	49,033
Accrued income	1,052,173	732,812
	<b>1,093,806</b>	<b>781,845</b>

**MATERIAL ACCOUNTING POLICIES**

**Other current assets**

Other non-financial assets include prepayments which represent payments in advance of receipt of goods or services or that part of expenditure made in one accounting period covering a term extending beyond that period.

**SHIRE OF SERPENTINE-JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**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.

	Total Property			Plant and equipment						Total property, plant and equipment
	Buildings - specialised			Furniture and equipment	Plant and equipment	Motor vehicles	Computer equipment	Capital Works in progress		
	Land	\$	Total Property							
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2022	8,372,500	27,861,792	36,234,292	13,082	4,349,413	1,691,586	463,111	3,562,022	46,313,506	
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)			(168,240)	0	0	(282,357)	
Depreciation	0	(1,190,938)	(1,190,938)	(3,270)	(492,264)	(183,785)	(120,370)	0	(1,990,627)	
Transfers to Infrastructure	0	340,291	340,291	0	0	0	0	0	340,291	
Other Transfers	(510,000)	(120,000)	(630,000)						(630,000)	
Balance at 30 June 2023	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	
Comprises:										
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	
Balance at 30 June 2023	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	
Change in accounting policy	0	0	0						0	
Restated balance at 1 July 2023	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	
Additions	0	1,484,024	1,484,024	0	952,536	449,882	194,765	3,421,625	6,502,832	
Disposals	0	0	0	0	(67,723)	(82,900)	0	0	(150,623)	
Depreciation	0	(1,255,271)	(1,255,271)	(3,271)	(527,751)	(179,539)	(131,404)	0	(2,097,236)	
Transfers	0	13,186	13,186	0	0	0	0	0	13,186	
Balance at 30 June 2024	7,862,500	30,035,036	37,897,536	6,541	4,682,005	2,170,401	461,273	6,571,763	51,789,519	
Comprises:										
Gross balance amount at 30 June 2024	7,862,500	50,889,123	58,751,623	40,876	7,699,701	3,227,568	852,983	6,571,763	77,144,514	
Accumulated depreciation at 30 June 2024	0	(20,854,087)	(20,854,087)	(34,335)	(3,017,696)	(1,057,167)	(391,710)	0	(25,354,995)	
Balance at 30 June 2024	7,862,500	30,035,036	37,897,536	6,541	4,682,005	2,170,401	461,273	6,571,763	51,789,519	

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

During the year ended 30 June 2023 0 0 0 0 0 117,685 0 0 0 117,685

During the year ended 30 June 2024 0 0 0 0 0 0 0 0 0 0

**SHIRE OF SERPENTINE-JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**8. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(b) Carrying Amount Measurements**

Asset Class		Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value - as determined at the last valuation date						
Land and buildings						
Land	2	Market approach using recent observable market for similar properties	Independent Valuers	June 2022	An independent asset management consultant reviewed the land valuation and have conducted a sample of land condition assessments. They have also reviewed the valuation inputs of previous valuations and have updated the unit rates. Assessment inputs used was construction costs, residual values and remaining useful life inputs.  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.	
Buildings - specialised	3	Cost approach using current replacement cost	Independent Valuers	June 2022		

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs. The valuation techniques applied to property subject to lease was the same as that applied to property not subject to lease.

<b>(ii) Cost</b>					
<b>Furniture and equipment</b>	Cost	Cost	N/A	N/A	N/A
<b>Motor vehicles</b>	Cost	Cost	N/A	N/A	N/A
<b>Computer equipment</b>	Cost	Cost	N/A	N/A	N/A
<b>Other property, plant and equipment</b>	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 2024**

**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 and ovals	Infrastructure - work in progress	Infrastructure - landfill assets	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2022</b>	259,892,205	19,775,687	86,891,391	39,846,220	4,567,280	0	410,972,783
Correction of error**	314,518	587,407	0	1,869,219	0	0	2,771,144
<b>Balance at 1 July 2022 (restated)</b>	260,206,723	20,363,094	86,891,391	41,715,439	4,567,280	0	413,743,927
Additions*	6,836,057	1,058,227	4,631,177	596,145	8,885,444	0	22,007,050
Revaluation increments / (decrements) transferred to revaluation surplus	(19,692,830)	3,965,595	39,689,705	(13,332,172)	0	0	10,630,298
Depreciation	(5,485,223)	(349,618)	(1,793,887)	(1,450,173)	0	0	(9,078,901)
Transfers from Property Plant and Equipment	0	0	0	(340,291)	0	0	(340,291)
Correction of error**	1,672,379	397,856	0	2,455,076	0	0	4,525,311
<b>Restated* Balance at 30 June 2023</b>	243,537,106	25,435,154	129,418,386	29,644,024	13,452,724	0	441,487,394
<b>Comprises:</b>							
Gross balance at 30 June 2023	426,507,325	29,324,926	154,206,152	45,781,689	13,452,724	0	669,272,816
Accumulated depreciation at 30 June 2023	(182,970,219)	(3,889,772)	(24,787,766)	(16,137,665)	0	0	(227,785,422)
Accumulated impairment loss at 30 June 2023	0	0	0	0	0	0	0
<b>Restated* Balance at 30 June 2023</b>	243,537,106	25,435,154	129,418,386	29,644,024	13,452,724	0	441,487,394
<b>Restated balance at 1 July 2023</b>	243,537,106	25,435,154	129,418,386	29,644,024	13,452,724	0	441,487,394
Additions *	13,093,836	1,509,371	6,568,372	3,623,362	(1,907,015)	3,325,220	26,213,146
Depreciation	(9,867,663)	(387,581)	(1,564,634)	(1,451,430)	0	0	(13,271,308)
Transfers	405,455			(418,641)	0	0	(13,186)
<b>Balance at 30 June 2024</b>	247,168,734	26,556,944	134,422,124	31,397,315	11,545,709	3,325,220	454,416,046
<b>Comprises:</b>							
Gross balance at 30 June 2024	440,006,616	30,834,296	160,774,524	48,986,409	11,545,709	3,325,220	695,472,774
Accumulated depreciation at 30 June 2024	(192,837,882)	(4,277,352)	(26,352,400)	(17,589,094)	0	0	(241,056,728)
Accumulated impairment loss at 30 June 2024	0	0	0	0	0	0	0
<b>Balance at 30 June 2024</b>	247,168,734	26,556,944	134,422,124	31,397,315	11,545,709	3,325,220	454,416,046

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

During the year ended 30 June 2023	5,783,409	1,456,063	4,601,880	2,802,215	0	0	14,643,587
During the year ended 30 June 2024	2,467,628	1,603,883	6,271,931	2,823,776	0	0	13,167,218

\*\*Restated – Refer to Note 25

**SHIRE OF SERPENTINE-JARRAHDAL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**9. INFRASTRUCTURE (Continued)**

**(b) Carrying Amount Measurements**

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
<b>(i) Fair Value - as determined at the last valuation date</b>					
<b>Infrastructure - roads</b>	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.
<b>Infrastructure - footpaths</b>	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.
<b>Infrastructure - drainage</b>	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.
<b>Infrastructure - parks and ovals</b>	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.

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



**SHIRE OF SERPENTINE-JARRAHDAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

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



**SHIRE OF SERPENTINE-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**10. FIXED ASSETS (Continued)**

**MATERIAL ACCOUNTING POLICIES**

**Initial recognition**

An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Local Government (Financial Management) Regulation 17A(5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.

**Measurement after recognition**

Plant and equipment including furniture and equipment and right-of-use assets (other than vested improvements) are measured using the cost model as required under *Local Government (Financial Management) Regulation 17A(2)*. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.

**Reportable Value**

In accordance with *Local Government (Financial Management) Regulation 17A(2)*, the carrying amount of non-financial assets that are *land and buildings classified as property, plant and equipment*, investment properties, infrastructure or vested improvements that the local government controls.

Reportable value is for the purpose of *Local Government (Financial Management) Regulation 17A(4)* is the fair value of the asset at its last valuation date minus (to the extent applicable) the accumulated depreciation and any accumulated impairment losses in respect of the non-financial asset subsequent to its last valuation date.

**Revaluation**

Land and buildings classified as property, plant and equipment, *infrastructure or vested improvements that the local government controls* and measured at reportable value, are only required to be revalued 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 land vested in the Shire.

Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.

For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that 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.

**Impairment**

In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the Shire is not required to comply with *AASB 136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

In other circumstances where it has been assessed that one or more of these non-financial assets are impaired, the asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**Gains or losses on disposal**

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

**SHIRE OF SERPENTINE-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**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
		\$	\$	\$
<b>Balance at 1 July 2022</b>		15,100	42,777	57,877
Additions		0	94,135	94,135
Depreciation		(30,031)	(31,274)	(61,305)
<b>Balance at 30 June 2023</b>		(14,931)	105,638	90,707
Gross balance amount at 30 June 2023		85,179	98,362	183,541
Accumulated depreciation at 30 June 2023		(34,993)	(57,841)	(92,834)
<b>Balance at 30 June 2023</b>		50,186	40,521	90,707
Additions		0	32,687	32,687
Depreciation		(19,012)	(34,687)	(53,699)
<b>Balance at 30 June 2024</b>		31,174	38,521	69,695
Gross balance amount at 30 June 2024		50,186	73,208	123,394
Accumulated depreciation at 30 June 2024		(19,012)	(34,687)	(53,699)
<b>Balance at 30 June 2024</b>		31,174	38,521	69,695

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

		2024 Actual	2023 Actual
		\$	\$
Depreciation on right-of-use assets		(53,699)	(61,305)
Finance charge on lease liabilities	31(d)	(1,743)	(2,303)
<b>Total amount recognised in the statement of comprehensive income</b>		(55,442)	(63,608)
Total cash outflow from leases		(55,441)	(63,610)
<b>(b) Lease Liabilities</b>			
Current		39,061	44,097
Non-current		32,216	48,191
	31(d)	71,277	92,288

**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.

**MATERIAL 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 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 31(d).

**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 material 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**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**11. LEASES (Continued)**

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

	2024 Actual	2023 Actual
	\$	\$
<b>Amounts recognised in profit or loss for Property, Plant and Equipment Subject to Lease</b>		
Rental income	6,023	5,200

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.

**MATERIAL 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.

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 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**12. INVESTMENT PROPERTY**

**Non-current assets - at reportable value**

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Carrying balance at 1 July	730,000	0	747,182
Net gain/(loss) from fair value adjustment	85,000	0	(17,182)
Closing balance at 30 June	815,000	0	730,000

**Amounts recognised in profit or loss for investment properties**

Rental income	6,023	0	5,200
Direct operating expenses from property that did not generate rental income	(116)	0	
Fair value gain recognised in profit or loss	85,000	0	(17,182)

**Leasing arrangements**

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

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

Less than 1 year	6,023	0	5,200
	6,023	0	5,200

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

**MATERIAL ACCOUNTING POLICIES**

**Investment properties**

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

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

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

**Revaluation**

In accordance with the regulatory framework, investment properties are required to be revalued whenever required by AASB 140 and, in any event, every five years.

**Fair value of investment properties**

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

**SHIRE OF SERPENTINE-JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**13. INTANGIBLE ASSETS**

	<b>2024 Actual</b>	<b>2023 Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Intangible assets</b>		
<b>Non-current</b>		
Computer software development	3,135,203	3,135,203
Less: Accumulated amortisation	(1,234,994)	(921,473)
	<b>1,900,209</b>	<b>2,213,730</b>
 Movements in balances of computer software during the financial year are shown as follows:		
<b>Balance at 1 July</b>	2,213,730	2,527,250
Amortisation	(313,521)	(313,520)
<b>Balance at 30 June</b>	<b>1,900,209</b>	<b>2,213,730</b>
<b>TOTAL INTANGIBLE ASSETS</b>	<b>1,900,209</b>	<b>2,213,730</b>

**Amortisation**

The estimated useful life of intangible assets is 10 years for the current and prior years.

**MATERIAL 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. are reviewed at the end of each financial year.

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**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

2024	2023
\$	\$
1,739,046	23,745
2,638,773	2,552,364
539,155	454,959
87,744	86,714
2,452,255	3,185,128
34,056	25,905
789,237	2,567,325
8,280,266	8,896,140

**MATERIAL 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**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**15. OTHER LIABILITIES**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Contract liabilities	414,156	235,457
Capital grant/contributions liabilities	2,212,998	2,037,235
	<u>2,627,154</u>	<u>2,272,692</u>
<b>Non-current</b>		
Capital grant/contributions liabilities	0	3,045,000
	<u>0</u>	<u>3,045,000</u>
<b>Reconciliation of changes in contract liabilities</b>		
Opening balance	235,457	364,050
Additions	1,077,817	592,529
Current Year Revenue Recognised	(885,312)	(578,722)
Revenue from contracts with customers included as a contract liability at the start of the period	<u>(13,806)</u>	<u>(142,400)</u>
	<u>414,156</u>	<u>235,457</u>
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.		
<b>Reconciliation of changes in capital grant/contribution liabilities</b>		
Opening balance	5,082,235	8,696,231
Additions	3,157,803	11,581,510
Current Year Revenue Recognised	(2,937,425)	(10,050,873)
Revenue from capital grant/contributions held as a liability at the start of the period	<u>(3,089,615)</u>	<u>(5,144,633)</u>
	<u>2,212,998</u>	<u>5,082,235</u>
<b>Expected satisfaction of capital grant/contribution liabilities</b>		
Less than 1 year	2,212,998	2,037,235
1 to 2 years	0	3,045,000
2 to 3 years	0	0
3 to 4 years	0	0
4 to 5 years	0	0
> 5 years	0	0
	<u>2,212,998</u>	<u>5,082,235</u>

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.

**MATERIAL 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 27(i)) due to the unobservable inputs, including own credit risk.



**SHIRE OF SERPENTINE-JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**16. BORROWINGS**

	Note	2024			2023		
		Current	Non-current	Total	Current	Non-current	Total
<b>Secured</b>		\$	\$	\$	\$	\$	\$
Long Term Borrowings		3,853,168	1,747,283	5,600,451	820,455	3,200,451	4,020,906
<b>Total secured borrowings</b>	31(a)	3,853,168	1,747,283	5,600,451	820,455	3,200,451	4,020,906

**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.

**MATERIAL 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 27(i)) due to the unobservable inputs, including own credit risk.

**Risk**

Information regarding exposure to risk can be found at Note 25.

Details of individual borrowings required by regulations are provided at Note 31(a).

**SHIRE OF SERPENTINE-JARRAHDAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**17. EMPLOYEE RELATED PROVISIONS**

**Employee Related Provisions**

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current provisions</b>		
<b>Employee benefit provisions</b>		
Annual leave	1,672,161	1,563,089
Long service leave	832,035	653,247
Sick Leave	68,096	60,178
<b>Total current employee related provisions</b>	<b>2,572,292</b>	<b>2,276,514</b>
<b>Non-current provisions</b>		
<b>Employee benefit provisions</b>		
Long service leave	989,497	859,315
<b>Total non-current employee related provisions</b>	<b>989,497</b>	<b>859,315</b>
<b>Total employee related provisions</b>	<b>3,561,789</b>	<b>3,135,829</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:

	<b>Note</b>	<b>2024</b>	<b>2023</b>
		<b>\$</b>	<b>\$</b>
<b>Amounts are expected to be settled on the following basis:</b>			
Less than 12 months after the reporting date		2,572,292	2,316,165
More than 12 months from reporting date		989,497	819,664
		<b>3,561,789</b>	<b>3,135,829</b>

**MATERIAL 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-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**18. OTHER PROVISIONS**

	<b>Waste Transfer Station Remediation Works</b>	
	<b>Provision</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2023</b>		
Additional provision	3,325,220	3,325,220
<b>Balance at 30 June 2024</b>	3,325,220	3,325,220
<b>Comprises</b>		
Non-current	3,325,220	3,325,220
	3,325,220	3,325,220

**Provision for remediation costs**

The Shire of Serpentine Jarrahdale (the Shire) operated the Watkins Road Waste Transfer Station and Recycling Centre (WTS) at 40 Watkins Road, Mundijong as per the conditions of the Department of Water and Environmental regulation (DWER) licence L9073. Formerly this site and the adjoining site to the north owned by the Department of Biodiversity Conservation and Attractions (DBCA) were being used for landfilling activities.

In October 2023 asbestos fragments were found at several locations across the WTS site along with some soil samples that contained asbestos fibres. The site has since been closed to the public pending the outcome of further investigation and Council decision on the future use of the site.

Regardless of the outcome of the site the following remediation works will need to be undertaken:

- Install Soil Capping
- Asbestos Containing Material Removal
- Drainage Waste Material Removal

A non-current provision for the costs required for the remediation of the site have been recognised in these financial statements based on the estimated value to undertake the works in 2025/26 financial year.

**MATERIAL ACCOUNTING POLICIES**

**Provisions**

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

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

**SHIRE OF SERPENTINE-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**19. REVALUATION SURPLUS**

	<b>2024 Opening Balance</b>	<b>2024 Closing Balance</b>	<b>2023 Opening Balance</b>	<b>Total Movement on Revaluation</b>	<b>2023 Closing Balance</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revaluation surplus - Land - freehold land	5,309,633	5,309,633	5,309,633	0	5,309,633
Revaluation surplus - Buildings - non-specialised	12,849,109	12,849,109	13,479,109	(630,000)	12,849,109
Revaluation surplus - Furniture and equipment	45,243	45,243	45,243	0	45,243
Revaluation surplus - Plant and equipment	17,648	17,648	17,648	0	17,648
Revaluation surplus - Motor vehicles	6,246	6,246	6,246	0	6,246
Revaluation surplus - Infrastructure - roads	156,848,048	156,848,048	176,540,878	(19,692,830)	156,848,048
Revaluation surplus - Infrastructure - footpaths	20,711,733	20,711,733	16,746,138	3,965,595	20,711,733
Revaluation surplus - Infrastructure - drainage	107,617,744	107,617,744	67,928,039	39,689,705	107,617,744
Revaluation surplus - Infrastructure - parks and ovals	14,094,814	14,094,814	27,426,986	(13,332,172)	14,094,814
	<b>317,500,218</b>	<b>317,500,218</b>	<b>307,499,920</b>	<b>10,000,298</b>	<b>317,500,218</b>

**SHIRE OF SERPENTINE-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**20. 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:

	<b>Note</b>	<b>2024 Actual \$</b>	<b>2023 Actual \$</b>
Cash and cash equivalents	3	6,841,593	9,136,290
<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	3,400,590	8,705,359
- Financial assets at amortised cost	4	23,865,530	16,849,692
		27,266,120	25,555,051
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	32	24,600,336	20,237,359
Contract liabilities	15	414,156	235,457
Capital grant liabilities	15	2,212,998	5,082,235
Unspent loans	31(c)	38,630	0
<b>Total restricted financial assets</b>		27,266,120	25,555,051
<b>(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities</b>			
Net result		14,731,025	23,763,015
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		779	(4,114)
Adjustments to fair value of investment property		(85,000)	17,182
Depreciation/amortisation		15,735,764	11,444,354
(Profit)/loss on sale of asset		(84,154)	92,365
Share of profits of associates		8,062	(32,476)
Assets received for substantially less than fair value		(13,167,218)	(10,235,961)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		239,092	(1,053,600)
(Increase)/decrease in other assets		(311,961)	(758,937)
(Increase)/decrease in inventories		(1,656)	13,538
Increase/(decrease) in trade and other payables		(615,874)	1,295,263
Increase/(decrease) in employee related provisions		425,961	(49,671)
Increase/(decrease) in other liabilities		(2,690,538)	(3,742,589)
Capital grants, subsidies and contributions		(5,250,959)	(13,398,690)
Net cash provided by/(used in) operating activities		8,933,323	7,349,679
<b>Loan facilities</b>			
Loan facilities - current		3,853,168	820,455
Loan facilities - non-current		1,747,283	3,200,451
<b>Total facilities in use at balance date</b>		5,600,451	4,020,906

\*Restated – Refer to Note 25

**SHIRE OF SERPENTINE-JARRAHDAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**20. NOTES TO THE STATEMENT OF CASH FLOWS (Continued)**

**UNDRAWN BORROWING FACILITIES AND CREDIT  
STANDBY ARRANGEMENTS**

	Note	2024 Actual	2023 Actual
Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit		10,000	10,000
Credit card balance at balance date		(1,129)	(7,358)
<b>Total amount of credit unused</b>		<b>8,871</b>	<b>2,642</b>
<b>Loan facilities</b>			
Loan facilities - current		3,853,168	820,455
Loan facilities - non-current		1,747,283	3,200,451
<b>Total facilities in use at balance date</b>		<b>5,600,451</b>	<b>4,020,906</b>

# SHIRE OF SERPENTINE-JARRAHDAL NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

## 21. CONTINGENT LIABILITIES

In compliance with the *Contaminated Sites Act 2003*, the Shire has listed the following site to be possible source of contamination.

Watkins Road Waste Transfer Station and Recycling Centre (WTS)

Based on the contaminated sites investigation findings, Environmental Risk Consultants (ERC) prepared an Indicative Costings document and has specified the following three conceptual site options for the future of the Waste Tranfer Station:

- **Site Option 1** – Reduced Site Operation - Operations on part of the Waste Transfer Station site (excluding former green waste area)
  - **Site Option 2** – Full Site Operation - Continue operations on the entire Waste Transfer Station
  - **Site Option 3** – Site Closure - Closure of the Waste Transfer Station facility and rehabilitation of the former landfill areas
- The cost of these options range between approximately \$3.3-\$8m.

Regardless of which option is chosen a minimum of \$3,325,220, for which the Shire has recognised a provision, is required to rehabilitate the site which involves to following works:

- Install Soil Capping
- Asbestos Containing Material Removal
- Drainage Waste Material Removal

## 22. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

2024	2023
\$	\$
1,723,559	3,045,329
1,016,263	1,137,447
2,739,822	4,182,776
2,739,822	4,182,776

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**23. RELATED PARTY TRANSACTIONS**

**(a) Elected Member Remuneration**

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

Note	2024 Actual \$	2024 Budget \$	2023 Actual \$
President's annual allowance	46,991	47,045	47,045
President's meeting attendance fees	22,728	23,131	23,131
President's ICT expenses	2,436	0	3,500
	72,155	70,176	73,676
Deputy President's annual allowance	11,458	11,761	11,761
Deputy President's meeting attendance fees	16,805	17,250	17,250
Deputy President's ICT expenses	2,436	0	3,500
	30,699	29,011	32,511
All other council member's meeting attendance fees	88,934	96,930	108,620
All other council member's ICT expenses	12,987	19,048	22,064
All other council member's travel and accommodation expenses	0	2,250	0
	101,921	118,228	130,684
23(b)	204,775	217,415	236,871

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

The total of compensation paid to KMP of the Shire during the year are as follows:

Short-term employee benefits	1,178,669	1,212,582
Post-employment benefits	167,660	112,871
Employee - other long-term benefits	6,522	12,117
Council member costs	204,775	236,871
23(a)	1,557,626	1,574,441

*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-JARRAHDAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**23. 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:

	2024 Actual	2023 Actual
	\$	\$
Sale of goods and services	0	0
Purchase of goods and services	0	0
Short term employee benefits - other related parties	0	0
Payment of council member costs (Refer to Note 23(a))	0	0

**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 Shire, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 23(a) and 23(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 7%, representing an interest of \$24,414. The total contribution paid to Rivers Regional Council during the year was \$23,530.



**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**24. 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		2024	2023
	2024	2023	Actual	Actual
Rivers Regional Council			\$ 32,476	\$ 32,476
Initial recognition of investment (7% Share of net equity of \$349,062)	7.00%	9.00%		
Adjustment for current period			24,414	0
<b>Balance as at 30 June 2024 (7% of net equity of \$349,062)</b>			<b>56,890</b>	<b>32,476</b>

**(b) Immaterial investments in associates**

Aggregate carrying amount of interests in individually immaterial associates accounted for using the equity method are reflected in the table below.

Note	2024	2023
	Actual	Actual
	\$	\$
- Share of associates net profit / (loss) for the period	(8,062)	0
- Share of associates total comprehensive income arising during the period	(8,062)	0
<b>Carrying amount at 1 July</b>	<b>32,476</b>	<b>0</b>
- Share of associates total comprehensive income arising during the period	(8,062)	0
<b>Carrying amount at 30 June (Refer to Note 24(a))</b>	<b>24,414</b>	<b>0</b>

**MATERIAL 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.

**(c) Share of associates net profit/(loss) for the period**

Immaterial investments in associates (Refer to Note 24(b))

2024	2023
Actual	Actual
\$	\$
(8,062)	32,476
(8,062)	32,476

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**25. 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>2024</b>					
Cash and cash equivalents	3.43%	6,841,593	0	6,841,593	0
Financial assets at amortised cost - term deposits	5.00%	32,866,801	32,866,801	0	0
<b>2023</b>					
Cash and cash equivalents	1.99%	9,136,290	0	9,136,290	0
Financial assets at amortised cost - term deposits	4.41%	30,850,739	30,850,739	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>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% movement in interest rates on profit or loss and equity*	68,416	91,363

\* 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 31(a).



**SHIRE OF SERPENTINE-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**25. 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 Financial Instruments 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 2023 or 1 July 2024 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 2024 and 30 June 2023 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 2024</b>					
Trade receivables					
Expected credit loss	0.07%	0.18%	0.18%	0.18%	
Gross carrying amount	433,455	8,940	9,894	40,579	492,868
Loss allowance	29,389	1,597	1,767	7,247	40,000
<b>30 June 2023</b>					
Trade receivables					
Expected credit loss	0.04%	0.0871%	0.0871%	0.0871%	
Gross carrying amount	672,170	2,010	4,101	124,935	803,216
Loss allowance	28,580	175	357	10,888	40,000

**(b) Credit risk**

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

	Trade receivables	
	2024 Actual	2023 Actual
	\$	\$
Opening loss allowance as at 1 July	40,000	40,000
Closing loss allowance at 30 June	40,000	40,000

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

Impairment losses on rates and statutory receivables, trade, other receivables and contract assets 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-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**25. 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 20(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 amounts, as the impact of discounting is not significant.

	<b>Due within 1 year</b>	<b>Due between 1 &amp; 5 years</b>	<b>Due after 5 years</b>	<b>Total contractual cash flows</b>	<b>Carrying amount</b>
<b><u>2024</u></b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Trade and other payables	8,280,266	0	0	8,280,266	8,280,266
Borrowings	3,853,166	1,747,285	0	5,600,451	5,600,451
Lease liabilities	39,061	32,216	0	71,277	71,277
	<u>12,172,493</u>	<u>1,779,501</u>	<u>0</u>	<u>13,951,994</u>	<u>13,951,994</u>
<b><u>2023</u></b>					
Trade and other payables	8,896,140	0	0	8,896,140	8,896,140
Borrowings	820,455	3,200,451	0	4,020,906	4,020,906
Lease liabilities	44,097	48,191	0	92,288	92,288
	<u>9,760,692</u>	<u>3,248,642</u>	<u>0</u>	<u>13,009,334</u>	<u>13,009,334</u>

**SHIRE OF SERPENTINE-JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**26. EVENTS OCCURING AFTER THE END OF THE REPORTING PERIOD**

Following the end of the financial year the Shire has been engaged in legal proceedings, however the value of any outcome of these proceedings are not anticipated to be materially significant.

**SHIRE OF SERPENTINE-JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**27. OTHER MATERIAL ACCOUNTING POLICIES**

**a) Goods and services tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

**b) Current and non-current classification**

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level 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 except for non-financial assets that are:

- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 10.

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

**SHIRE OF SERPENTINE-JARRAHDALÉ**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**28. 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>
<b>Governance</b> To provide a decision making process for the efficient allocation of scarce resources.	Members of Council and Chief Executive Office
<b>General purpose funding</b> To collect revenue to allow for the provision of services.	Rate revenue, late payment penalty, general purpose grants, untied road grants, commissions, interest on investments, reimbursements and banking costs.
<b>Law, order, public safety</b> To provide services to help ensure a safer and environmentally conscious community.	Volunteer bushfire brigades, fire prevention, animal control, emergency management and public safety.
<b>Health</b> To provide an operational framework for environmental and community health.	Health services including food and water quality, inspection of premises, public health protection and promotion.
<b>Education and welfare</b> To provide services to disadvantaged persons, the elderly, children and youth.	Youth services and program, and facilities for community based services such as family centres, early education providers.
<b>Community amenities</b> To provide services required by the community.	Waste management including household refuse and recycling, waste transfer station, environmental and sustainability, town planning, public conveniences and cemeteries.
<b>Recreation and culture</b> To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.	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.
<b>Transport</b> To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, bridges, footpaths, Shire depot, purchases of plant and equipment and engineering design.
<b>Economic services</b> To help promote the Shire and its economic wellbeing.	Rural services such as weed control of reserves, tourism and area promotion, management of building applications and economic development.
<b>Other property and services</b> To monitor and control overhead operating accounts.	Private works, public works overheads, plant operation, finance and administration costs.

**SHIRE OF SERPENTINE-JARRAHDAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**28. FUNCTION AND ACTIVITY (Continued)**

	<b>Restated*</b>	
<b>(b) Income and expenses</b>	<b>2024 Actual</b>	<b>2023 Actual</b>
	<b>\$</b>	<b>\$</b>
<b>Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
General purpose funding	33,201,674	29,500,664
Law, order, public safety	587,104	326,228
Health	119,685	250,421
Education and welfare	5,276	238
Community amenities	7,151,984	6,774,357
Recreation and culture	315,958	275,925
Transport	169,043	255,323
Economic services	1,028,819	834,797
Other property and services	367,671	137,439
	<b>42,947,214</b>	<b>38,355,392</b>
<b>Grants, subsidies and contributions and capital grants, subsidies and contributions</b>		
General purpose funding	3,015,966	3,688,996
Law, order, public safety	848,030	677,010
Education and welfare	15,000	90,403
Community amenities	13,710,974	17,632,030
Recreation and culture	478,364	3,345,401
Transport	7,590,938	6,823,662
Economic services	14,463	53,353
	<b>25,673,735</b>	<b>32,310,855</b>
<b>Total Income</b>	<b>68,620,949</b>	<b>70,666,247</b>
<b>Expenses</b>		
Governance	(1,626,803)	(1,247,569)
General purpose funding	(904,316)	(1,197,772)
Law, order, public safety	(3,879,936)	(3,657,203)
Health	(1,117,293)	(975,518)
Education and welfare	(460,872)	(451,512)
Community amenities	(11,743,658)	(12,054,506)
Recreation and culture	(12,067,035)	(10,101,323)
Transport	(18,038,138)	(13,140,821)
Economic services	(2,289,037)	(2,127,437)
Other property and services	(1,762,836)	(1,949,571)
<b>Total expenses</b>	<b>(53,889,924)</b>	<b>(46,903,232)</b>
<b>Net result for the period</b>	<b>14,731,025</b>	<b>23,763,015</b>
<b>(c) Total Assets</b>		
Governance	6,137,077	7,142,946
General purpose funding	46,159,092	46,487,593
Law, order, public safety	3,469,216	2,768,865
Health	776,705	747,000
Community amenities	753,820	628,154
Recreation and culture	53,699,124	47,762,924
Transport	428,576,379	427,823,469
Economic services	639,108	650,049
Other property and services	3,383,047	2,066,594
Unallocated	10,301,911	1,083,558
	<b>553,895,479</b>	<b>537,161,152</b>

\*Restated – Refer to Note 25



SHIRE OF SERPENTINE-JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

29. RATING INFORMATION

(a) General Rates

RATE TYPE	RATE Description	Basis of valuation	Rate in \$	Number of Properties	2023/24 Actual Rateable Value*	2023/24 Actual Rate	2023/24 Actual Interim Rates	2023/24 Actual Total Revenue	2023/24 Budget Rate	2023/24 Budget Interim Rate	2023/24 Budget Total Revenue	2022/23 Actual Total Revenue
	GRV Residential	Gross rental valuation	9.1599	8,815	184,953,372	16,941,544	552,323	17,493,867	16,941,543	443,000	17,384,543	15,357,260
	GRV Commercial/Industrial	Gross rental valuation	14.6502	141	16,181,205	2,370,579	689,242	3,059,821	2,370,579	97,000	2,467,579	2,577,978
	UV General	Unimproved valuation	0.4198	830	834,325,000	3,502,496	37,162	3,539,658	3,502,496	0	3,502,496	3,275,417
	UV Rural Residential	Unimproved valuation	0.4891	1,054	539,420,292	2,638,305	12,343	2,650,648	2,638,305	0	2,638,305	2,984,493
	UV Commercial/Industrial	Unimproved valuation	0.7141	79	56,155,009	401,003	8,250	409,253	401,003	0	401,003	398,841
	UV Intensive Farming	Unimproved valuation	0.8396	16	12,865,000	108,015	0	108,015	108,015	0	108,015	104,195
	<b>Total general rates</b>			10,935	1,643,899,878	25,961,942	1,299,320	27,261,262	25,961,941	540,000	26,501,941	24,698,184
	<b>Minimum Payment</b>											
	<b>Minimum payment</b>		\$									
	GRV Residential	Gross rental valuation	1.404	364	4,924,997	511,056	0	511,056	2,193,048	0	2,193,048	447,850
	GRV Vacant	Gross rental valuation	1.404	1,198	93,941,516	1,681,992	0	1,681,992	0	0	0	546,184
	GRV Commercial/Industrial	Gross rental valuation	1.594	15	50,701	23,910	0	23,910	23,910	0	23,910	21,056
	UV General	Unimproved valuation	1.537	32	4,544,866	49,184	0	49,184	49,184	0	49,184	37,700
	UV Rural Residential	Unimproved valuation	2.026	662	222,513,208	1,341,212	0	1,341,212	1,341,212	0	1,341,212	2,032,456
	UV Commercial/Industrial	Unimproved valuation	2.133	4	1,021,991	8,532	0	8,532	8,532	0	8,532	10,065
	UV Intensive Farming	Unimproved valuation	3.074	0	0	0	0	0	0	0	0	0
	<b>Total minimum payments</b>			2,275	326,997,279	3,615,886	0	3,615,886	3,615,886	0	3,615,886	3,095,311
	<b>Total general rates and minimum payments</b>			13,210	1,970,897,157	29,577,828	1,299,320	30,877,148	29,577,827	540,000	30,117,827	27,793,495
	<b>Ex-gratia Rates</b>											
	Ex Gratia Rates			0	0	0	18,586	18,586	12,500	0	12,500	0
	<b>Total amount raised from rates (excluding general rates)</b>			0	0	0	18,586	18,586	12,500	0	12,500	0
	Discounts							0				0
	Concessions							(219,656)			(219,656)	(229,206)
	<b>Total Rates</b>							30,676,078			29,908,671	27,564,289

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

\*Rateable Value at time of raising of rate.



**SHIRE OF SERPENTINE-JARRAHDAL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**30. DETERMINATION OF SURPLUS OR DEFICIT**

		2023/24 (30 June 2024 Carried Forward)	2023/24 (1 July 2023 Brought Forward)	Restated* 2022/23 (30 June 2023 Carried Forward)
	Note	\$	\$	\$
<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		(84,154)	(18,052)	(18,052)
Less: Fair value adjustments to financial assets at fair value through profit or loss		779	(4,114)	(4,114)
Less: Fair value adjustments to investment property	12	(85,000)	17,182	17,182
Less: Share of net profit of associates and joint ventures accounted for using the equity method		8,062	(32,476)	(32,476)
Add: Loss on disposal of assets		0	110,417	110,417
Add: Depreciation		15,735,764	11,444,354	11,444,354
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(30,283)	(32,340)	(32,340)
Employee benefit provisions		130,182	27,387	27,387
<b>Non-cash amounts excluded from operating activities</b>		<b>19,000,570</b>	<b>11,512,358</b>	<b>11,512,358</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)	0	(117,685)	(117,685)
Infrastructure received for substantially less than fair value	9(a)	13,167,218	17,414,731	17,414,731
Non cash capital grants, subsidies and contributions		(13,167,218)	(17,297,046)	(17,297,046)
Right of use assets received - non cash	11(a)	32,687	94,135	94,135
<b>Non-cash amounts excluded from investing activities</b>		<b>32,687</b>	<b>94,135</b>	<b>94,135</b>
<b>(c) Non-cash amounts excluded from financing activities</b>				
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
<b>Adjustments to financing activities</b>				
Non cash proceeds from new leases	31(d)	(32,687)	0	(94,135)
<b>Non-cash amounts excluded from financing activities</b>		<b>(32,687)</b>	<b>0</b>	<b>(94,135)</b>
<b>(d) 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	32	(24,600,336)	(20,237,359)	(20,237,359)
Less: Financial assets at amortised cost				
Less: Current assets not expected to be received at end of year				
- Unspent Grants held in non-current liabilities		0	(3,045,000)	(3,045,000)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	16	3,853,168	820,455	820,455
- Current portion of lease liabilities	11(b)	39,061	44,097	44,097
<b>Total adjustments to net current assets</b>		<b>(20,708,107)</b>	<b>(22,417,807)</b>	<b>(22,417,807)</b>
<b>Net current assets used in the Statement of Financial Activity</b>				
Total current assets		44,507,212	44,741,606	44,741,606
Less: Total current liabilities		(17,371,941)	(14,309,898)	(14,309,898)
Less: Total adjustments to net current assets		(20,708,107)	(22,417,807)	(22,417,807)
<b>Surplus or deficit after imposition of general rates</b>		<b>6,427,164</b>	<b>8,013,901</b>	<b>8,013,901</b>

\*Restated – Refer to Note 25



**SHIRE OF SERPENTINE-JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**31. BORROWING AND LEASE LIABILITIES**

**(a) Borrowings**

Purpose	Note	Actual				Budget			
		Principal Repayments		New Loans		Principal Repayments		New Loans	
		Principal at 1 July 2022	During 2022-23	During 2022-23	Principal at 30 June 2023	During 2023-24	During 2023-24	During 2023-24	Principal at 30 June 2024
		\$	\$	\$	\$	\$	\$	\$	\$
Council Chamber Refurbishment		139,559	0	(139,559)	0	0	0	0	0
Abernethy Road		1,761,050	0	(270,716)	1,490,334	0	0	0	1,210,886
Webb Road		926,144	0	(306,382)	619,762	0	0	0	311,053
Briggs Park Upgrade		1,007,477	0	(221,052)	786,425	0	0	0	563,765
Abernethy Road		1,440,430	0	(316,045)	1,124,385	0	0	0	806,036
Civic Centre Upgrade		0	0	0	0	2,400,000	0	6,000,000	6,000,000
Oakford Firebrigade		0	0	0	0	0	0	2,095,000	2,095,000
<b>Total</b>		<b>5,274,660</b>	<b>0</b>	<b>(1,253,754)</b>	<b>4,020,906</b>	<b>2,400,000</b>	<b>(1,129,164)</b>	<b>8,095,000</b>	<b>10,986,740</b>
<b>Total Borrowings</b>	<b>16</b>	<b>5,274,660</b>	<b>0</b>	<b>(1,253,754)</b>	<b>4,020,906</b>	<b>2,400,000</b>	<b>(1,129,164)</b>	<b>8,095,000</b>	<b>10,986,740</b>

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.

**Borrowing Finance Cost Payments**

Purpose	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023
					\$	\$	\$
Council Chamber Refurbishment	117	WATC*	4.36%	26/06/2023	0	0	(7,622)
Abernethy Road	123	WATC*	0.73%	24/09/2026	(5,308)	(45,472)	(6,917)
Webb Road	121	WATC*	3.20%	17/05/2028	(45,473)	(4,705)	(54,205)
Briggs Park Upgrade	122	WATC*	0.76%	30/06/2025	0	(5,308)	(7,031)
Abernethy Road	124	WATC*	0.73%	24/09/2026	(7,589)	(7,589)	(7,589)
Civic Centre Upgrade	STL	WATC*	3.00%	TBA	0	(35,000)	0
Oakford Firebrigade	N/A	N/A	N/A	3/06/2025	(58,370)	(98,074)	(83,364)
<b>Total</b>					<b>(58,370)</b>	<b>(98,074)</b>	<b>(83,364)</b>
<b>Total Finance Cost Payments</b>					<b>(58,370)</b>	<b>(98,074)</b>	<b>(83,364)</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-JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**31. BORROWING AND LEASE LIABILITIES (Continued)**

**(b) New Borrowings - 2023/24**

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed			Amount (Used)	
					2024 Actual	2024 Budget	2024 Actual	2024 Actual	2024 Budget
Civic Centre Upgrade	WATC*	Short Term	1**	4.90%	2,400,000	6,000,000	0	38,630	0
Oakford Firebrigade	WATC*	Self Supporting	10	5.00%	0	2,095,000	0	0	0
					2,400,000	8,095,000	0	0	38,630

\* WA Treasury Corporation

\*\* The loan was originally budgeted for \$6M. However, the Shire has only withdrawn \$2.4M in 2023-24. The remaining balance is included in 2024-25.

**(c) Unspent Borrowings**

Particulars	Institution	Date Borrowed	Unspent Balance 1 July 2023	Borrowed During Year	Expended During Year	Unspent Balance 30 June 2024
Civic Centre Upgrade	WATC*	Short Term	\$ 0	\$ 2,400,000	\$ (2,361,370)	\$ 38,630
			0	2,400,000	(2,361,370)	38,630

\* WA Treasury Corporation

\*\* The loan was originally budgeted for \$6M. However, the Shire has only withdrawn \$2.4M in 2023-24. The remaining balance is included in 2024-25.

**(d) Lease Liabilities**

Purpose	Note	Actual				Budget			
		Principal at 1 July 2022	New Leases During 2022-23	Principal at 30 June 2023	Principal Repayments During 2022-23	New Leases During 2023-24	Principal Repayments During 2023-24	Principal at 1 July 2023	Principal at 30 June 2024
Photocopiers - Admin		3,824	13,382	0	(17,206)	0	0	58,299	35,004
Photocopiers - Emergency Services		11,276	0	2,256	(9,020)	3,006	(5,262)	2,256	0
Ford Ranger - CESM		44,360	0	25,348	(19,012)	0	(19,012)	23,768	4,760
Scania Tip Truck with Crane		0	12,264	0	(12,264)	0	0	0	0
Photocopiers - Admin		0	68,489	64,684	(3,805)	0	(22,828)	0	0
Photocopiers - Emergency Services		0	0	0	(3,805)	29,681	(6,596)	0	0
<b>Total Lease Liabilities</b>	11(b)	59,460	94,135	92,288	(61,307)	32,687	(53,698)	84,323	39,764

**Lease Finance Cost Payments**

Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2024
Photocopiers - Admin	IW85510127001	Canon	2.10%	31/03/2023	(585)	0
Photocopiers - Emergency Services	IW85510204001	Canon	2.10%	31/01/2024	(508)	(126)
Ford Ranger - CESM	FMOLT Q21451	Fleetcare	2.00%	30/10/2024	(846)	(840)
Scania Tip Truck with Crane	E6R0162897	MAIA	2.00%	N/A	(286)	0
					\$	\$



SHIRE OF SERPENTINE-JARRAHDAL  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

31. BORROWING AND LEASE LIABILITIES (Continued)

(d) Lease Liabilities

Purpose	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2024	Budget for year ending 30 June 2024	Actual for year ending 30 June 2023	Lease Term
Photocopiers - Admin	L36761	Fuji Film	2.00%	30/04/2026	(466)	(1,847)	(78)	36
Photocopiers - Emergency Services	L90364	Fuji Film	2.00%	31/10/2026	(135)	0	0	36
<b>Total Finance Cost Payments</b>					<b>(1,743)</b>	<b>(2,813)</b>	<b>(2,303)</b>	

**SHIRE OF SERPENTINE-JARRAHDALÉ  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024**

**32. RESERVE ACCOUNTS**

**Restricted by legislation/agreement**

	2024 Actual Opening Balance	2024 Actual Transfer to	2024 Actual Transfer (from)	2024 Budget Opening Balance	2024 Budget Transfer to	2024 Budget Transfer (from)	2024 Budget Closing Balance	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance
(a) Byford Developer Contribution Fund	4,318,647	2,082,102	(989,143)	3,768,119	20,925	(776,650)	3,012,394	4,404,203	1,471,464	(1,557,020)	4,318,647
(b) Community Infrastructure Reserve	3,957,781	1,160,079	(137,157)	3,698,317	626,884	(138,418)	4,186,783	3,059,477	1,119,091	(220,787)	3,957,781
(c) Miscellaneous Developer Contribution	558,611	28,216	0	554,233	3,216	0	557,449	550,980	7,631	0	558,611
(d) Mundijong Whitby Shire Contribution	157,703	129,746	(42,798)	163,880	923	(47,326)	117,477	209,011	2,895	(54,203)	157,703
(e) W. Mundijong Industrial DCP	719,603	36,785	(17,197)	1,531,651	8,880	(20,441)	1,520,090	983	851,200	(132,580)	719,603
(f) Public Open Space	60,336	3,047	0	59,512	346	0	59,858	59,512	824	0	60,336
	9,772,681	3,439,975	(1,186,295)	9,775,712	661,174	(982,835)	9,454,051	8,284,166	3,453,105	(1,964,590)	9,772,681

**SHIRE OF SERPENTINE-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE**  
**FOR THE YEAR ENDED 30 JUNE 2024**

### 31. RESERVE ACCOUNTS (Continued)

RESERVE ACCOUNTS (Continued)	2024				2024				2024				2024				2023			
	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Budget Opening Balance	Budget Transfer to	Budget Transfer (from)	Budget Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance	Actual Opening Balance	Actual Transfer to	Actual Transfer (from)	Actual Closing Balance				
Restricted by council	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$				
(g) Administration Building	643,462	1,135,839	(624,410)	1,154,891	650,083	78,394	(650,000)	78,477	1,337,663	15,259	(709,460)		1,337,663	15,259	(709,460)	643,462				
(h) Briggs Park	96,852	4,892	0	101,744	96,092	557	0	96,649	95,529	1,323	0		95,529	1,323	0	96,852				
(i) Buildings Asset Management	888,502	240,829	(184,277)	945,054	826,113	4,453	(584,752)	245,814	1,078,995	31,467	(221,960)		1,078,995	31,467	(221,960)	888,502				
(j) Byford BMX Track	206,366	7,671	(91,686)	122,351	112,526	655	0	113,181	203,547	2,819	0		203,547	2,819	0	206,366				
(k) Car Parking	101,421	4,599	(6,830)	99,190	100,574	527	(100,000)	1,101	91,308	10,113	0		91,308	10,113	0	101,421				
(l) Community Facilities	152,674	6,441	(145,420)	13,695	130,617	681	(129,000)	2,298	150,832	1,842	0		150,832	1,842	0	152,674				
(m) Community Grants Reserve	217,354	109,087	(81,106)	245,335	137,038	97,010	(202,150)	31,898	211,642	97,445	(91,733)		211,642	97,445	(91,733)	217,354				
(n) Drainage Asset Management	163,860	8,277	0	172,137	162,574	944	0	163,518	161,622	2,238	0		161,622	2,238	0	163,860				
(o) Emergency Asset Management	243,532	12,301	0	255,833	241,621	1,405	0	243,026	240,205	3,327	0		240,205	3,327	0	243,532				
(p) Fire Asset Management	6,739	340	0	7,079	6,685	37	0	6,722	6,647	92	0		6,647	92	0	6,739				
(q) Footpaths Asset Management	495,051	75,413	0	570,464	688,536	3,999	0	692,535	243,494	251,557	0		243,494	251,557	0	495,051				
(r) Investment	704,498	94,190	0	798,688	698,975	59,847	0	758,822	694,874	9,624	0		694,874	9,624	0	704,498				
(s) Jarrahdale Communications Tower	252,385	39,165	(22,712)	268,838	289,048	48,558	(22,473)	315,133	284,736	10,003	(22,354)		284,736	10,003	(22,354)	252,385				
(t) Jarrahdale Community Infrastructure	53,037	2,679	0	55,716	52,624	304	0	52,928	52,312	725	0		52,312	725	0	53,037				
(u) Light Fleet & Plant Acquisition	1,317,074	996,000	(899,347)	1,413,727	1,205,039	828,820	(1,594,000)	439,859	1,305,573	818,922	(807,421)		1,305,573	818,922	(807,421)	1,317,074				
(v) Local Government Election	84,083	81,779	(135,000)	30,862	83,323	75,321	(135,000)	23,644	1,073	83,010	0		1,073	83,010	0	84,083				
(w) Multi Use Trails	18,844	952	0	19,796	18,698	110	0	18,808	18,587	257	0		18,587	257	0	18,844				
(x) Parks & Gardens Asset Management	157,019	7,931	0	164,950	155,788	905	0	156,693	154,874	2,145	0		154,874	2,145	0	157,019				
(y) Public Art	262,569	12,643	(25,000)	250,212	165,032	101,260	(35,000)	231,292	119,351	143,218	0		119,351	143,218	0	262,569				
(z) Rates Revaluation	3,610	27,325	0	30,935	3,466	26,171	0	29,637	53,126	25,484	(75,000)		53,126	25,484	(75,000)	3,610				
(l) Renewable Energy	35,163	1,776	0	36,939	34,884	203	0	35,087	34,683	480	0		34,683	480	0	35,163				
(l) Road Asset Management	1,181,660	163,547	(11,891)	1,333,316	1,135,638	26,656	0	1,162,294	310,290	1,015,379	(144,009)		310,290	1,015,379	(144,009)	1,181,660				
(j) Serpentine Jarrahdale Locality Funding	29,056	1,468	0	30,524	28,833	167	0	29,000	28,659	397	0		28,659	397	0	29,056				
(~) Serpentine Jarrahdale Sporting Precinct	332,966	16,818	0	349,784	330,357	1,918	0	332,275	328,418	4,548	0		328,418	4,548	0	332,966				
(*) Tourism	13,219	668	0	13,887	13,113	74	0	13,187	13,038	181	0		13,038	181	0	13,219				
(€) Unspent Grants & Contributions	38	0	0	38	0	0	0	0	38	0	0		38	0	0	38				
(€) Waste	1,716,270	151,381	0	1,867,651	1,688,330	9,778	(50,000)	1,648,108	1,648,369	134,311	(66,410)		1,648,369	134,311	(66,410)	1,716,270				
(,) Oakford Fire Station	302,623	366,440	(140,888)	528,175	299,011	1,560	(299,000)	1,571	343,443	4,180	(45,000)		343,443	4,180	(45,000)	302,623				
(€) ICT Reserve	784,751	144,689	0	929,440	778,621	105,102	0	883,723	530,878	783,873	(530,000)		530,878	783,873	(530,000)	784,751				
(†) Operations Optimisation	0	762,724	0	762,724	0	0	0	0	0	0	0		0	0	0	0				
	10,464,678	4,477,864	(2,368,567)	12,573,975	10,133,239	1,475,416	(3,801,375)	7,807,280	9,723,806	3,454,219	(2,713,347)		9,723,806	3,454,219	(2,713,347)	10,464,678				
Total Reserve Accounts	20,237,359	7,917,839	(3,554,862)	24,600,336	19,908,951	2,136,590	(4,784,210)	17,261,331	18,007,972	6,907,324	(4,677,937)		18,007,972	6,907,324	(4,677,937)	20,237,359				



## SHIRE OF SERPENTINE-JARRAHDALE NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2024

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:

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

**SHIRE OF SERPENTINE-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**33. 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 2023</b>	<b>Amounts Received</b>	<b>Amounts Paid</b>	<b>30 June 2024</b>
	\$	\$	\$	\$
Cash in Lieu of Public Open Space	304,222	0	0	304,222
				0
	304,222	0	0	304,222

**SHIRE OF SERPENTINE-JARRAHDALE**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2024**

**34 CORRECTION OF ERROR**

During the year ended 30 June 2024, the following misstatements were identified relating to prior financial years.

The misstatements have been corrected by restating each of the affected financial statement line items for the prior years.

**(a) Correction of recognition of Gifted Assets from prior financial years**

During the year 2023-24, gifted assets were identified that were received in prior financial years.

As a part of the survey undertaken this year the Shire identified a number of assets which were not included in previous years financial statement. Valuation dates and dates assets were gifted has not been captured, meaning earlier quantification was impracticable. These assets values were quantified and taken up at their fair value. These assets have been reflected in 1 July 2022.

Furthermore, the Shire has also identified assets that were constructed in the 2022/23. These assets have been reflected in the balance at 30 June 2023 and recognised in the statement of comprehensive income in 2022-23 as capital grants, subsidies and contributions.

As a consequence, the Shire has determined that :

- For the opening balance as at 1 July 2022, infrastructure assets and retained surplus were understated by \$2,771,144.
- Non-operating contributions for period ending 30 June 2023 were understated by \$2,455,076 in Parks and Ovals, \$397,856 for footpaths and \$1,672,379 in Roads.
- For closing balance as at 30 June 2023, infrastructure assets were understated a total of \$7,296,455
- Retained surplus was understated by \$7,296,455 as at 30 June 2023

The Shire has retrospectively applied the corrections as at 1 July 2022 (beginning of earliest period practicable) to reflect the Shire's fair value of the assets.

The financial impact of this correction errors is indicated below:

STATEMENT OF FINANCIAL POSITION (Extract)	30 June 2023	Increase/ (Decrease)	30 June 2023 (Restated)	01 July 2022	Increase/ (Decrease)	01 July 2022 (Restated)
Infrastructure						
Parks and Ovals	41,457,394	4,324,295	45,781,689	56,148,314	1,869,219	58,017,533
Roads	424,520,428	1,986,897	426,507,325	339,916,549	314,518	340,231,067
Footpaths	28,339,663	985,263	29,324,926	19,775,687	587,407	20,363,094
Total adjustments to assets	494,317,485	7,296,455	501,613,940	415,840,550	2,771,144	418,611,694
Net assets	508,401,842	7,296,455	515,698,297	479,163,840	2,771,144	481,934,984
Retained Surplus	170,664,265	7,296,455	177,960,720	153,655,948	2,771,144	156,427,092
Total equity	508,401,842	7,296,455	515,698,297	479,163,840	2,771,144	481,934,984
STATEMENT OF COMPREHENSIVE INCOME (Extract)	2023	Increase/ (Decrease)	2023 (Restated)			
Capital grants, subsidies and contributions	22,723,336	4,525,311	27,248,647			
Net result for the period	19,237,704.00	4,525,311	23,763,015.00			
Total comprehensive income for the period	29,238,002	4,525,311	33,763,313			

SHIRE OF SERPENTINE-JARRAHDALE  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2024

34 CORRECTION OF ERROR

(a) Correction of recognition of Gifted Assets from prior financial years

STATEMENT OF FINANCIAL ACTIVITY (Extract)	2023	Increase/ Decrease	2023 (Restated)
Capital grants, subsidies and contributions	22,723,336	4,525,311	27,248,647
Purchase and/or construction of infrastructure	(22,007,050)	(4,525,311)	(26,532,361)



## Auditor General

### INDEPENDENT AUDITOR'S REPORT

2024

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 2024, 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 material 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 2024 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

#### Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

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

#### Emphasis of Matter – Restatement of Comparative balances

I draw attention to Note 34 of the financial report which states that the amounts reported in the previously issued 30 June 2023 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

#### 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 2024, 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, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at [https://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](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 2024 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.



Kellie Tonich  
Senior Director Financial Audit  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
18 December 2024

**This page has been intentionally left blank**







Shire of  
Serpentine  
Jarrahdale

6 Paterson Street Mundijong  
Western Australia 6123

**t:** 9526 1111   **e:** [info@sjshire.wa.gov.au](mailto:info@sjshire.wa.gov.au)  
**w:** [www.sjshire.wa.gov.au](http://www.sjshire.wa.gov.au)

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

