

COUNCIL AGENDA

Supplementary Items

21 December 2022

ALL INFORMATION AVAILABLE IN VARIOUS FORMATS ON REQUEST

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CITY OF BUSSELTON

SUPPLEMENTARY ITEMS FOR THE COUNCIL MEETING TO BE HELD ON 21 DECEMBER 2022

TABLE OF CONTENTS

ITEM	NO.	SUBJECT	PAGE NO.
13.	PLANNIN	G AND DEVELOPMENT SERVICES REPORT	3
	13.3	AMENDMENT No.54 TO LOCAL PLANNING SCHEME No.21 (LOT 2883 PUZEY ROAD, WILYABRUP)	
16.	FINANCE	AND CORPORATE SERVICES REPORT	32
	16.3	ANNUAL REPORT 2021-2022	32
17.	CHIEF EX	ECUTIVE OFFICERS REPORT	154
	17.2	PROPOSED WALGA GOVERNANCE MODEL	154

13. PLANNING AND DEVELOPMENT SERVICES REPORT

13.3 <u>AMENDMENT No.54 TO LOCAL PLANNING SCHEME No.21 (LOT 2883 PUZEY ROAD, WILYABRUP)</u>

STRATEGIC THEME OPPORTUNITY - A vibrant City with diverse opportunities and a

prosperous economy

STRATEGIC PRIORITY 3.2 Facilitate an innovative and diversified economy that supports

local enterprise, business, investment and employment growth.

SUBJECT INDEX Local Planning Scheme 21 Amendments

BUSINESS UNIT Strategic Planning

REPORTING OFFICER Strategic Planning Coordinator - David Sands

AUTHORISING OFFICER Director Planning and Development Services - Paul Needham

NATURE OF DECISION Legislative: adoption of "legislative documents" such as local laws,

local planning schemes and local planning policies

VOTING REQUIREMENT Simple Majority

Attachment D Strata Plan 54626 \$\frac{1}{2}\$

Attachment E Local Planning Strategy map 1

OFFICER RECOMMENDATION

That the Council:

- In pursuance of the Planning and Development (Local Planning Schemes)
 Regulations 2015 (the Regulations) adopts Amendment 54 to the City of Busselton Local Planning Scheme 21 with modification for the purposes of:
 - a) Inserting a new 'Special Provision Area 76' as follows:

No.	Particulars of Land	Zone	Special Provisions
SP76	Strata Lots 20, 21, 31, 37, 46 and 47 on Survey-Strata Plan 54626 (Lot 2883) Puzey Road, Wilyabrup	Viticulture and Tourism	For Lots 20, 21, 31, 37, 46 and 47, as shown on the current Strata Plan 54626 (approved on 24 December 2021), one Chalet per lot is permitted as unrestricted length of stay.

- b) Amending the Scheme Map accordingly.
- 2. In accordance with Regulation 35 (2) of the Regulations, determines that Amendment No. 55 of the City of Busselton Local Planning Scheme No. 21 is a 'complex amendment' in accordance with r.34 of the Regulations as it is:
 - (a) An amendment that is not consistent with a Local Planning Strategy for the Scheme that has been endorsed by the Commission.
- 3. Note that, as the Amendment is in the opinion of the Council consistent with Part V of the *Planning and Development Act 2005* (Act) and Regulations made pursuant to the Act, upon preparation of necessary documentation, the Amendment be referred

to the Environmental Protection Authority (EPA) as required by the Act, and on receipt of a response from the EPA indicating that the Amendment is not to be subject to formal environmental assessment, be advertised for a period of 42 days, in accordance with the Regulations. In the event that the EPA determines that the Amendment is to subject to formal environmental assessment, this assessment is to be prepared prior to advertising of the proposal.

- 4. Subject to the Western Australian Planning Commission's advice that it considers the amendment suitable for advertising and the EPA determining that an environmental review is not required, resolve in accordance with Regulation 37 of the Regulations to proceed to advertise the amendment with modification in accordance with Regulation 38 of the Regulations.
- 5. Prior to implementing the above, require the proponent to prepare revised amendment documents consistent with the modifications set out in the Parts above.

EXECUTIVE SUMMARY

Council is requested to consider adopting a proposed Scheme Amendment No. 54 (the Amendment) to Local Planning Scheme No. 21 (the Scheme), following an earlier deferral of consideration at the Ordinary Council Meeting of 16 November 2022 to allow for additional briefings to Council on legacy matters.

The Amendment would facilitate land use planning controls relating to specific strata Lots 20, 21, 31, 37, 46 and 47 on Survey-Strata Plan 54626 (previously Loc 2883) Puzey Road, Wilyabrup (Attachment A – Aerial Photograph). The Amendment proposes to insert a new 'Special Provision' within the Scheme to allow certain lots to have buildings with 'unrestricted length of stay'. (Attachment B – Scheme Amendment map).

The intent of the Amendment is for consistency with Survey-Strata Plan 54626 which was approved by the Western Australian Planning Commission (WAPC) for 21 "tourist chalet lots" and two larger "agricultural lots" which are located around two artificial lakes and also include common property for road access.

It is recommended that the Amendment be adopted and consent of the WAPC be requested for the purpose of community consultation.

BACKGROUND

The Amendment relates to the subject land which comprises of Strata Plan 54626 previously referred to as Loc 2883 Puzey Road, Wilyabrub and is located in the "Viticulture and Tourism" zone of Local Planning Scheme No.21 (LPS 21) (Attachment C - Amendment Report No. 54), (Attachment D - Strata Plan 54626).

The surrounding land uses are predominately used for agriculture (mainly viticulture) with some other rural industries such as brewery and restaurant uses. Tourism land uses are also throughout the area, predominately short stay chalets. Surrounding land uses include:

- Carpe Diem Vineyard to the west;
- Four Elements Farm Stay to the south west;
- Bootleg Brewery to the south;
- Viticulture / agriculture to the north and east; and
- Yelverton National Park to the north east.

The subject land is flat, triangular in shape, and bounded by Puzey Road to the south east. The southern edge of the subject land is located at the intersection of Johnston, Puzey and Wildberry Roads. There has been a previous development approval for chalets granted in 2006 by the City and a strata subdivision was applied for in 2007. The City's records do not show that this development was finalised however the applicant has advised that a strata scheme was registered in 2007 however the development of the tourism component was not financially viable.

A new proposal has been developed for a new development on the site which includes the relaxation of short stay restriction for select sites as well as lots which allow for commercial and agricultural businesses. This proposal was approved in the form of a survey strata by the WAPC on 1 September 2020 and has recently been finalised with the survey-strata lots being created. The approval included a strata management statement which sets out the following strata management rights for each strata lot:

- An agricultural enterprise as the primary use for Lots 16 and 17 and a short stay tourist resort facility;
- A manager residence on Lot 1, 16 or 17; and
- A tourist commercial venture to be operated on Lots 20 and 21.

The Strata 54626 Management Statement specifically refers to a number of rights for the lots 20, 21, 31, 37, 46 and 47, and are summarised as follows:

- Short stay tourist accommodation, as a right, on all lots;
- Lot 20 and 21 to have additional rights for commercial use, and to be designated to allow a residential dwelling rights for occupation all year round;
- Lots 46 and 47 to have additional rights for agricultural enterprise use and to be designated to allow for a residential dwelling rights for occupation all year round;
- Lot 46 and 47 to have the right for short stay accommodation and agricultural use;
- Lot 37 to have the right for short stay accommodation and residential use, and in addition specifies that the lot will contain buildings and infrastructure for residential use with unrestricted length of stay;
- All lots except 20,21,31,37,46 and 47 to have restriction on use of short stay accommodation only; and
- In addition to the above, Lots 31, 46 or 47, may be designated for use by a resident manager.

The scheme amendment has been lodged by the proponent to formalise the above strata management rights for each strata lot into Local Planning Scheme No.21. The recommendation on this is discussed further below.

OFFICER COMMENT

The original strata which was registered in February 2009 has not resulted in full development of the site. The proponent has been successful in the re-strata subdivision of the property, which was approved by the WAPC in September 2020, and has reconfigured the strata lot uses which have introduced other elements than short stay accommodation, these include new commercial operations (Lots 20 and 21) and agricultural uses (lots 46 and 47) as well as "unrestricted length of stay".

The purpose of this proposal is to insert new provisions within LPS 21 to allow for "unrestricted length of stay" consistent with various strata management rights prescribed under Strata 54626. The contention with this proposal is that the location of tourism lots with "unrestricted length of stay" have not been identified by the City's strategic planning framework. However, through the subdivision process which involved the City's input into a WAPC determination, Strata Plan 52626 allows for "unrestricted length of stay" for Lots 20, 21, 31, 37, 46 and 47. The proposed amendment will assist the proponent progressing full development of the site.

Unrestricted Length of Stay

The applicant proposes "unrestricted length of stay" for Lots 20, 21, 31, 37, 46 and 47. The City is, in principle, supportive of Lots 20 and 21 (commercial lots) and Lots 46 and 47 (agricultural lots) and Lot 37 as there is no restriction of length of stay already in place within the Strata Management Statement. Lot 31 was not supported originally by the City for anything other than short stay accommodation. However in the approved Strata Management Statement Lot 31 has been included as a possible location for a resident manager and has therefore been granted in principle supported by the WAPC for "unrestricted length of stay".

Further to the above the appropriate uses for the short and extended stay at the site are considered appropriate through the development of a "Chalet" which is a "D" use under LPS 21 for the "Viticulture and Tourism" zone. Within the strata management statement the reference to residential dwellings is noted, however it is not considered appropriate to support "Grouped Dwelling" or "Holiday Home (grouped dwelling)" through this scheme amendment, as this would require an additional use to be introduced and this is not considered an appropriate location as it would result in a quasi-suburban style development within a rural setting. This amendment will not result in modification to the classification of Grouped Dwelling and Holiday Home (grouped dwelling) which will remain an "x" use they are currently for the "Viticulture and Tourism" and surrounding "Rural" zone within LPS 21.

It is concluded that the amount of development on lots 20, 21, 31, 37, 46 and 47 can be controlled through the proposed scheme amendment text, as amended by officers, which specifically refers to "one Chalet per lot".

Manager Residence

The City's position is one manager residence is appropriate for the site. As three lots (31, 46 and 47) are given the strata management right to be a manager residence and are located on separate privately owned lots it will be difficult for the City to control how many managers are operating at the site, however, the differentiation between tenants and managers is ultimately an issue for the strata body to coordinate with future land use. In addition, the proposed amended text refers specifically to "one chalet" for the strata lots (20, 21, 31, 37, 46 and 47) and therefore further control of management residences in this regard are considered redundant.

Statutory Environment

The key statutory documents relevant to this proposal include the *Planning and Development Act 2005*, the *Planning and Development (Local Planning Schemes) Regulations 2015*, and the relevant objectives and provisions of the City of Busselton Local Planning Scheme No. 21. Each is discussed below under appropriate subheadings.

Planning and Development Act 2005

The *Planning and Development Act 2005* (the Act) outlines the relevant considerations when preparing and amending local planning schemes. The relevant provisions of the Act have been taken into account in preparing and processing this Amendment.

Planning and Development (Local Planning Schemes) Regulations 2015

The Planning and Development (Local Planning Schemes) Regulations 2015 (the Regulations), which came into operational effect on 19 October 2015, identify three different levels of amendments – basic, standard and complex. The resolution of the local government is to specify the level of the amendment and provide an explanation justifying this choice. This Amendment is considered to be a 'complex' amendment.

Local Planning Scheme No. 21

The subject land is zoned 'Viticulture and Tourism' and the objectives of this zone are as follows:

- a. To provide for the maintenance or enhancement of specific local rural character.
- b. To provide for development and expansion of the viticultural, winemaking and associated industries, in addition to general rural pursuits, in a manner that does not cause adverse environmental impact.
- c. To facilitate the development of tourist facilities of a scale and nature appropriate in rural settings without prejudice to the scenic quality of land within this zone and without creating or increasing ribbon development on any road.
- d. To provide for the operation and development of existing, future and potential rural land uses by limiting the introduction of sensitive land uses.
- e. To provide for a range of non-rural land uses where they have demonstrated benefit and are compatible with surrounding rural uses.
- f. To maintain and enhance the environmental qualities of the landscape, vegetation, soils and waterways.

Relevant Plans and Policies

Local Planning Strategy

The City's Local Planning Strategy 2019, (LPS 2019) provides guidance on the consideration of unrestricted length of stay to support re-investment and updating of accommodation product and appropriate for new developments on Tourism zoned within the Busselton-Vasse Urban Area and the Dunsborough Urban Area. LPS 2019 does not support unrestricted length in rural areas and also states that strata title subdivision of tourism accommodation is not supported outside of the Busselton-Vasse Urban Area and the Dunsborough Urban Area (Attachment E – City's Urban Areas).

City of Busselton Local Tourism Planning Strategy 2011

The Local Tourism Planning Strategy (LTPS) provides the long term strategic land use planning and strategic direction for tourism development within the District. Strategic tourism sites and precincts were identified as being of tourist significance or importance with the intention being to retain these sites for tourism use. Non-strategic tourism sites are also identified and are to be retained for tourism purposes with the possibility of an unrestricted length of stay component. The LTPS also considers areas of tourist zoned land where alternative zonings may be considered. The subject land is not included in any of the three categories under the LTPS.

State Planning Policy 3.7: Planning in Bushfire Prone Areas

The intent of State Planning Policy 3.7: Planning in Bushfire Prone Areas (SPP 3.7) is to implement effective, risk-based land use planning and development to preserve life and reduce the impact of bushfire on property and infrastructure. SPP 3.7 directs how land use should address bushfire risk management, and applies to all land which has been designated as bushfire prone by the Office of Bushfire Risk Management.

The subject land has been designated as a Bushfire Prone Area however the considerations of SPP 3.7 were considered through the subdivision process through the preparation of a Bushfire Management Plan and implementation of subdivision conditions. In addition, the development application process will allow for bushfire assessment of habitable buildings.

Planning Bulletin 111/2016 provides a basis for exemptions from the requirements of SPP 3.7 and the deemed provisions of the Regulations, and states that the deemed provisions should be applied pragmatically by the decision maker.

Taking a pragmatic approach, therefore, a bushfire consultant was commissioned by the proponent to assess the matter through the subdivision phase. Further bushfire risk assessment at scheme amendment level is not considered necessary as it would not provide any increase in safety to future employees or visitors and would not change the overall bushfire exposure risk compared that which was assessed at the time of subdivision in 2020. As a result, the provisions of SPP 3.7 and associated guidelines have not been applied to this proposal.

Financial Implications

There are no financial implications associated with the officer recommendation.

Stakeholder Consultation

If the Council resolves to initiate the proposed Amendment, the relevant documentation would be referred to the Environmental Protection Authority (EPA) for consideration of the need for formal assessment under Part IV of the *Environmental Protection Act 1986*. In addition the proposed Amendment will be referred to the WAPC for consent to advertise in line with the procedures for a "Complex" amendment set out in the Regulations. Should the EPA resolve that the Amendment does not require formal assessment and WAPC consent is granted, then the document will be advertised for 60 days in accordance with the Regulations.

Risk Assessment

No risks of a medium or greater level have been identified.

Options

As an alternative to the proposed recommendation the Council could:

- 1. Request that the applicant modify the proposal before advertising.
- 2. Decline the initiation of the proposed Amendment for advertising for reasons to be identified and explained.

The officer assessment has not revealed any substantive issue or reasonable grounds that would support either of the above options.

CONCLUSION

The Amendment provides for the clarification of land uses on the subject land that have already been approved, and allows for additional surety, and limited flexibility, in the development of those land uses.

City officers recommend that the Council supports the initiation of the Amendment for public advertising.

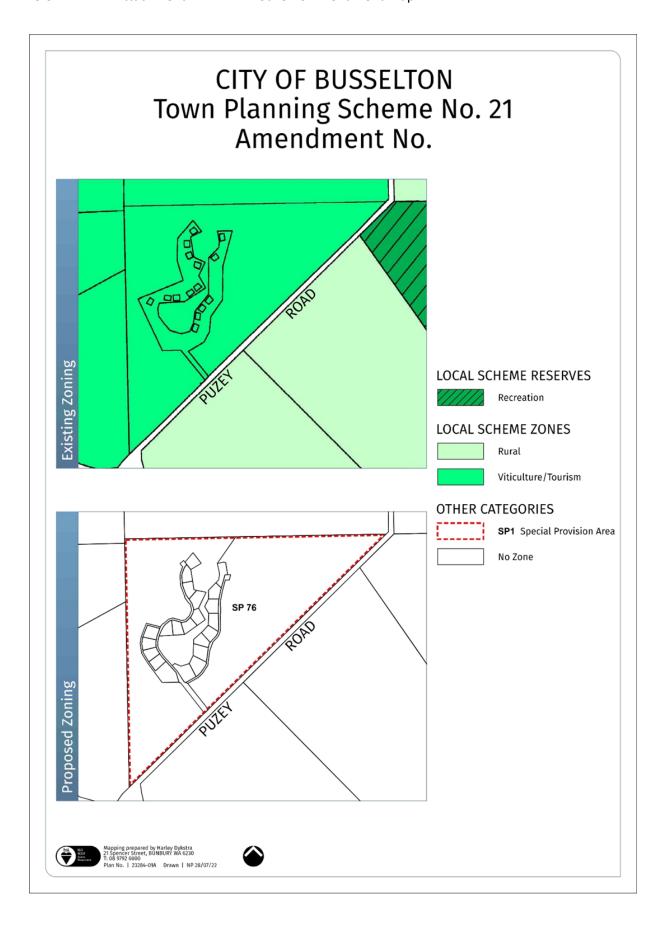
TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The implementation of the officer recommendation will include advising the applicant of the Council resolution and referring the Amendment to the EPA and WAPC which will occur within one month of the date of the Council decision.

13.3



9



CITY OF BUSSELTON

Local Planning Scheme No. 21 Scheme Amendment No. 54- Proposed Special Provision Area

Strata Lots 20, 21, 31, 37, 46 and 47 on Survey-Strata Plan 54626 (Lot 2883) Puzey Road, Wilyabrup







PLANNING AND DEVELOPMENT ACT 2005 RESOLUTION DECIDING TO AMEND A LOCAL PLANNING SCHEME CITY OF BUSSELTON

LOCAL PLANNING SCHEME NO.21

AMENDMENT NO. 54

RESOLVED that the Council, in pursuance of Section 75 of the Planning and Development Act 2005, amend the above local planning scheme by:

1. Amending Schedule 3 to include an additional Special Provision area relating to the subject land and include special provisions permitting an additional building with an unrestricted length of stay for Lots 20, 21, 31, 37, 46 and 47 on Strata Plan 54626.

The Amendment is complex under the provisions of the Planning and Development (Local Planning Schemes) Regulations 2015 for the following reason(s):

- An amendment that is not consistent with a local planning strategy for the scheme that has been endorsed by the Commission.

ated this	_ day of	_ 20
		CHIEF EXECUTIVE OFFICER

Scheme Amendment Report



DOCUMENT CONTROL

CONTROL VERSION	DATE	STATUS	DISTRIBUTION	COMMENT
Α	04/07/2022	Draft	HD	Internal
В	28/07/2022	Draft	Client	For comment
С	05/08/2022	Final	Local Government	Lodgement
D	31/08/2022	Revised	Local Government	Include amendment number and additional information as requested

Prepared for: Owners of Lot 2883 Puzey Road Date: 31 August 2022

Prepared by: Job No: 23284 Reviewed by: Ref:

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TABLE OF CONTENTS

1 IN	TRODUCTION	
2 BA	CKGROUND AND SITE CONTEXT	3
2.1	Property Location and Characteristics	3
2.2	Property Details	
2.3	Zoning	
2.4	Land Use	4
3 LE	GISLATION/PLANNING FRAMEWORK	5
3.1	Local Planning Strategy	5
3.2	Local Tourism Planning Strategy	
3.3	Existing Strata Scheme by-laws	
3.4	City of Busselton Local Planning Scheme No. 21	6
4 PR	OPOSED SCHEME AMENDMENT	7
E (0	MCHISION	•

APPENDICIES INDEX

APPENDIX A Survey-Strata Plan 54626

15



MINISTER FOR PLANNING PROPOSAL TO AMEND A LOCAL PLANNING SCHEME

LOCAL AUTHORITY: CITY OF BUSSELTON

DESCRIPTION OF TOWN

PLANNING SCHEME: LOCAL PLANNING SCHEME NO.21

TYPE OF SCHEME: DISTRICT PLANNING SCHEME

NO. OF AMENDMENT: AMENDMENT NO. 54

AMENDING SCHEDULE 3 TO INCLUDE AN ADDITIONAL SPECIAL PROVISION AREA RELATING TO LOTS 20, 21, 31, 37, 46 AND 47 ON SURVEY-STRATA PLAN 54626 (LOT 2883) PUZEY ROAD, WILYABRUP

1 INTRODUCTION

This Scheme Amendment proposal seek to add an additional Special Provision Area to the City of Busselton Local Planning Scheme No. 21, in relation to Lots 20, 21, 31, 37, 46 and 47 on Survey-Strata Plan 54626 (Lot 2883) Puzey Road, Wilyabrup.

The existing survey-strata, also known as Wilyabrup Waters, consists of 21 tourist chalet lots, two larger agricultural lots and common property, located around two manmade lakes.

A subdivision application in 2020 approved an increase in strata lots from 16 (plus common property) to the existing 23 lots (plus common property).

It was following the approval of the re-strata that an anomaly was realised whereby residential development (or permanent stay) was not permitted under the existing Local Planning Scheme requirements.

Since that time the landowners have been in discussions with the City (and Department of Planning, Lands and Heritage) regarding this anomaly and the City agreed that they support in principle an amendment to the Scheme to allow for unrestricted length of stay over some of the lots. This is therefore the reason for this amendment.

It is also noted that in the existing Strata Scheme by-laws (Section 21 (8)), the following is stated:

"All lot owners and the Strata Company agree that any future Scheme Amendment or similar to allow for additional short stay accommodation units have unrestricted length of stay, specifically in relation to Lots 20, 21, 31, 46 and 47, is fully supported and permitted."

This is in addition to Section 21 (5) of the existing Strata Scheme by-laws which states:



"The survey strata scheme allows for lot 37 that contains (or will contain) buildings and infrastructure to be used for residential use, with unrestricted length of stay, in addition to short stay tourist accommodation unit rights".

This Scheme Amendment proposes to implement and allow for these initiatives.



2 BACKGROUND AND SITE CONTEXT

2.1 Property Location and Characteristics

The subject land is located 21km (approx.) south west of the Dunsborough town centre, and 11km (approx.) south of Yallingup. A location plan is provided in **Figure 1** below.

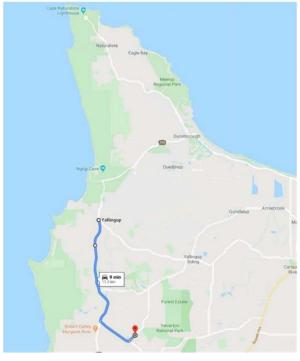


Figure 1 – Location Plan

(source: Google)

The subject land is located in a tourist/ viticulture/ rural area, predominately used for primary production, cottage industries such as breweries / viticulture and tourism purposes. Surrounding land uses include:

- Carpe Diem Vineyard to the west;
- · Four Elements Farm Stay to the south west;
- Bootleg Brewery to the south;
- · Viticulture / agriculture to the north and east; and
- Yelverton National Park to the north east.



2.2 Property Details

A copy of the relevant Survey-Strata Plan 54626 is included at **Appendix A**. The property details for the subject strata lots are as follows:

LOT NUMBER:	PLAN/ DIAGRAM:	VOLUME/FOLIO:	LOT AREA:	REGISTERED PROPRIETOR:
20	SP54626	4013/377	2097m²	Diane Jennifer D'Amico, Erico Giuseppe D'Amico
21	SP54626	4013/378	3525m²	The Royale Australian Golf Club Pty Ltd
31	SP54626	4013/381	2931m²	Accounting Management Services Pty Ltd
37	SP54626	4013/387	2000m²	Candice Susan Dix, Christopher Mark Dix
46	SP54626	4013/396	20.14ha	Redray Holdings Pty Ltd
47	SP54626	4013/397	20.07ha	Catriona Sylvia Parker, Ian Michael Paterson Parker

2.3 Zoning

The subject land is zoned *Viticulture/Tourism* under the City of Busselton Local Planning Scheme No. 21 (LPS 21).

2.4 Land Use

The existing survey-strata, also known as Wilyabrup Waters, consists of 21 tourist chalet lots, two larger agricultural lots and common property, located around two manmade lakes.

3 LEGISLATION/PLANNING FRAMEWORK

3.1 Local Planning Strategy

The City of Busselton Local Planning Strategy (LPS) sets out the long term (25+ years) broad planning direction for the whole municipal area.

Under 'Theme 2: Activity centres and economy' in the LPS, one of the strategies outlined is as follows (section 8.2 (g)):

"To facilitate re-investment and the progressive updating of accommodation product, consider permitting unrestricted length of stay components for new development on Tourism zoned land within the Busselton-Vasse Urban Area and the Dunsborough Urban Area, consistent with the Local Tourism Planning Strategy and the WAPC relevant Planning Bulletin".

It is noted that the subject land is not within the Busselton-Vasse or Dunsborough urban areas. However the merits of the above strategy still apply to the subject land. The original strata was registered in February 2009 and in subsequent years failed to meet market expectations. The restrata of the property in recent years has improved the viability of the strata and the purpose of this amendment is to further facilitate the development of the strata. As outlined in this proposal, the limited unrestricted length of stay proposed will benefit the primary use of short stay accommodation as well as the permissible commercial uses.

It is also noted that the WAPC Planning Bulletin referenced in the above strategy acknowledges that unrestricted length of stay proposals in tourism developments should be considered on their merits. Planning Bulletin 83/2013 (Planning for Tourism) specifically states,

"Proposals for non-tourist accommodation developments (such as permanent residential, commercial, retail, conference/ reception centre, restaurant/ café) within tourism sites, to facilitate the development of tourist accommodation, should be considered on a case by case basis."

As outlined in this proposal, this Scheme Amendment will simply allow for an anomaly of the current Scheme to be rectified whereby unrestricted length of stay can be considered for the subject land. The unrestricted length of stay (for specific lots) will still require future Development Applications to be considered on their merits at the applicable time.

3.2 Local Tourism Planning Strategy

The City of Busselton Local Tourism Planning Strategy (LTPS) aims to guide and coordinate sustainable tourism development from a land use planning perspective within the City of Busselton.

The LTPS classifies tourism sites into three categories- strategic tourism sites/ precincts, non-strategic tourism sites and tourist zoned land where alternative zonings may be considered. The subject land is not included in any of the three categories under the LTPS.

It is noted that the LTPS includes recommendations in relation to zoning framework and one aspect highlighted is the following (Section 3.4.6.1):

"The 'unrestricted length of stay' accommodation within predominantly tourism developments is not 'residential' development, and will not necessarily be subject of the same development standards as would apply to equivalent residential development, but there will need to be a



case-by-case assessment and/or development of more detailed guidance in local planning policy, to establish appropriate development standards for unrestricted length of stay accommodation."

So again it is noted that where unrestricted length of stay is proposed, these proposals need to be determined on their individual merits. It is also again highlighted that this Scheme Amendment will simply allow for an anomaly of the current Scheme to be rectified whereby unrestricted length of stay can be considered for the subject land. The unrestricted length of stay (for specific lots) will still require future Development Applications to be considered on their merits at the applicable time.

3.3 Existing Strata Scheme by-laws

The Strata Scheme by-laws set out the operations and requirements of a strata under the Strata Titles Act.

The existing Strata Scheme by-laws for the Wilyabrup Waters development outline how the strata will operate also in terms of land uses. The by-laws allow for short stay accommodation, some commercial use, some agricultural use and some residential use for various lots. All of these uses can be considered by the City of Busselton under the Local Planning Scheme for the Viticulture/Tourism zone, with the exception of residential development (or permanent stay). This is the reason for this proposed Scheme Amendment and is outlined further in Section 3.2 below.

It is also noted that in the existing Strata Scheme by-laws (Section 21(8)), the following is stated:

"All lot owners and the Strata Company agree that any future Scheme Amendment or similar to allow for additional short stay accommodation units have unrestricted length of stay, specifically in relation to Lots 20, 21, 31, 46 and 47, is fully supported and permitted."

This is in addition to Section 21 (5) of the existing Strata Scheme by-laws which states:

"The survey strata scheme allows for lot 37 that contains (or will contain) buildings and infrastructure to be used for residential use, with unrestricted length of stay, in addition to short stay tourist accommodation unit rights".

This Scheme Amendment now proposes to implement and allow for these initiatives.

3.4 City of Busselton Local Planning Scheme No. 21

This amendment seeks to rectify an anomaly whereby residential development (or permanent stay) cannot be considered by the City of Busselton under the Local Planning Scheme for the subject land.

It is noted that the existing Local Planning Scheme No. 21 allows for 'Single House' to be considered in the Viticulture/Tourism zone (it is a permitted use). However, since the subject land (the Wilyabrup Waters development) is a strata with common property, any dwellings developed on the land will be defined as a 'grouped dwelling' (as defined by the Residential Design Codes). 'Grouped dwelling' is currently listed as an 'X' use (i.e. not permitted) in the Viticulture/Tourism zone under Local Planning Scheme No. 21.

Another mechanism is therefore required in the Local Planning Scheme to allow for the consideration of residential development (permanent stay) for the subject land. It is therefore proposed to include an additional Special Provision area for the subject land, as outline in Section 4 below.



4 PROPOSED SCHEME AMENDMENT

This Scheme Amendment seeks to amend Schedule 3 of Local Planning Scheme No. 21 by including an additional Special Provision area which relates to the subject land.

It is proposed Schedule 3 of the Scheme Text be amended to include the following:

No.	Particulars of Land	Zone	Special Provisions
SP76	Strata Lots 20, 21, 31, 37, 46 and 47 on Survey-Strata Plan 54626 (Lot 2883) Puzey Road, Wilyabrup		Notwithstanding any other provision of the Scheme, additional buildings with unrestricted length of stay are permissible for Lots 20, 21, 31, 37, 46 and 47 as shown on the current Strata Plan 54626 (approved on 24 December 2021).

The main reason for this proposed amendment is to address the anomaly in the current Local Planning Scheme which currently does not allow the City of Busselton to consider residential development (unrestricted length of stay) for the subject land, as outlined earlier.

Strata Lots 20, 21, 31, 37, 46 and 47 on Survey-Strata Plan 54626 have been included in this amendment to form part of the additional Special Provision area and allow for these lots to contain residential use (unrestricted length of stay). The following justification is provided:

- The landowners have been in discussions with the City (and Department of Planning, Lands and Heritage) regarding the anomaly and the City has previously agreed that they support in principle an amendment to the Scheme to allow for unrestricted length of stay over some of the lots;
- Lots 20, 21 and 31 are located close to the existing entry of Wilyabrup Waters and can provide
 an ongoing security measure in relation to those entering the development and parking on
 the adjacent common property (Lot 26);
- Lots 46 and 47 are the largest lots in the strata (20 hectares each) and can be used for agriculural uses which in turn will need to be operated and maintained. This will best be achieved by those living onsite;
- Under the existing Strata Scheme by-laws, Lot 37 has the right to allow for residential use, with unrestricted length of stay, in addition to short stay tourist accommodation unit rights;
- Under the existing Strata Scheme by-laws, Lots 20 and 21 have the right to allow for tourist
 commercial uses which in turn will need to be operated and maintained. This will best be
 achieved by those living onsite; and
- Under the existing Strata Scheme by-laws, Lots 31, 46 and 47 have the right to allow for a resident manager.



5 CONCLUSION

The information contained within this report substantiates the request for an additional Special Provision area in Schedule 3 of Local Planning Scheme No. 21 which relates to the subject land.

This amendment has been prepared following the receipt of in principle support from the City of Busselton. This amendment seeks to fix an anomaly in the Scheme whereby residential development (or permanent stay) cannot currently be considered under the existing Local Planning Scheme requirements for the subject land.

Overall, the existing agricultural tourism development of Wilyabrup Waters will benefit from some permanent residential use (unrestricted length of stay) in terms of security measures as well as practical onsite management and maintenance.

It is respectfully requested the proposed Scheme Amendment is initiated and adopted.

PLANNING AND DEVELOPMENT ACT 2005

CITY OF BUSSELTON

LOCAL PLANNING SCHEME NO.21

AMENDMENT NO. 54

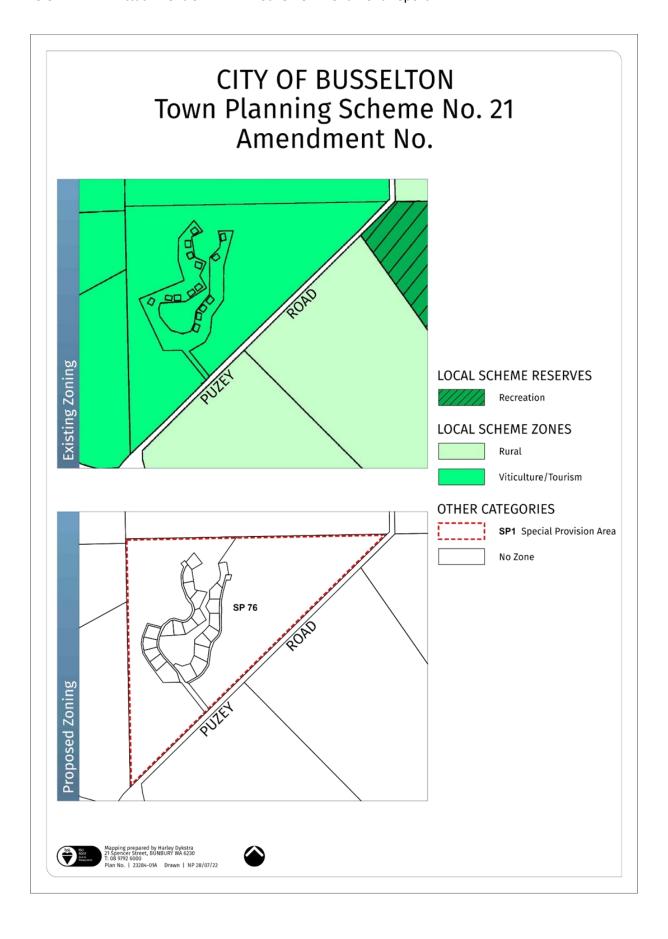
The City of Busselton under and by virtue of the powers conferred upon it in that behalf by the Planning and Development Act 2005 hereby amends the above Local Planning Scheme by:

1. Amending Schedule 3 and including an additional Special Provision area, as follows:

No.	Particulars of	Zone	Special Provisions
	Land		
SP76	Strata Lots 20, 21, 31, 37, 46 and 47 on Survey-Strata Plan 54626 (Lot 2883) Puzey Road, Wilyabrup		Notwithstanding any other provision of the Scheme, additional buildings with unrestricted length of stay are permissible for Lots 20, 21, 31, 37, 46 and 47 as shown on the current Strata Plan 54626 (approved on 24 December 2021).

2. Update the Scheme Maps accordingly.







PLANNING AND DEVELOPMENT ACT 2005

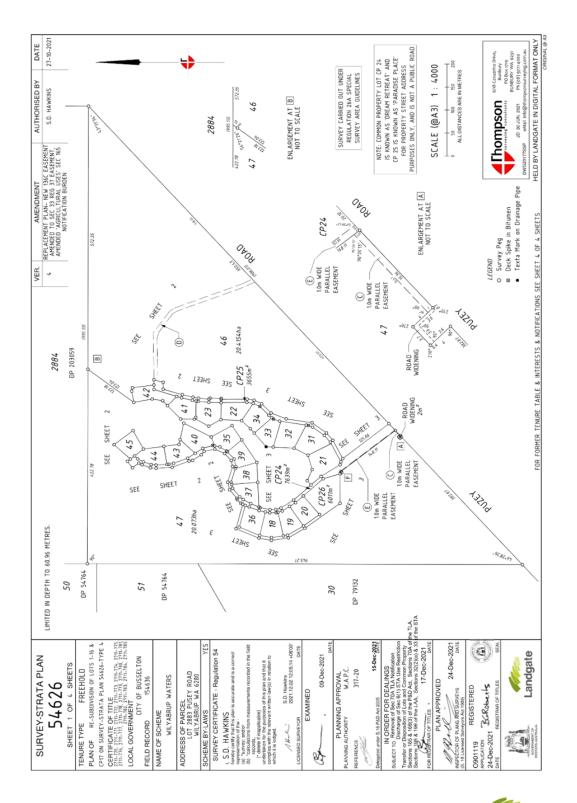
CITY OF BUSSELTON

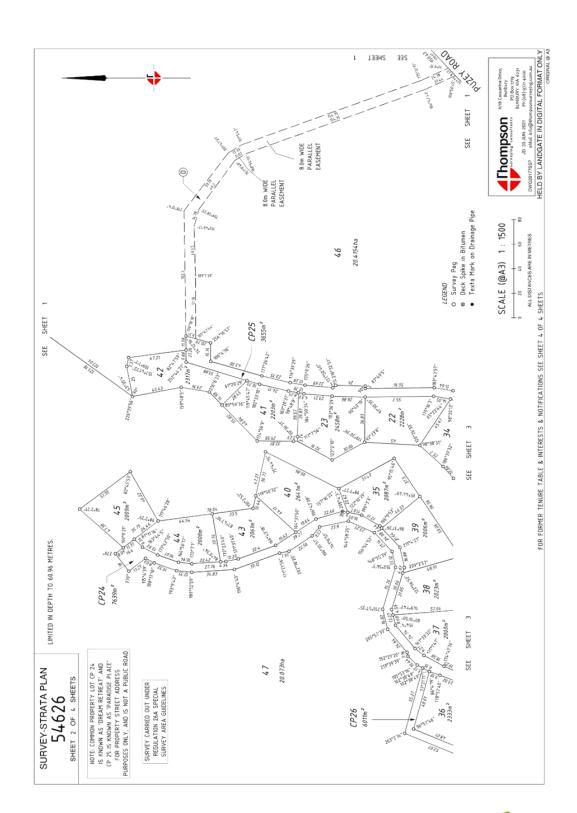
LOCAL PLANNING SCHEME NO.21

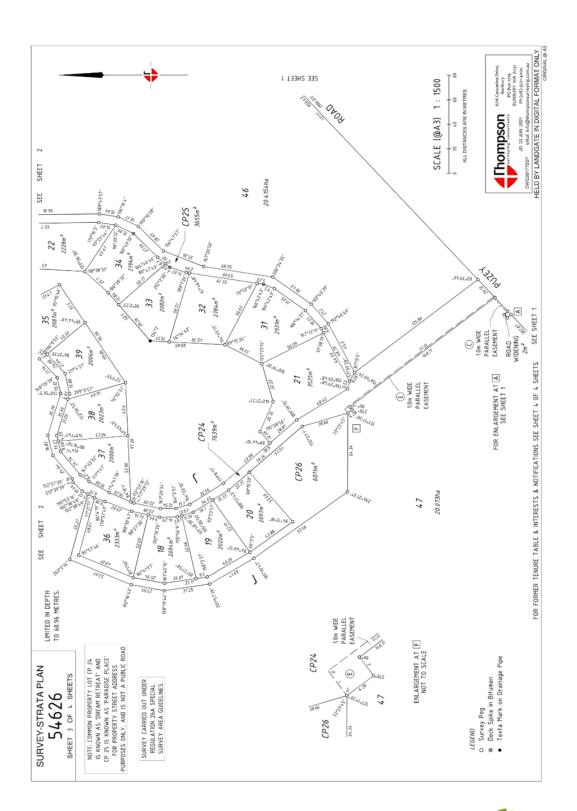
AMENDMENT NO. 54

the	day of	20:	
Mayor			
Chief Executive Off	ficer		
FINAL APPROVAL:			
Adopted for final a	pproval by resolution of the (ity of Busselton at the meeting of the	Council held
on the	day of	20 and the Common S	Seal of the
Mayor			
Chief Executive Off	ficer		
RECOMMENDED / S	SUBMITTED FOR FINAL APPROV	AL:	
Delegated under s	.16 of the PD Act 2005		Date
FINAL APPROVAL G	RANTED:		
Minister for Planni	ng		Date

APPENDIX A | SURVEY-STRATA PLAN 54626

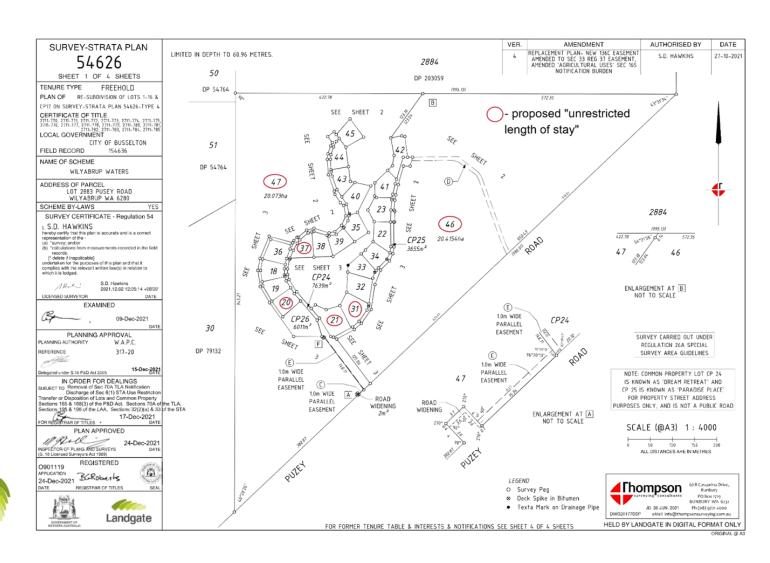






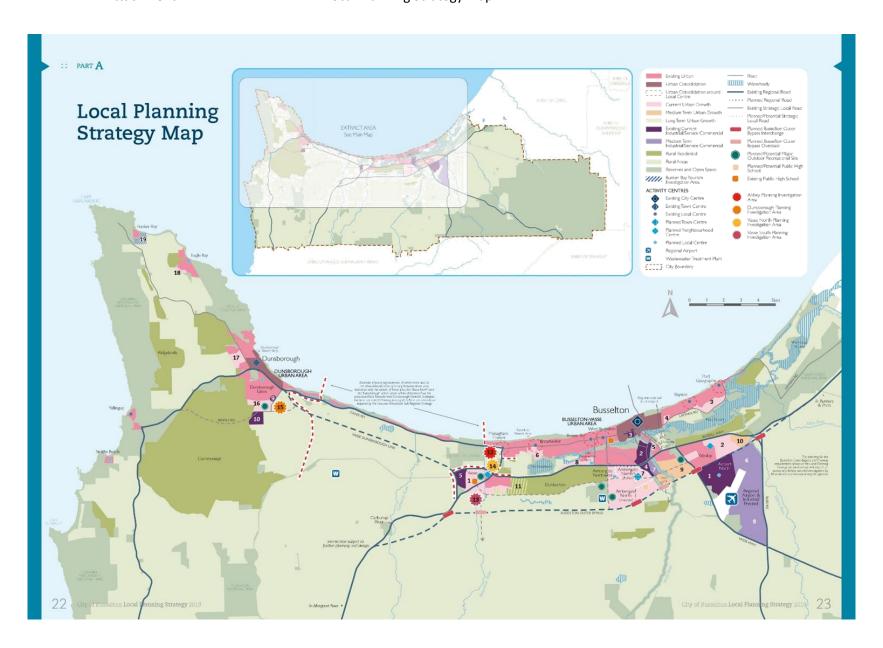
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Local Planning Strategy map

31



16. FINANCE AND CORPORATE SERVICES REPORT

16.3 ANNUAL REPORT 2021-2022

STRATEGIC THEME LEADERSHIP - A Council that connects with the community and is

accountable in its decision making.

STRATEGIC PRIORITY 4.2 Deliver governance systems that facilitate open, ethical and

transparent decision making.

SUBJECT INDEX Annual Report
BUSINESS UNIT Governance Services

REPORTING OFFICER Governance Coordinator - Emma Heys

AUTHORISING OFFICER Acting Director, Finance and Corporate Services - Sarah Pierson

NATURE OF DECISION Executive: Substantial direction setting, including adopting budgets, strategies plans and policies (excluding local planning policies):

strategies, plans and policies (excluding local planning policies); funding, donations and sponsorships; reviewing committee

recommendations

VOTING REQUIREMENT Absolute Majority

ATTACHMENTS Attachment A 2021/2022 Annual Report L

OFFICER RECOMMENDATION

That the Council:

1. accepts the 2021-2022 Annual Report as per Attachment A;

2. determines that the Annual General Meeting of Electors is to be held in the 'Undalup Room' at 2 Southern Drive Busselton on Monday 30 January 2023 at 5.30pm.

EXECUTIVE SUMMARY

This report presents the City of Busselton 2021-2022 Annual Report (Annual Report) for Council's acceptance in accordance with s.5.54 of the *Local Government Act 1995* (the Act) and seeks endorsement of a date for the holding of the Annual General Meeting of Electors, being Monday 30 January 2023 in the Undalup Room, 2 Southern Drive Busselton at 5.30pm.

BACKGROUND

The City produces an annual report of activities at the conclusion of each financial year, in accordance with the requirements of the Act and the *Local Government (Administration) Regulations* 1996 (the Regulations).

An annual report sets out information about the City's progress and achievements in respect of its strategic priorities, and the actions and projects outlined in the Corporate Business Plan.

OFFICER COMMENT

The Annual Report documents the City's achievements during the 2021-2022 financial year. Aligned to Key Themes of the City's Strategic Community Plan 2021-2031, which was adopted by Council in June 2021, the Annual Report provides a snapshot of achievements across key actions, projects and core service delivery. It also outlines prescribed statutory information and includes the full suite of the City's audited financial statements along with the independent auditor's report.

The Annual Report records Council membership as current for the 2021-2022 financial year. Council membership prior to the local government elections held on 16 October 2021 has been included for completeness.

Upon adoption of the Annual Report, hard copies will be produced for public distribution and a digital version posted to the City's website. The Annual Report will be presented at the Annual General Meeting of Electors, which, in accordance with s.5.27 of the Act, is proposed to be held on Monday 30 January 2023.

Statutory Environment

Sections 5.53, 5.54, 5.55, and 5.55A of the Act describe the required content of a local government's annual report and how to prepare, accept, give notice of and publish the report.

In accordance with Section 5.53 the annual report is to contain:

- A report from the mayor or president; and
- A report from the CEO; and
- An overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and
- The financial report for the financial year; and
- Such information as may be prescribed in relation to the payments made to employees;
 and
- The auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and
- A matter on which a report must be made under section 29(2) of the *Disability Services* Act 1993; and
- Details of entries made under section 5.121 during the financial year in the register of complaints, including:
 - the number of complaints recorded in the register of complaints; and
 - how the recorded complaints were dealt with; and
 - any other details that the regulations may require; and
 - such other information as may be prescribed.

Regulation 19B(2) of the Regulations prescribes that the annual report include:

- The number of employees entitled to an annual salary of \$130,000 or more;
- The number of employees entitled to an annual salary that falls within each band of \$10,000 over \$130,000;
- Any remuneration and allowances paid by the local government under Schedule 5.1 clause 9 during the financial year;
- Any amount ordered under section 5.1 19(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year;
- The remuneration paid or provided to the CEO during the financial year;
- The number of Council and committee meetings attended by each council member;
- If available, the gender, linguistic background and country of birth of council members;

- If available, the number of council members who are aged
 - (i) between 18 and 24 years; and
 - (ii) between 25 and 34 years; and
 - (iii) between 35 and 44 years; and
 - (iv) between 45 and 54 years; and
 - (v) between 55 and 64 years; and
 - (vi) over the age of 64 years;
- If available, the number of Council members who identify as Aboriginal or Torres Strait Islander;
- Details of any modification made to a local government's strategic community plan during the financial year;
- Details of any significant modification made to local government's corporate business plan during the financial year.

Section 5.54 of the Act requires the Annual Report to be accepted by an absolute majority of Council before 31 December each year and published on the City's website within 14 days of acceptance.

Section 5.27 of the Act requires an annual general electors meeting be held within 56 days of acceptance of the annual report, upon the provision of 14 days' notice.

Relevant Plans and Policies

The Annual Report provides a report of progress against the City's Corporate Business Plan for the 2021-2022 financial year and the City's Strategic Community Plan 2021-2031.

Financial Implications

There are no financial implications associated with the officer recommendation.

Stakeholder Consultation

No external stakeholder consultation was required or undertaken in relation to this matter.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with risks assessed taking into account any controls already in place. No risks of a medium or greater level have been identified.

Options

As an alternative to the proposed recommendation, the Council could choose to:

- 1. Not accept the Annual Report noting that Council are required to accept this report no later than 31 December 2022.
- 2. Request changes to the Annual Report.

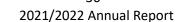
CONCLUSION

The City of Busselton 2021-2022 Annual Report is presented to Council for adoption. It must be accepted by an absolute majority of Council before being publicly released and presented at the Annual General Meeting of Electors.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

Once adopted, the Annual Report will be posted to the City's website, and given local public notice, promoted on the City's social media account and all noticeboards.

The Annual General Meeting of Electors will be held within the required 56 days. A two-week statutory advertising period of the Annual General Meeting of Electors is required.





Annual Report

Where environment, lifestyle and opportunity meet!



The City of Busselton acknowledges the Wadandi and Bibbulmun people as the traditional custodians of this region and pay our respects to elders past and present.



Contents

Part A	Additional Statutory Information
	Disability Access and Inclusion Plan (DAIP)36
Introduction	State Records Act Compliance
Message from the Mayor2	Other Statutory Information
Message from the CEO	> Freedom of Information
Our Vision	> Complaints
Our Community	,
	> Employee Remuneration
Council	Part B
Council Governance	
Councillor Diversity	Financial Report
Councillor and Committee Meeting Attendance 8	Financial Sustainability
Councillor Remuneration8	Independent Auditor's Report
	Financial Report for the Year Ended 30 June 202246
Our Organisation	Keeping In Touch With What We Do114
Our Organisational Structure10	
Our Workforce12	
Achievements	
Highlights14	
Community Engagement Activities	The state of the s
Key Themes	
Key Theme 1: Environment20	
Key Theme 2: Lifestyle	
Key Theme 3: Opportunity27	
Key Theme 4: Leadership30	
Performance Indicator Results	
Forward Planning34	

Front Cover Image: Elijah Circle Park

Message from the Mayor

It is with pleasure that I present on behalf of the Council, the 2021-2022 Annual Report.

This annual report documents key service week transporting passengers between outcomes and achievements across a broad range of services.

Council elections were held in October 2021, with Cr Anne Ryan, Cr Jodie Richards and Cr Mikayla Love elected for a 4 year term. I was also honoured to be re-elected to Council and to be elected as Mayor by my fellow Councillors. Cr Paul Carter was elected as Deputy Mayor. In welcoming new Councillors, we also said farewell to Cr Kelly Hick (Deputy Mayor), Cr Joanne Barrett-Lennard, and Cr Lyndon Miles.

The impacts of COVID-19 continued to be felt throughout the year, with isolation requirements and increasing cases of COVID-19 impacting on the City's own staff, as well as the broader community.

In February 2022, the City held a Special Meeting of Electors to hear the concerns of some in the community with respect to the State Government vaccination mandates. Acknowledging the diversity of views in the community, Council resolved in response to motions carried by Electors, to write to the State Government, expressing the views and concerns of those who attended the special meeting.

In April 2022, with border restrictions eased, the much anticipated launch of Jetstar flights took off, with three flights a Busselton and Melbourne. Demand for the service has remained strong throughout the year.

We also saw an increase in closed charter flights, with a total of 69,120 passengers transiting through the Airport in 2021/2022, an increase of over 70% on the same time last year.

The City of Busselton continues to be an attractive place not only to visit, but to live and to invest in, evidenced by strong levels of development activity. This follows similar levels of activity in previous years, and has placed some pressure on an already busy service area. Staff continue to work hard to meet demand in as timely a fashion as possible.

Council resolved through the year to proceed with construction of the new performing arts and convention centre, Saltwater Busselton. Along with planned investment in sporting and recreation infrastructure including the new Dunsborough Lakes Sporting Precinct, Saltwater Busselton will add to our lifestyle and opportunities.

In presenting this plan, I'd like to acknowledge and thank the efforts of my fellow Councillors and City staff for their dedication to their roles and the pride I know we all take in the City of Busselton.



Message from the CEO

Having been recently appointed to the position of Chief Executive Officer of the City of Busselton, I am privileged to present alongside the Mayor the City's 2021-2022 Annual Report.

Our Vision for this district is to be a place where Environment, Lifestyle and Opportunity meet. These three words represent the things we love about where we live - our beautiful natural environment, the lifestyle we enjoy with a good range of facilities and services, and development applications and building the opportunities that come with being a growing regional community.

Of course, achieving the right balance across these aspirations can be challenging, and I look forward to working to implement service delivery with Council and City staff to provide leadership and achieve the best outcomes our resources. In presenting this report for the whole of the community.

In 2021-2022, we continued to deliver on a number of key strategic priorities establishment of the Busselton Margaret River Regional Airport as a key regional asset, construction of Saltwater Busselton to provide a state of the art performance and convention centre, redevelopment of Barnard Park East along the Busselton Foreshore, construction of additional sporting and recreation facilities at Dunsborough Lakes Sporting Precinct, and continued works to improve the health and amenity of the Lower Vasse River.

City staff also worked hard to provide quality services to the community upgrading and maintaining rural roads,

keeping our parks and gardens green and tidy, collecting and processing our waste, engaging with and supporting our community groups, seeking new economic development opportunities, and processing large numbers of permits to name just a few.

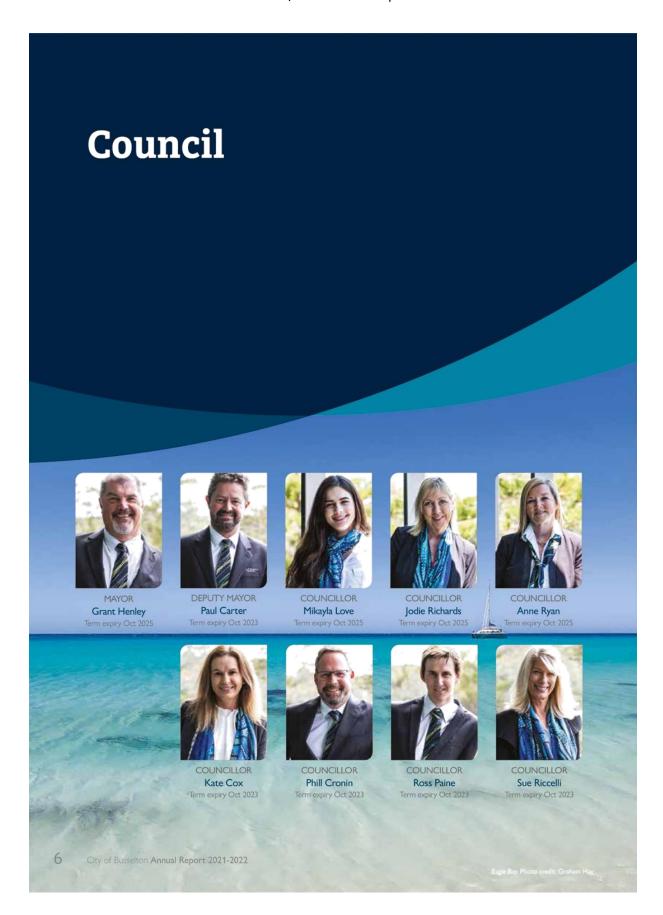
As an organisation we have and continue to be focused on continuous improvement, looking for opportunities improvements and make the best use of I would like to thank all staff for their efforts and of course thank the City of Busselton Council for the opportunity to lead the organisation.











COUNCIL

Council Governance

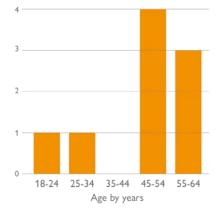
The City of Busselton has nine Councillors. The Mayor and Deputy Mayor are elected by the Council following each ordinary Local Government election. Councillors are elected for a term of four years, with half of the terms expiring every two years.

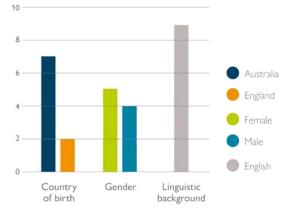
Council meetings are held on the third Wednesday of each month. Public Presentation Sessions are held on the second Wednesday of each month and allow members of the public to present on matters relating to the current agenda.

Community Access Session are an informal session and held on the first Wednesday of each month.

Councillor Diversity

	Gender	Linguistic Background	Country of Birth	Age range	Aboriginal or Torres Strait Islander
Mayor Henley	Male	English	Australia	55-64	No
Deputy Mayor Carter	Male	English	Australia	48-54	No
Councillor Ryan	Female	English	Australia	55-64	No
Councillor Richards	Male	English	Australia	45-54	No
Councillor Love	Female	English	Australia	18-24	No
Councillor Cox	Female	English	Australia	45-54	No
Councillor Cronin	Male	English	England	45-54	No
Councillor Paine	Male	English	Australia	25-34	No
Councillor Riccelli	Female	English	Australia	55-64	No





COUNCIL

Council and Committee meeting attendance

Elected Member Attendance July 2021 – June 2022

Council Meetings

* Special Council	meetings
during the year	included:

- Special Council Meeting
 Adoption of the 2021/2022 Annual Budget: 26 July 2021
- Special Council Meeting
 Swearing in of newly Elected Members: 18 October 2021
- Annual General Meeting of Electors 31 January 2022
- Special Meeting of Elector 21 February 2022

	Ordinary Council	Special Council*
Mayor Grant Henley	21	4
Deputy Mayor Paul Carter	20	4
Councillor Phill Cronin	18	4
Councillor Ross Paine	19	3
Councillor Sue Riccelli	20	4
Councillor Kate Cox	20	4
Newly Elected Councillors October 20)21	
Councillor Mikayla Love	15	2
Councillor Jodie Richards	15	2
Councillor Anne Ryan	15	3
Retiring Councillors October 2021		
Councillor Kelly Hick	5	1
Councillor Jo Barrett-Lennard	5	1
Councillor Lyndon Miles	4	

Committee Meetings

Committee	No of Meetings	Cr Henley	Cr Carter	Cr Cronin	Cr Paine	Cr Riccelli	Cr Cox	Cr Love	Cr Richards	Cr Ryan	Cr Hick*	Cr Barrett- Lennard*	Cr Miles*
Finance	12	12	11, 1(D)	3	3(D)	10		8		7		4	
Policy & Legislation	10	3, 2(D)	4(D)	4, 2(D)	9	1(D)	8		7	6			2
Airport Advisory	6		5	6			1(D)	1(D)	4	4	1		
Audit & Risk	3	3	3	3						3			
Bushfire Advisory	4	4	1	1(D)	1		1						
Meelup Regional Park	2						1	1			1(D)	1	
Behaviour Complaints	4	4	4	2	4	3	3	4	4	4			
Local Emergency Management	2	2	2										

(D) Deputised * Retiring Councillors October 2021

Councillor Remuneration

In accordance with the Local Government Act 1995 Mayor Grant Henley received a Mayoral allowance of \$89,753, a Mayoral sitting fee of \$47,516, and a communications and IT allowance of \$3,500.

Each Councillor received a Councillor sitting fee of \$31,678 and a communications and IT allowance of \$3,500. The Deputy Mayor received an additional \$22,438 Deputy Mayoral allowance.



OUR ORGANISATION

Our Organisational Structure

The current Chief Executive Officer (appointed 5 December) Mr Tony Nottle, together with the four City Directors, form the executive team that oversee the organisation.

Each director is responsible for providing leadership, managing the operations of their specific Directorate and ensuring that the City's operations are ethical and accountable.





OUR ORGANISATION





Directorate Mission:

Support the provision of City services and informed decision making through the delivery of professional and responsive advice, services and information.





Directorate Mission:

Work together to make our place even better: safe, healthy, green, fair, inviting and thriving.

OUR ORGANISATION

Our Workforce



People with disability



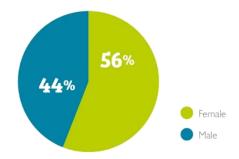
Workplace Diversity

Aboriginal and Torres Strait Islander people

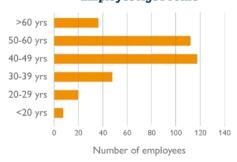


Culturally and linguistically diverse people

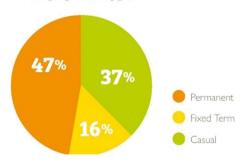
Workforce Gender



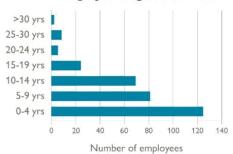
Employee Age Profile



Employment Type



Employee Length of Service





Highlights

Coastal Adaptation Strategy: Coastal Hazard Risk management and Adaptation Plan (CHRMAP)

In February 2021 the City sought community and stakeholder feedback on the draft Coastal Hazard Risk Management and Adaptation Plan (CHRMAP), after having developed the Plan over several years. The CHRMAP has been developed to ensure the community and decision makers understand and are equipped to manage the potential future risks to private, public and community assets including our coastal wetlands.



Holiday Homes Review

The City's holiday home regulations are aimed at improving the management of holiday homes, while continuing to recognise the important role of holiday homes to our tourist economy. On 23 March 2022, Council resolved to adopt a staged approach for proposed changes to the regulation of holiday homes in the district. Stage 1 of the review introduced changes to the conditions of registration that applied to all approved Holiday Homes and introduced a Code of Conduct for occupants and their guests.

Dunsborough Precinct Structure Plan

On 25 May 2022 Council approved the draft Dunsborough Precinct Structure Plan (PSP) for advertising, the culmination of strategic planning work that commenced in 2018 with technical studies and stakeholder and community consultation. Once adopted, the PSP will guide the future development of the town centre.



Dunsborough Lakes Sporting Precinct

The \$5.1 million Dunsborough Lakes Sporting Precinct project provides for much needed sporting infrastructure and community amenity

The sports field construction was completed in 2021 and is in the growing stage. The carpark and hard court construction commenced in February 2022.



Lower Vasse River

The City progressed with Stage 1 of the removal of sediment from the Lower Vasse River to improve water quality by reducing nutrient rich sediments that contribute to the cycle of summertime algal blooms.

The City continues to work with key stakeholders to improve the health and amenity of the Lower Vasse River and has been successful in obtaining funding to continue with further stages of sediment removal.

Saltwater Busselton

In November 2021, Broad Construction was appointed to construct Saltwater Busselton (previously Busselton Performing Arts and Convention Centre).

Designed by WA Architects Kerry Hill, Saltwater will be a multifunctional venue, catering all year round for music concerts of up to 1,000 people standing, orchestral shows, comedy, cabaret and dance performances, music recitals, business events.

With the foundations and basement complete, Saltwater Busselton is now well underway.





You Choose

The You Choose program aims to help the community develop their capacity to deliver projects and initiatives, and provides the community with increased ownership over a small portion of the City's budget.

The program was launched in September 2021 with 26 eligible submissions received. Commencing 21 January 2022, the community took part in allocating the \$100,000 budget with 1277 eligible votes received. In March 2022 Council endorsed six projects to be funded as voted by the community.



Mitchell Park Upgrade

The upgraded parkland was officially re-opened to the public in October 2021. Following consultation with the community and businesses, the design aims to improve pedestrian access to Mitchell Park, and create open green space and connection with shops and cafés.

Design features include timber viewing decks, improved lighting and improved electrical infrastructure to support events.



AirportAfter Covid-19 imposed delays, the

Busselton Margaret River

After Covid-19 imposed delays, the inaugural Jetstar flights from the Busselton Margaret River Airport to Melbourne finally commenced in April 2022.



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Awards

Busselton was named the winner of the 2021 GWN7 Top Tourism Town Award at the 2021 Perth Airport WA Regional Tourism Conference, claiming the Gold Medal in the Top Tourism category

The City also received a commendation from the Local Government Road Safety Commission for its Hannay Lane Revitalisation Project. The project was awarded for its road safety solutions in collaboration with the community.

Progression of the City's Energy Strategy

The Council endorsed the City's participation in WALGA's Energy Sustainability and Renewables Energy project, entering into a purchase agreement with Synergy for 100% NaturalPower for all City's contestable sites.

Community Engagement Activities

Reusable Eco Nappy Workshop

The City commenced the Reusable Eco Nappy Workshop Series in February 2021. The workshops were offered every two months to support parents and carers in reducing the amount of disposable nappies going to landfill. The survey closed on 20 October 2021 and was carried out to find out whether those who attended a workshop found it and the free nappy kit useful.

Events Strategy Review

In September 2021 the City sought community input to help shape the future of City of Busselton events. This feedback assisted the City in the review of the current Events Strategy and will guide the development and attraction of new events.

Revitalisation – Hannay Lane and Telstra Site

In August 2021 the City, in partnership with RAC, sought feedback on its Reconnect WA Initiative for the revitalisation of Hannay Lane. The 12-month trial was a great example of testing new and innovative ways to use our streets and public spaces to promote safe and vibrant communities.



Dunsborough Town Centre Upgrade - Stage 6 **Naturaliste Terrace**

The City sought feedback on six concept designs for Stage 6 of Dunsborough Town Centre Upgrade, for the section of Naturaliste Terrace between Dunn Bay Road and Cyrillean Way. Council used community and local business submissions to guide their final decision.

Bushfire Notice Survey

The Bushfire Notice survey closed on 31 May 2021 with 1504 surveys completed plus another 174 submissions received outside of the survey. The key issues received were regarding the potential APZ standard and boundary firebreaks. Having considered the feedback, the Council decided to pause the project, with a view to recommencing in 2022/23.

Via Vasse Entry Statement

Prior to the City advising the developer to go ahead with the decommissioning of the 'Via Vasse' entry statements, the City provided residents in the area the opportunity to submit a comment or feedback on this plan.

Busselton Margaret River Airport - Draft Noise Management Plan (2022)

The City sought public comments on the draft Busselton Margaret River Airport Noise Management Plan (2022). The Plan was presented to Council and endorsed for public comment on 8 December 2021.

Bussell Highway Widening

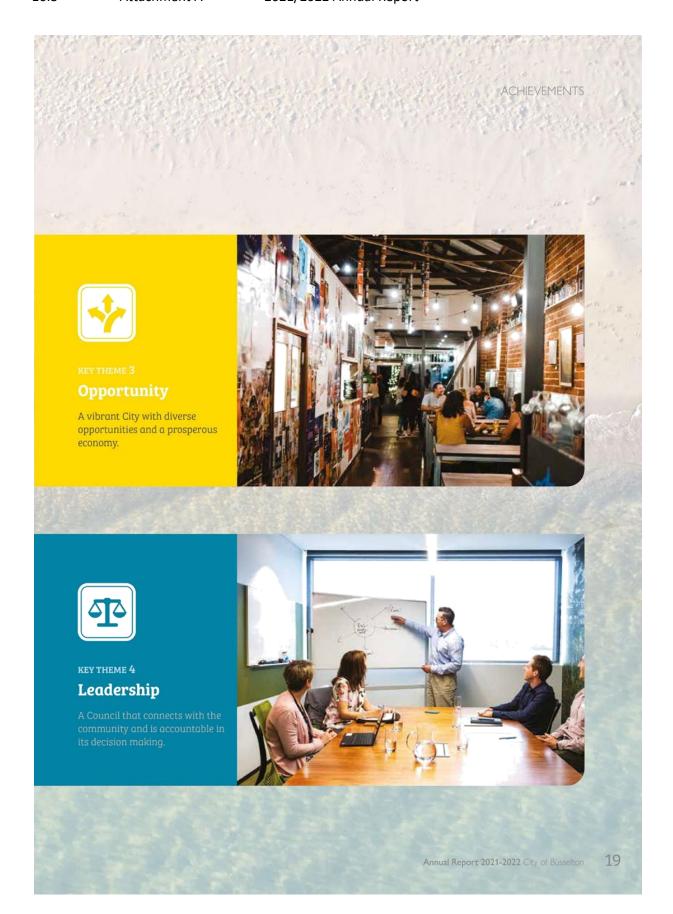
The City sought input from residents regarding a design for widening a section of Bussell Highway (from Dolphin Road to Little Colin Street) that incorporated cycle lanes on both sides of the Highway and improved intersections.

Proposed City of Busselton Property Amendment Local Law 2021

The City sought feedback on a proposal to amend sections of the local law by updating the minimum age requirements for entry into swimming pools, updating penalties and clarifying other powers.









Environment

An environment that is valued, conserved and enjoyed by current and future generations.



The Council formally adopted the City's first Coastal Hazard Risk Management and Adaptation Plan (CHRMAP). The plan provides a long-term view of coastal hazards for the City, and aims to ensure that the City is strategically well-placed to contend with those hazards. The City has been recognised for its work, winning the 2022 Planning Institute of Australia (WA) Award for Climate Change and Resilience.

The City took important steps towards improving the health of the Vasse River, with Stage 1 sediment removal works completed in May 2022. Approximately 630 tonnes of sediment was removed from between the Causeway Road Bridge and the Eastern Link Bridge (Cammilleri Bridge). Further stages of sediment removal are planned commencing autumn 2023.

Management of the City's natural areas continues to be a key focus for the City with 22,646 native tube stock planted by the City's Parks and Environment teams, Friends of Reserves and various school groups. In response to the recently developed Weeds Strategy, the City developed a weed control schedule that prioritises weed control in high conservation value areas on City managed reserves.

Ongoing community education has helped to reinforce the 'reduce, reuse, recycle' message, with an increase in the amount of solid waste diverted from landfill for the year from 25% to 30%. The City converted concrete and brick waste at the Dunsborough Waste Facility into 15,531 cubic metres of crushed concrete for road construction and drainage works, and uses solar pumps for the evaporation of septage and leachate.

The following is a report of progress against the City's corporate actions linked to Environment



Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
Engineering and Technical Services	1.4	Coastal Hazard Risk Management and Adaptation Plan (CHRMAP) Implement the Coastal Hazard Risk Management and Adaptation Plan.		The Council formally adopted the City of Busselton's CHRMAP at its ordinary meeting held on 27 July 2022, which will now inform City planning and works.
Facilities	1.6	LED Lighting Upgrades Progressively upgrade street lighting to LED to improve the energy efficiency of City owned lighting infrastructure.		Progressed as part of business as usual with Prince Street completed.
Design and Survey	1.2	Vasse River Enhancement – Bridge to Bridge Progress works to enhance the environmental value of the Lower Vasse River foreshore reserve between Peel Terrace and Strelly Street.		The City continued engagement efforts with Undalup Association to guide the progression of works.
Environmental Services	12	Meelup Regional Park Management Plan Complete the review of the Meelup Regional park management Plan following consultation with the community.		Review of the Meelup Regional Park Management Plan identified a need for more Aboriginal engagement. In response a Healthy Country Plan was developed by the Undalup Association. In response, the Meelup Regional Park Committee decided that a more complete review of the management plan should be undertaken in conjunction with the Aboriginal community. In the interim a desktop review of the management plan has been completed.
Sustainability	1.3	Lower Vasse River Continue to work with the Lower Vasse River Management Advisory Group to refine and implement actions to significantly improve the health and amenity of the Lower Vasse River.		The Lower Vasse River Management Advisory Group (LVRMAG) met regularly, with representation from the community, Aboriginal organisations, government agencies and GeoCatch. The group provided input into the sediment removal project, operating guidelines for managing the Lower Vasse River culvert, salinity incursion and management of the Vasse surge barrier.
	1.3	Toby Inlet Wetland and Catchment In collaboration with the community, continue to implement management strategies to improve the water quality and amenity of the Toby Inlet.		As per the Toby Inlet Waterway Management Plan, the Toby Inlet ocean entrance was opened in November 2021 and remained open all summer, leading to improved water quality in the lower part of the inlet.
	1.6	Energy Strategy Progress implementation of the City's Energy Strategy to assist the organisation in achieving real savings in all energy sources.		In November 2021, Council resolved to endorse the City's participation in the WALGA Energy Sustainability and Renewables Energy project and enter into a Power Purchase Agreement with Synergy 100% Natural Power for the City's contestable sites, commencing April 2022. A contract was also awarded to install a 40kW PV system at the Busselton airport. Future construction however of a mid-scale solar form on Lat 27 Rendezvous Rd was put on hold with a feasibility study finding it not to be financially viable.











Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
Strategic Planning	1,4	Coastal Adaptation strategy: Coastal Hazard Risk management and Adaptation Plan (CHRMAP) Undertake a period of public consultation on the draft Coastal Adaption Strategy and review community feedback prior to Council adoption of the draft strategy. Following consultation, complete the coastal adaptation strategy.	V	The Council formally adopted the City of Busselton's CHRMAP at its ordinary meeting held on 27 July 2022.
	1.1	Western Ringtail Possum Habitat Progress Scheme Amendment no. 49 which proposes a new special control area with the objective of protecting and enhancing Western Ringtail Possum habitat.		Council resolved to defer amendment No.49 in May 2021. It is anticipated that amendment 49 will be presented to the Council during 2022/2023.
Waste Management	1.5	Future Regional Waste Facility In conjunction with the South West Regional Waste Group (SWRWG), continue to investigate the viability and implications of establishing regional solutions that divert waste from landfill.		Consultation was ongoing despite difficulties in recruiting a suitably qualified project officer.
	1.5	Food Organics Garden Organics Explore the potential for establishing a Food Organics Garden Organics (FOGO) service, which includes identifying a possible site(s) suitable for processing the collected FOGO material.		Implementation of a FOGO collection was placed on hold due to a lack of processing facilities. Focus instead shifted to the proof-of-commercial-concept Renergi Pyralysis Waste to Energy plant, currently being built at the Shire of Collie.









The City provides a broad range of facilities and services aimed at creating a great lifestyle for our community. Providing improved services for our youth was a key achievement during 2021/2022, with the establishment of the Youth Centre in Dunsborough.

A review of the City's Social Plan was completed to determine what the future community development priorities should be, with the new Community Development Plan to be presented to Council for adoption in 2022/2023. Progression of the priorities identified in the Sporting and Recreation Facilities Strategy also continued, with officers recognising the need for further targeted consultation in Dunsborough around their needs. A consultant has been engaged to undertake this task.

From a development perspective, 2021/2022 continued to present high levels of demand on City services, with 1,056 development applications received. Building approvals issued totalled 2,026. In terms of longer term planning, review of the City's Local Planning Scheme was commenced.

The management of holiday homes was a key regulatory focus, with a Draft Holiday Homes Directions Paper released for community consultation. As a result Council resolved on changes to the Holiday Homes Regulatory Framework aimed at ensuring the appropriate management of holiday homes while recognising the important role they play in our tourist economy.

In terms of City infrastructure, \$13.58M was spent on the upgrade and renewal of assets, including on roads, footpaths, cycleways, drainage and parks and ovals. Significant projects included the roundabout at the intersection of Peel Terrace and Causeway Road, Barnard Park East foreshore car park and landscaping, West Busselton sea wall, Buayanup Drain shared path, Causeway Road landscaping, POS upgrades and road widening on Kaloorup Road, Chapman Hill Road and Wildwood Road.

The following is a report of progress against the City's corporate actions linked to Lifestyle



Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
Parks and Gardens	2.3	Lighting Upgrades Outdoor Playing Spaces Improve the lighting facilities at various ovals and outdoor courts to improve user safety and carrying capacity.		Lighting upgrades were progressed at Churchill Park and planning for new lighting for Vasse Oval was completed. Both projects are scheduled for completion in 2022/2023
Recreation and Community Development	2.7	Support for Health Services Advocate for and support the provision of mental health, specialist and community health services and infrastructure in the District.		The City continued to partner with Advocacy WA and to collaborate with key stakeholders and services such as th Vasse Human Service Alliance, Valued Lives and the My Community online directory. The City also ran a number of Youth Wellbeing programs through the year. Moving forward this action will be a key focus of the City's new Community Development Plan (previously Social Plan).
	2.8	Dunsborough Playground Consult with the community to ascertain the need and location of a new playground in Dunsborough.	0	This will now form part of broader community and recreation master planning for Dunsborough, to be undertaken in 2022/2023.
	2.2	Social Plan Review the City's Social Plan to guide the delivery of community services.	~	The review of the social plan was completed, with the draft Community Development Plan 2022-2027 awaiting final approval by Council (scheduled for August 2022).
	2.3	Squash Court Facility In partnership with the Busselton Golf Club and Busselton Squash Club progress the rebuilding of the two existing squash courts at the Busselton Golf Club.	Ш	Discussions were held between Busselton Squash Club and the Busselton Golf Club, as well as the Dunsborough Districts Country Club, around a location for squash facilities. The Busselton Golf Club remains the preferred venue and discussions are ongoing.
	2.3	Sir Stewart Bovell Sport Park Develop a concept design for a future Sporting Talent Hub at Sir Stewart Bovell Sports Park Precinct.	✓	Final concept plans were received and will be presented to Council in early 2022/2023.
	2.3	Dunsborough Country Club Extension In partnership with the Dunsborough and Districts Country Club progress the development of a multi-purpose facility at this site.	0	Following further review this action has been put on hold while we undertake further community and recreation master planning in Dunsborough.
Youth Services	2.6	Youth Services Plan Together with stakeholders develop a five year strategic plan for youth services.		Funding was received at the end of Moy 2021 and consultants appointed to consult with stakeholders and develop the plan.
	2.6	Dunsborough SHIFT Youth Crew Establish a youth crew in Dunsborough and progress plans to construct a new youth facility.	/	The new Youth Centre in Dunsborough was completed with the official opening scheduled for the 3 September.
Cultural Services	2.1	Reconciliation Action Plan (RAP) Implement the City's REFLECT RAP in partnership with the District's local Aboriginal community and organisations.		The RAP continued to guide the City in its reconciliation efforts, with successful NAIDOC events, the acquisition and exhibition of Aboriginal art in the City Administration Building and in project consultation, for example on the Busselton Performing Arts and Convention Centre project and the redevelopment of Barnard Park East. Engagement to review the RAP is currently underway.
	2.4	Performing Arts and Convention Centre – Operations Develop a comprehensive operational plan for the management of the Busselton Performing Arts and Convention Centre.		The draft Operational Business Plan was reviewed in January 2022.









rimary Service Area	Primary Objective Link	Project / Action	Status	Achievements
Engineering and Technical Services	2.10	Busselton Major Traffic Improvements Stage 1A Upgrade the roundabout at the intersection of Peel Terrace and Causeway Road.	V	This project was completed on 14 April 2022, in just over eight weeks.
Major Projects	2.4	Busselton Performing Arts and Convention Centre (BPACC) — Construction Construct a performing arts and convention space in the Busselton Cultural Precinct.		Stage 1 (below ground) works are almost complete and a building permit for stage 2 (superstructure) works has been approved.
	2.3	Dunsborough Lakes Sporting Precinct Construct Playing fields, a pavilion, multi-use outdoor courts and addition car parking at the Dunsborough Lakes Sports Precinct.		The playing fields are complete and in the growing stage. Hard courts are pending specialised surface and the car parking is complete. The pavilion and lighting are on hold pending the outcome of a funding application.
Design and Survey	2.11	Busselton War Memorial Relocation In consultation with stakeholders, relocate the Busselton War Memorial to Rotary Park to allow for further Busselton traffic improvement works.		The development of concept plans in discussion with the RSL progressed. A community engagement session was run in conjunction with the RSL in June 2022. Further, broader engagement is scheduled for early 2022/2023.
	2.11	Public Transport Continue to work with key stakeholders towards improving public transport services and connections across the District.		The City continued to liaise with the state government in relation to community needs, with a regular bus service into Vasse and Kealy a key focus.
	2.9	Cycleway and Shared Path Networks Improvements Progressively implement the City of Busselton Cycling and Shared Path Network Strategy 2019-2023.		Plans progressed for the construction of a shared path along Causeway Road shared path, with completion scheduled for the 2022/2023 year.
Environmental Health	2.2	Public Health Plan Following consultation with stakeholders, prepare a public health plan that meets the requirements of the Public Health Act 2016 and guides the City's overall planning for public health delivery.		Work on the development of the PHP remains in progrewith epidemiology and scoping of the document complete Stokeholder consultation will commence during 2022/23. The Public Health Plan must be complete by 2024.
Strategic Planning	2.8	Community Infrastructure Plan Develop a City wide Community Infrastructure Network Plan to assist with informing the review of the City's Development Contributions Framework.		The Community Infrastructure Plan has been finalised an will be presented to Council in 2022/2023.
	2.8	Holiday Homes Review Prepare and release for public consultation a Draft Holiday Homes directions Paper as part of the review of the Holiday Homes Regulatory Framework.	✓	This action was completed, with community consultation undertaken between 13 August and 4 October 2021. Cound subsequently considered and resolved on changes to the Holiday Homes Regulatary Framework, to be implemented in three separate stages. Stages 1 & 2 relate the Local Law, and Stage 3 to the local planning framework.
	2.8	Local Planning Scheme Review Complete the review of the City's local planning scheme and prepare a new and replacement scheme to support planning policies.		The drafting of Local Planning Scheme No.22 is underword in line with the Planning and Development (Local Plannin Scheme) Regulations and direction from the Department of Planning Lands and Heritage.









Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
Operations Services	2.12	Churchill Park Progressively upgrade the facilities and ovals at Churchill Park in accordance with the master plan.		Design and procurement of new sports lighting was substantially completed.
	2.11	Road Maintenance and Upgrades Continue to implement the roads maintenance program with a focus on upgrading narrow country roads.		Mast road projects reached practical completion by 30th June. Exceptions included Sugarloaf Road, Gifford Road and Dunsborough Townscape Upgrade Stage 6. All of these projects are scheduled for construction in 2022/23.
	2.3	Non Potable Water Supply Continue works to enable the delivery of a non-potable water supply network to recreation spaces in the Dunsborough lakes area.	V	Stage 1 of the Non-Potable Water Network including bores, pump station, tanks and pipeline was completed in May 2022.
Property Leasing	2.12	Winderlup Court Improvements Continue works to refurbish and improve facilities at the Winderlup Court community housing complex.		Winderlup Court Units continue to be upgraded when they become vacant to refurbish bothrooms, kitchens, corpets etc. To date 2 out of 7 units have had a refurbishment.
Emergency Services	2.2	Bushfire Risk Management Plan (BRMP) Complete a Treatment Schedule (Part 2) of the Bushfire Risk Management Plan.	V	A treatment schedule for implementation of the priorities within the Bushfire Risk Management Plan was developed.
	2.2	Fire and Community Facilities Building Continue to work with stakeholders to plan for a fire shed and community facility on City Reserve Lot 401 Balmoral Drive, Quindalup.	ш	A request for funding within the Local Government Grant Scheme for master planning of the site was unsuccessful. Stakeholder engagement continues in preparation for future master planning and formalisation of DFES requirements and contribution opportunities.











Opportunity

A vibrant City with diverse opportunities and a prosperous economy.



Review of the City's Economic Development Strategy was completed through the year and will drive the City's efforts in facilitating economic growth over the next five years through to 2027. Significantly the City held its first Economic Development Forum in June 2022, an event that successfully brought together industry experts with the local business community to improve collaboration and explore opportunities across industry sectors.

Commencement of Jetstar flights in April 2022 marked the beginning of many new opportunities, with a three-weekly direct connection to the east coast of Australia facilitating a strengthening of our tourism industry as well as the potential for new industries, and providing improved connections for family and friends. Demand has been high and the City is exploring additional routes with airlines. The airport also saw a significant increase in FIFO charter flights, from 15 the previous year to 27 this year. In total 69,120 passengers came through the airport.

Activation of the City's town centres continued to be a focus, with Stage 1 works to redevelop Mitchell Park completed. Private investment at the site of the Old Library Building and on the foreshore will add vibrancy to the Busselton town centre. A draft Dunsborough Precinct Structure Plan was developed to guide the future growth of the Dunsborough Town Centre. Consultation on this draft plan will be undertaken in 2022/2023. Despite the impacts of COVID-19, events continue to play an important role in creating vibrancy and activation and a review of the Events Strategy was also progressed through the year.

The following is a report of progress against the City's corporate actions linked to Opportunity



Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
Airport Services	3.4	Busselton Margaret River General Aviation Precinct Identify demand and construct three general aviation hangars at the Busselton Margaret River Airport.		The WA Planning Commission approved a Class of Lease for the General Aviation precinct of up to 40 years. Tenders for the construction of up to three general aviation hangars were not awarded due to all being over budget. Officers have further reviewed the GA precinct lot design and will seek tenders for two general aviation hangars in 2022/23.
	3.4	Busselton Margaret River Airport Opportunities Continue work with stakeholders to progress aviation opportunities.		A Request for Proposal was advertised for the Commercial and Industrial predinct commercial apportunities. Response indicated that further investment related information and understanding is required. To further progress the business development opportunities, funding was endorsed by Counc for a Business Development Officer role. Due to difficulty recruiting the specialist skills the funding is proposed to be transferred to a consultancy budget.
	3.4	Busselton Margaret River Airport Expansion Continue to pursue funding to enable to construction of a new terminal at the Busselton Margaret River Airport than can cater for both domestic and international travel.		Officers continued to advocate to the State Government for financial support for a new terminal, primarily through lioison with the South West Development Commission. Proposals for the airport to be used (on construction of a new terminal) by DFES as a base for the Large Air Tanker aircraft have also been put.
Busselton Jetty Tourist Park	3.3	Busselton Jetty Tourist Park (BJTP) Complete the review of the Busselton Jetty Tourist Park Master Plan.		A high-level review of the Master Plan was completed to determine what capital works should be undertaken in 2022/23 and 2023/2024. Officers have also commenced work to assess the benefits and risks of future management options for the Park.
Design and Survey	3.3	Wadandi Track Continue to progressively develop and enhance the Wadandi Track as an important regional link for tourism and recreation.		The Wadand Track continues to be enhanced as funds are available. Fencing of the reserve through farmland and revegetation commenced around the Marybrook area. The City is also assisting the MRBTA to prepare a revised business plan and secure approvals for dearing in critical areas.
Economic and Business Development	3.3	Australian Underwater Discovery Centre (AUDC) In partnership with the Busselton Jetty Inc. continue to support the establishment of the Australian Underwater Discovery Centre.	0	This project was put on hold and Busselton Jetty Inc. is now proceeding with the Village project.
	3.2	Industry Sector Analysis Implement the City's Industry Sector Analysis recommendations.		A new Economic Development Strategy (2022-27) and implementation plan was endorsed by Council which incorporated recommendations from the Industry sector analysis report.
	3.2	Old Dunsborough Boat Ramp Precinct In partnership with the community, assess the opportunity to establish a café/kiosk at the boat ramp in old Dunsborough.	0	This action has been put on hold while we undertake further community and recreation master planning in Dunsborough.
	3.2	Dunsborough Foreshore Café Continue to facilitate commercial investment in a café and kiosk development at the Dunsborough foreshore.	D	City Officers have reviewed the head lease to be executed with the State and drafted the sublease and terms of agreement to be signed by the proponent. Agreements are expected to be signed in 2022/2023.









Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
Events Services	3.3	Events Strategy Review and implement the City's Events Strategy.		The Strategy was reviewed and is under review by the members of the Marketing and Events Reference Group, with a Council briefing booked for early 2022/2023.
	3.3	Event Attraction and Development Actively target new key events, focusing on the attraction of national level sporting and cultural events.		As COVID restrictions have eased, the level of interest in hosting events in the City increased. Review of the Events Strategy recommends that a funding pool be created for targeted event attraction.
Major Projects	3.1	Mitchell Park Complete works to redevelop and enhance Mitchell Park in the Busselton City Centre.	V	Stage 1 works have been completed.
	3.2	Busselton Foreshore Hotel Continue to facilitate the development of the 4.5 star hotel on the Busselton foreshore.		Delays to works on the Hilton Project prevented the City from completing corpork and landscaping works. Designs are complete and works have been reprogrammed.
	3.3	Busselton Foreshore Redevelopment Complete works to improve landscaping and car parking facilities at Barnard Park East.	V	Warks have been completed.
Strategic Planning	3.1	Busselton Precinct Structure Plan Complete a plan to guide the overall development and enhancement of the Busselton City Centre.		Preparation of the Busselton Precinct Structure Plan has not yet commenced due to high development workloads and other priorities.
	3.1	Dunsborough Precinct Structure Plan Complete a plan to guide the overall development and enhancement of the Dunsborough Town centre.		Dunsborough Precinct Structure Plan and Amendment 52 were adopted by Council for advertising on 25 May. The PSP will be advertised in August and then presented to Council before being forwarded to the WAPC towards the end of 2023.
	3.5	Rail Links to Regional Centres Continue to advocate for a light rail link or similar between Busselton and Bunbury and a rail link between Bunbury and Perth.		The Public Transport Authority has confirmed that potential extension of the Perth-Bunbury rail route to Busselton will be considered as part of a feasibility study that is still in relatively early/technical phases.











As part of increasing opportunities for the community to be involved in decision making, the City piloted a new community funding program - You Choose. The program allowed the community to submit ideas for funding, and to decide how the funding should be allocated. Council resolved on six projects to receive funding, as voted by the community. The City continues more broadly to focus on increasing its level of engagement with the community, with a dedicated community engagement officer employed through the year.

Internally, the City undertook a major restructure of its financial chart of accounts, creating a structure which better aligned to our service delivery and which will provide for improved financial analysis and reporting. The City also progressed plans to upgrade its corporate software system, TechnologyOne, to a cloud based platform and to improve its cyber security capacity.

Service and process improvement initiatives will continue to be a key focus for the City. The City, through its annual business planning, focused on its customers, its service outcomes, and opportunities for improving service delivery. We also implemented a new process mapping solution which will be central to the roll out of a process improvement program through 2022/2023.

The City renegotiated its Enterprise Agreement with staff throughout the year, with 85.83% of staff voting to accept the new agreement. The attraction and retention of staff is critical to the achievement of the City's objectives. Like many organisations the City has seen turnover increase during the year, up from 13.14% last year to 15.57%. Compared to industry benchmarks however, the City's turnover remains low and the City continues to invest in the building of a skilled and engaged workforce.

The following is a report of progress against the City's corporate actions linked to Leadership



Primary Service Area	Primary Objective Link	Project / Action	Status	Achievements
Finance Services	4.5	Financial Health Indicators Continue to lobby for change to the Financial Health Indicators to ensure the indicators consider cash reserves and adequately reflect a local government's financial standing.		Industry consultation has been ongoing for the development of revised ratios. The City has provided submissions and is represented on a WALGA Working Group. Changes by the State Government means that financial ratios will not be included in audited financial reports, however they will continue to be used by the Department of Local Government for the calculation of the Financial Health Indicator Score.
	4.5	Rating Strategy Complete a draft rating strategy that delivers a fair and equitable rating burden and achieves long term financial plan targets.		Development of a high level strategy document was progressed to ensure the most fair and equitable rating burden in accordance with statutory rules and regulations. It is expected to be presented to Council in 2022/2023.
Governance Services	4.2	Strategic Performance Measures Develop and implement a suite of key performance indicators to assist with measuring the performance and success of the City's Strategic Community Plan.	ш	Other priorities and turnover of staff delayed progress against this key action. In particular the focus of relevant staff has been on progressing service and process improvement initiatives. This action will be carried over to 2022/2023.
	4.1	You Choose Community Grants Program Implement the pilot You Choose Community Grants funding program to improve community engagement.	V	The You Choose Program attracted a total of 26 eligible projects, with 1277 eligible votes cast by the community. Council endorsed the six projects to be funded as voted by the community, allocating almost in full the \$100,000.
	4.2	Service Improvement Review Establish a service catalogue and commence a process of continuous improvement in relation to service delivery.		A draft service catalogue was developed and service review and analysis commenced. A new process mapping tool is being utilised to map selected processes and identify improvements. Workshops with staff across service areas commenced the identification of apportunities for improvement - bath quick wins and future apportunities.
Information Services	4.4	Software Upgrades Upgrade the current Office software suite with Office 365 to improve collaboration and resilience of systems.		Teams roll-out was completed for chat / videoconferencing, with further functionality provided as required. The rollout of OneDrive commenced.
	4.4	Systems Improvement Implement improvements to the City's corporate IT system to ensure it meets organisation needs and provides for organisational efficiency.		The Chart of Accounts upgrade took significant effort through the year and was launched for 2022/2023. Preparatory work for the TechnologyOne SaaS migration progressed User Acceptance Testing to begin in 2022/2023.
Public Relations & Community Engagement	4.1	Community Engagement Framework Finalise the City's community engagement framework and embed the framework across the organisation.		A focused Community Engagement Officer was employed in April 2022 to progress the roll-out of the framework and its principles across the organisation. This is ongoing.
	4.4	Website Improvements Refresh the City's intranet to improve employee communication and refresh City websites for the airport and library.	V	The City's Intranet was redeveloped and launched with new features including a weekly CEO Message, regular organisational news updates and project updates.









Performance Indicator Results

Performance indicators are adopted each year as part of the City's rolling four year Corporate Business Plan (CBP). The performance indicators are monitored regularly to ensure plans, strategies and services are effectively managed and delivered. The information below provides a snapshot of performance indicator results for 2020-2021.

	Measure	Target/Trend	Result	Notes
Corporate Business Plan Progress	Percent of actions achieving milestones or targets	>90%	84.4%	The target of 90% was not achieved due to a number of actions experiencing delays, mainly associated with approvals, third party engagement, or supply chain sisues. These do not present a significant risk to the achievement of organisational objectives and a change to the measure for future reporting has been adopted to flows reporting on off track / high risk items.
Financial	Standard Benchmark achieved as required by the Integrated Planning	100% of ratios achieved	50%	
Ratios	and Reporting Advisory Standard		Operating Surplus Ratio Target not achieved	The operating surplus ratio continues to be impacted by the City's increasing asset base and corresponding value of the (non-cash) depreciation expense.
			Current Ratio Target not achieved	Cash reserves are not included in current ratio calculations. If included the city would have ochieved well over the required standard.
			Debt service coverage ratio Target achieved	The basic standard for debt service is between 2 and 5. The ratio result of 4.8 means the City is within the required standard.
			Own Source Revenue Ratio Target achieved	The City achieved the target ratio of 0.9, only marginally below the 0.9 benchmark.
Asset Ratios	Standard Benchmark achieved as required by the Integrated Planning and Reporting Advisory Standard	90 - 100%	79.1%	During the year the City undertook it's 5 yearly- revolutation of all Land, Buildings and Infrastructure, resulting in a net increase in asset values, and a higher than forecast depreciation expense. Additionally some copital works were deferred due to supply chain issues, importing on the total capital renewal and replacement expenditure.
Airport Services	(i) Net position compared to budget	Budget achieved	Net position better than budget	The net operating position for the BMRA for the 2021/22 financial year is a surplus of \$1,802,937 excluding the cirine attraction program and depreciation. The net operating surplus including depreciation is \$1,118,483.
	(ii) Charter and Regular Passenger Transport (RPT) numbers	Increasing	Increasing Passenger numbers = 69,120	Passenger numbers increased from 40,469, Jetstar RPT services between Busselton and Melbaume commenced in April 2022.
Geographe Leisure Centre	(i) Net cost compared to budget	Budget achieved	Net cost marginally above budget	Challenged by COVID-19 & competition, management considered market conditions and made ongoing dranges to programs & services that resulted in a net position only marginally above budget (and less than budget when excluding depreciation).
	(ii) Member numbers	Stable	Decrease 1890 members	Member numbers decreased from 2,116 in previous year, attributed to member confidence resulting from COVID-19 and increased providers.
	(iii) Member retention — average number of members renewing membership within 12 months of expiry date	55% Target	100%	Changes in Membership promotions to run at select times, increased advertising and connecting with austomers has improved retention.



	Measure	Target/Trend	Result	Notes
Busselton Jetty Tourist Park	Net cost compared to budget	Budget achieved	Net position better than budget	A surplus position of \$770,046 was achieved, \$408,137 cheat of budget (note: budget was amended to account for COVID-19 imports). Occupancy for all accommodation categories was 60.64%, slightly higher than the previous year's 57.66%.
Complaints	(i) Number of complaints received per head of population	Decreasing	Decrease 1:2,414	The number of complaints per head of population decreased from 1:1,120.
	(ii) Average time taken to resolve complaints recorded	Decreasing	Decrease 33 days	Average time has slightly decreased from 34 to 33 days
Waste	Percent of solid waste diverted from landfill (recycled/reused)	25%	30.0%	Result of 30.0% meets the target and is consistent for a residential two bin system.
Development Assessment	(i) 21 calendar days to complete simple development applications	90% achieved	28%	The Development Application workload has continued to be high and there has been a higher than expected turn over in staff. There has also been an increase in the number of complex and/or controversial applications.
	(ii) 42 calendar days to complete standard development applications	80% achieved	13.5%	- питрег ој сотурех апачог сопиочетки аррисакопъ.
	(iii) 70 calendar days to complete complex development applications	70% achieved	20%	
Energy Use	Energy plan targets met	By 2030, the City's corporate carbon emissions per capita are 50% less than 2017-2018 emission levels	On track 37.7% less than 2017-2018 levels	In 2021/22, the City used 4,792,106 kWh of electricity. In total, the City either directly or indirectly sourced 16.5% of its electricity from renewable energy.
Safety	(i) Lost time injuries (LTIs)	< 10	16 LTIs	The majority of the injuries suffered were related to body stressing and strains.
	(ii) Lost time injury frequency rate (LTIFR)	< 17	27.8	The LTIFR determines the number of lost-time injuries within a given period, relative to the total number of hours worked.

Forward Planning



- Lower Vasse River
 Stage 2 Sediment Removal
- Meelup Regional Park
 Complete the review of the Meelup Regional Park Management Plan following consultation with the community



 Dunsborough Community and Recreation Master Planning

Consult with the community and plan for recreation facilities and community amenity

- Saltwater Busselton
 Continue with the construction programme and operational planning
- Holiday Home Regulation Review
 Continue with changes to the
 Holiday Homes Regulatory Framework



- Busselton Precinct Structure Plan
 Progress with a plan to guide the overall development and enhancement of the Busselton City Centre
- Dunsborough Precinct Structure Plan
 Finalise the Precinct Structure Plan for Dunsborough
- Economic Development Strategy
 Implement the City's Industry Sector
 Analysis recommendations from the
 new Economic Development Strategy



Service Improvement Review

Progress process improvement program to improve service delivery and knowledge retention

Rating Strategy

Complete a rating strategy that delivers fair and equitable rating burden and achieves long term financial plan targets





ADDITIONAL STATUTORY INFORMATION

Disability Action and Inclusion Plan (DAIP)

The role of Disability Access and Inclusion Plan (DAIP) is an important way of ensuring the City of Busselton continue to improve access and inclusion outcomes for people with disability.

Collecting information about the effectiveness of DAIPs through a Progress Report is a requirement of the *Disability Services Act 1993*. Areas of interest for the 2021/2022 reporting period include:

The City continued its trainee position specifically designed to give people with a disability an opportunity for employment and to develop workplace skills.

Training workshops and assessment material were developed to promote awareness and education for personnel working in the disability space.

The Library provided a variety of sitting and standing tasks, aids such as stools,

trolleys and adjustable tables, and tasks of varying complexity to keep volunteers comfortable and engaged.

10 community groups received a 'Club Renovation Toolkit' which encompasses 8 information modules.

The City established the SW Regional Access and Inclusion Network (AIN). This is a network group for all Community Development Officers (LGA's) to meet and share resources and information. It will serve as a support network in achieving the DAIP requirements.

The DAIP undertook a review of the City's complaint process after it was

identified that a complaint had not been adequately addressed. The review led to some streamlining of information on the City's website.

An Inclusive Checklist was developed to assist event organisers/ venue managers with preparation for an event.

The City's DAIP reference group assessed and provided advice on a number of projects during the year, including plans for the King Street Coastal Nodes Project, the upgrade to Mitchell Park, the extension to the Busselton Library, Dunsborough Townscape Upgrades and the Busselton Performing Arts and Convention Centre.



ADDITIONAL STATUTORY INFORMATION

State Records Act Compliance



Evaluation of Recordkeeping Plan and Systems

The review of the City's Recordkeeping Plan was approved by the State Records Commission in November 2021 for a further five years.

Evaluation of relevant policies and procedures occurred as part of this review. Recommendations for improvement were identified and will be progressed before the next review.

The City's electronic document and records management system ECM is continuously reviewed and developed to improve efficiency for capture, document retrieval, storage and retention of corporate records.

New workflows were created in 2021 which help streamline the flow of information.

As part of a broader Information
Technology strategy the system will be
upgraded within the next 6 months and
will move to the Cloud.

Evaluation of the recordkeeping training program

Reviews of the training program are carried out periodically and training is customised to meet specific areas needs.

Online training feedback forms have been developed to assess the program and incorporate any changes required to the delivery of training.

Functionality focussed training will be developed prior to the upgrade and throughout the year to incorporate changes resulting from system enhancements to further assist staff.

Recordkeeping induction and training program

New employees are informed of their recordkeeping responsibilities as part of the City's online induction program. A total of 46 inductions were completed during 2021/2022.

Where relevant, one to one Records induction and ECM system training are provided to staff within the first 1-2 weeks of commencing their employment. A total of 39 new staff were trained in the use of the ECM during 2021/2022.

Support is provided by way of one to one or group training. Internal reference guides and newsletters are all accessible via the Intranet with additional updates sent via email. Requests for assistance with recordkeeping and systems are tracked through a service desk program.

ADDITIONAL STATUTORY INFORMATION

Other Statutory Information



Freedom of Information

The City received 8 new freedom of information (FOI) applications during the 2021-2022 financial year. Nine applications were finalised, including 1 that was carried forward from the previous year. Of the 8 new applications received, 2 were withdrawn. These statistics relate to valid applications only and do not include FOI enquiries that were either resolved outside the FOI process or did not eventuate in a valid application being received.

Complaints

A register of complaints records all complaints of minor breaches by Council members in relation to an alleged contravention of a rule or conduct or the contravention of a local government's local law.

The City received no complaints within the period under review.

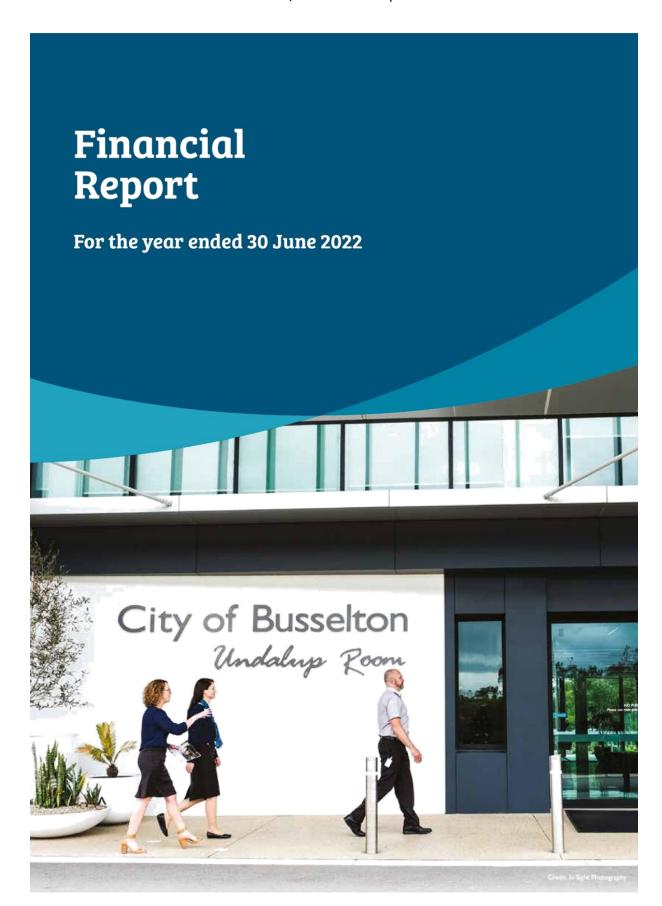
This comment is in relation to complaints that are minor breach in nature only.

Employee Remuneration

The Chief Executive Officer's remuneration package totalled \$354,242.

Employees entitled to an annual salary of \$130,000 or more are detailed by number below.

30,000 - 139,999	9 employees
40,000 - 149,999	0 employees
50,000 - 159,999	0 employees
60,000 - 169,999	1 employees
70,000 - 179,999	0 employees
80,000 - 189,999	0 employees
90,000 - 199,999	4 employees



Financial Sustainability

The City of Busselton has continued to improve on its financial performance over the year under review.

During the 21/22 financial year the Council endorsed a Financial Sustainability Plan to ensure that the City remained in a strong financial position while providing appropriate services to the Community.

Over the past two years, the Annual Report indicated three key measures that the City of Busselton would look at financial performance and reporting.

These were -

- Lobby and advocate for a more appropriate fit for purpose set of financial ratios that includes discretionary reserves and grant funding.
- Review the rates of depreciation to ensure the Operating Surplus Ratio is more accurate and reflective of actual operations.
- Further consider Council's previous practice of transferring surplus funds to reserve.

Pleasingly, lobbying efforts of the City of Busselton and the local government industry have been successful with the Local Government Minister, John Carey MLA announcing the first tranche of regulatory amendments to enable the Model Financial Statements, the Local Government Regulations Amendment (Financial Management and Audit) Regulations 2022 (the Regulations), to come into effect.

More specifically, the changes remove the requirement to provide annual financial ratios and an auditor's opinion on the financial ratios in relation to significant adverse trends. These changes have recognised the need for specific amendments and fit for purpose model financial statements. Details regarding the Amendments are available by visiting the

Department of Local Government Sport and Cultural Industries website at Local Government Regulations Amendment (Financial Management and Audit) Regulations 2022 (dlgscwa.gov.au)

The City has already reviewed its levels of depreciation, however the revaluation of City Assets throughout the 2021/22 financial year has effectively increased the value of the City's Assets, therefore increasing overall depreciation.

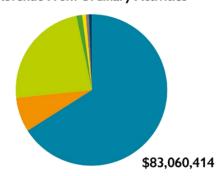
Over the ensuing 12 months, the City will also be reviewing its cash reserves with a potential to rationalise and reaffirm the purpose of each reserve.

Over the 2021/22 financial year, the City has continued to maintain a healthy balance in cash backed reserves with \$71.18M as at 30 June 2022.



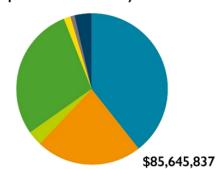
FINANCIAL REPORT for the year ended 30 June 2022

Revenue From Ordinary Activities



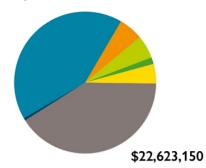
65.96 % Rates
7.42% Operating Grants, Subsidies and Contributions6,166,651
23.37% Fees and Charges19,407,734
1.21% Interest Earnings1,004,063
0.93% Other Revenue771,797
0.56% Gain on Sale of Non-Current Assets Held for Sale461,893
0.56% Reversal of Asset Write Off462,502

Expenses From Ordinary Activities



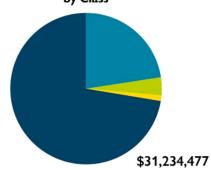
39.52% Employee Costs	33,845,687
22.54% Materials and Contracts	19,305,656
3.21% Utility Charges	2,750,011
28.64% Depreciation	24,526,198
1.45% Interest Expenses	1,237,620
0.92% Insurance Expenses	783,825
3.73% Other Expenditure	3.196.840

Total Capital Expenditure by Infrastructure Class



41.83% Roads	9,462,386
5.56% Bridges	1,258,488
5.24% Car Parks	1,185,864
1.52% Drainage	343,693
4.40% Cycleways & Footpaths	996,171
41.01% Parks, Gardens & Reserves	9,277,590
0.44% Airport & Industrial Parks	98,958

Capital Expenditure by Class



22.66% Land & Buildings
3.61% Plant and Equipment
1,30% Furniture and Equipment
72.43 % Infrastructure22,623,150





INDEPENDENT AUDITOR'S REPORT 2022 City of Busselton

To the Councillors of the City of Busselton

Opinion

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

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

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the City for the year ended 30 June 2022 and its financial position at the end of that period
- in accordance with the Local Government Act 1995 (the Act) and, to the extent that they
 are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

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

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

Other information

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

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

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

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to

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

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

The Chief Executive Officer of the City is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

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

Grant Robinson

Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
16 November 2022

City of Busselton

Financial Report

For the Year Ended 30 June 2022

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 14th day of November 2022

Paul Needham

Acting Chief Executive Officer

Statement of Comprehensive Income by Nature or Type

	Note	2022 Actual \$	2022 Budget \$	2021 Actual \$
Revenue				
Rates	27(a)	54,785,774	54,933,780	52,646,781
Operating Grants, Subsidies and Contributions		6,166,651	4,730,088	6,986,817
Fees and Charges	26(c)	19,407,734	18,102,218	17,412,051
Interest Earnings	2(a)	1,004,063	609,250	1,120,191
Other Revenue		771,797	414,950	551,451
Gain on Finance Sublease		0	0	2,786,007
Gain on Sale of Non-Current Assets Held for Sale		461,893	0	0
Reversal of Asset Write Off		462,502	0	0
		83,060,414	78,790,286	81,503,298
Expenses				
Employee Costs		(33,845,687)	(34,562,209)	(32,762,836)
Materials and Contracts		(19,305,656)	(20,245,296)	(16,560,581)
Utility Charges		(2,750,011)	(2,774,773)	(2,651,097)
Depreciation	10(a)	(24,526,198)	(24,957,238)	(24,607,001)
Interest Expenses	2(b)	(1,237,620)	(1,262,247)	(1,192,417)
Insurance Expenses		(783,825)	(777,707)	(748,751)
Other Expenditure		(3,196,840)	(7,517,880)	(832,615)
		(85,645,837)	(92,097,350)	(79,355,298)
		(2,585,423)	(13,307,064)	2,148,000
Non-Operating Grants, Subsidies and Contributions		24,801,422	34,846,780	20,309,932
Profit on Asset Disposals		68,489	46,714	148,677
Loss on Asset Disposals		(748,170)	(65,149)	(521,958)
Fair Value Adjustments to Financial Assets at Fair Value Through Profit or Loss		11,520	0	0
		24,133,261	34,828,345	19,936,651
Net result for the period		21,547,838	21,521,281	22,084,651
Other comprehensive income Items that will not be reclassified subsequently to profit or loss				
Changes in revaluation surplus		116,968,093	0	0
Total other comprehensive income		116,968,093	0	0
Total comprehensive income for the period		138,515,931	21,521,281	22,084,651

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

Statement of Financial Position

	Note	2022 Actual \$	2021 Actual \$
Current Assets			
Cash and Cash Equivalents	3	23,655,454	17,108,235
Trade and Other Receivables	5	3,977,631	3,793,737
Other Financial Assets	4(a)	74,677,873	62,059,374
Inventories	6	935,800	936,902
Finance Lease Receivables	5.1	230,175	217,910
Other Assets	7(a)	367,383	197,380
Non-Current Assets Held for Sale	7(b)	0	2,035,508
Total Current Assets		103,844,316	86,349,046
Non-current Assets			
Trade and Other Receivables	5	540,050	393,784
Other Financial Assets	4(b)	1,608,066	481,283
Property, Plant and Equipment	8	198,219,172	135,213,353
Infrastructure	9	653,437,006	580,752,889
Finance Lease Receivables	5.1	7,704,476	7,698,983
Right of Use Assets	11(a)	342,734	811,327
Total Non-current Assets		861,851,504	725,351,619
Total Assets	26(d)	965,695,820	811,700,665
Current Liabilities			
Trade and Other Payables	12	8,670,757	11 121 250
Contract Liabilities	13.1	, ,	11,121,259 2,521,219
Grant Liabilities	13.2	1,603,261 1,396,224	988,563
Lease Liabilities	29(e)	253,212	492,042
Borrowings	29(e) 14	4,330,300	3,020,442
Employee Related Provisions	15	5,911,972	5,502,681
Other Provisions	16	3,311,372	430,000
Total Current Liabilities	10	22,165,726	24,076,206
Non-current Liabilities			
Contract Liabilities	13.1	7,679,299	7,888,354
Grant Liabilities	13.2	5,623,503	4,276,558
Lease Liabilities	29(e)	188,483	439,461
Borrowings	14	41,844,638	25,247,254
Employee Related Provisions	15	620,893	715,485
Total Non-current Liabilities	25	55,956,816	38,567,112
Total Liabilities		78,122,542	62,643,318
10.00 2.00			,- 1-,
Net Assets		887,573,278	749,057,347
Equity			
Retained Surplus		475,096,147	461,812,090
Reserves – Cash/ Financial Asset Backed	3	71,183,341	62,919,560
Revaluation Surplus	17	341,293,790	224,325,697
Total Equity		887,573,278	749,057,347

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

Statement of Changes in Equity

		Retained Surplus	Reserves Cash Backed	Revaluation Surplus	Total Equity
	Note	\$	\$	\$	\$
Balance as at 1 July 2020		442,749,115	59,897,884	224,325,697	726,972,696
Changes in Accounting Policy		0	0	0	0
Correction of Errors		0	0	0	0
Restated Balance		442,749,115	59,897,884	224,325,697	726,972,696
Comprehensive Income					
Net Result for the period		22,084,651	0	0	22,084,651
Other Comprehensive Income		0	0	0	0
Total Comprehensive Income		22,084,651	0	0	22,084,651
Transfer from / (to) Reserves		(3,021,676)	3,021,676	0	0
Balance as at 30 June 2021		461,812,090	62,919,560	224,325,697	749,057,347
Comprehensive Income					
Net Result		21,547,838	0	0	21,547,838
Changes on Revaluation of Non-Current Assets	17	0	0	116,968,093	116,968,093
Total Comprehensive Income		21,547,838	0	116,968,093	138,515,931
Transfer from / (to) Reserves		(8,263,781)	8,263,781	0	0
Balance as at 30 June 2022		475,096,147	71,183,341	341,293,790	887,573,278

Statement of Cash Flows

Cash Flows from Operating Activities \$ \$ Receipts Rates 55,566,251 54,747,292 53,316,359 Operating Grants, Subsidies and Contributions 5,875,276 4,980,034 7,331,156 Fees & Charges 19,071,146 18,268,448 17,676,719 Interest Earnings 1,004,063 609,250 1,201,191 Goods and Services Tax 7,405,825 5,000,000 5,926,791 Other Receipts 4,878,064 623,621 921,849 Payments 8 8,228,645 86,293,065 Employee Costs 33,995,104 34,562,139 (32,427,199 Materials and Contracts (23,418,262) (20,203,202) (16,008,700) Utility Charges (1,237,620) (1,262,479 (1,192,417) Insurance Expenses (1,237,620) (1,77,777) (74,8751) Goods and Services Tax (7,324,129) (5,000,000 (5,986,151) Other Payments (521,4040) (7,517,880) (37,77,27) Other Payments (8,995,166) (26,545,804) (5,294,		Note	2022 Actual	2022 Budget	2021 Actual
Rates 55,566,251 54,747,292 53,316,395 Operating Grants, Subsidies and Contributions 5,875,276 4,980,034 7,331,156 Fees & Charges 19,071,146 18,268,448 17,676,719 Interest Earnings 1,004,063 609,250 1,120,191 Goods and Services Tax 7,405,825 5,000,000 5,926,791 Other Receipts 4,878,064 623,621 921,849 Payments 8 84,228,645 86,293,062 Payments 1 33,995,104 34,562,139 32,471,199 Materials and Contracts (23,418,262) (20,203,202) (16,008,700) Utility Charges (1,237,620) (1,262,247) (1,192,417) Insurance Expenses (1,237,620) (1,262,2	Cash Flows from Operating Activities		\$	\$	\$
Operating Grants, Subsidies and Contributions 5,875,276 4,980,034 7,331,156 Fees & Charges 19,071,146 18,268,448 17,676,719 Interest Earnings 1,004,063 609,250 1,120,191 Goods and Services Tax 7,405,825 5,000,000 5,926,791 Other Receipts 4,878,064 623,621 921,849 Payments 93,800,625 84,228,645 86,293,065 Payments 8 4,878,064 623,621 921,849 Materials and Contracts (23,418,622) (20,203,202) (16,008,700) Utility Charges (2,750,011) (2,774,773) (2,551,997) Interest Expenses (733,825) (777,707) (748,751) Goods and Services Tax (7,324,129) (5,000,000) (5,986,151) Other Payments (5,214,040) (7,517,880) (37,7712) Goods and Services Tax (7,324,129) (5,000,000) (5,986,151) Other Payments (8,995,166) (26,545,804) (5,294,071) Again Flows from Investing Activities (8,995,1	Receipts				
Pees & Charges	Rates		55,566,251	54,747,292	53,316,359
Interest Earnings	Operating Grants, Subsidies and Contributions		5,875,276	4,980,034	7,331,156
Goods and Services Tax 7,405,825 5,000,000 5,926,791 Other Receipts 4,878,664 623,621 921,849 93,800,625 84,228,645 86,293,065 Payments Employee Costs (33,995,104) (34,562,139) (32,427,199) Materials and Contracts (23,418,262) (20,203,202) (16,008,700) Utility Charges (2,750,011) (2,774,773) (2,551,097) Interest Expenses (783,825) (777,707) (748,751) Goods and Services Tax (7,324,129) (5,000,000) (5,986,151) Other Payments (5,214,040) (7,517,880) (377,712) Wet Cash Provided by / (used in) Operating Activities 8 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities Payment for Purchase of Property, Plant & Equipment (8,995,166) (26,545,804) (5,294,071) Payment for Construction of Infrastructure (22,623,149) (38,334,501) (22,056,714) Non-Operating Grants, Subsidies and Contributions 12,646,661 25,765,853 11	Fees & Charges		19,071,146	18,268,448	17,676,719
Other Receipts 4,878,064 623,621 921,849 Payments 93,800,625 84,228,645 86,293,065 Employee Costs (33,995,104) (34,562,139) (32,427,199) Materials and Contracts (23,418,262) (20,203,202) (16,008,700) Utility Charges (2,750,011) (2,774,773) (2,651,097) Interest Expenses (1,237,620) (1,262,247) (1,192,417) Insurance Expenses (73,324,129) (50,000,000) (586,5151) Codes and Services Tax (7,324,129) (50,000,000) (586,5151) Other Payments (52,14,040) (7,517,880) (377,712) (74,722,991) (72,097,948) (59,392,027) Net Cash Provided by / (used in) Operating Activities 1 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities 8 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities 8 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities (8,995,166) (26,545,804) (5,	Interest Earnings		1,004,063	609,250	1,120,191
Payments	Goods and Services Tax		7,405,825	5,000,000	5,926,791
Payments Employee Costs (33,995,104) (34,562,139) (32,427,199) Materials and Contracts (23,418,262) (20,203,202) (16,008,700) Utility Charges (2,750,011) (2,774,773) (2,651,097) Interest Expenses (1,237,620) (1,262,247) (1,192,417) Insurance Expenses (783,825) (777,707) (748,751) Goods and Services Tax (7,324,129) (5,000,000) (5,986,151) Other Payments (5,214,040) (7,517,880) (377,712) (74,722,991) (72,097,948) (59,392,027) Net Cash Provided by / (used in) Operating Activities 18 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities 8 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities 8 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities (8,995,166) (26,545,804) (5,294,071) Payment for Purchase of Property, Plant & Equipment (8,995,166) 25,765,853	Other Receipts		4,878,064	623,621	921,849
Employee Costs (33,995,104) (34,562,139) (32,427,199) Materials and Contracts (23,418,262) (20,203,202) (16,008,700) Utility Charges (2,750,011) (2,774,773) (2,651,097) Interest Expenses (12,37,620) (1,262,247) (1,192,417) Insurance Expenses (783,825) (777,707) (748,751) Goods and Services Tax (7,324,129) (5,000,000) (5,986,151) Other Payments (5,214,040) (7,517,880) (377,712) We Cash Provided by / (used in) Operating Activities 18 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities 8 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities 8 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities 8 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities 8 19,077,634 12,130,697 26,901,038 Cash Flows from Sale of Property, Plant and Equipment 8,995,166 (26,545,804) (5,294,07			93,800,625	84,228,645	86,293,065
Materials and Contracts (23,418,262) (20,203,202) (16,008,700) Utility Charges (2,750,011) (2,774,773) (2,651,097) Interest Expenses (1,237,620) (1,262,247) (1,192,417) Insurance Expenses (73,24,129) (5,000,000) (5,986,151) Goods and Services Tax (7,324,129) (5,000,000) (5,986,151) Other Payments (5,214,040) (7,517,880) (377,712) Net Cash Provided by / (used in) Operating Activities 18 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities Payment for Purchase of Property, Plant & Equipment (8,995,166) (26,545,804) (5,294,071) Payment for Construction of Infrastructure (22,623,149) (38,334,501) (22,056,714) Non-Operating Grants, Subsidies and Contributions 12,646,661 25,765,853 11,951,206 Proceeds from Sale of Property, Plant and Equipment 25,506,000 0 0 Proceeds from Sale of Non-current Asset Held for Sale 2,500,000 9,500,000 (11,500,000) Proceeds from Self Supporting Loans	Payments				
Utility Charges	Employee Costs		(33,995,104)	(34,562,139)	(32,427,199)
Interest Expenses	Materials and Contracts		(23,418,262)	(20,203,202)	(16,008,700)
Insurance Expenses	Utility Charges		(2,750,011)	(2,774,773)	(2,651,097)
Coods and Services Tax	Interest Expenses		(1,237,620)	(1,262,247)	(1,192,417)
Other Payments (5,214,040) (7,517,880) (377,712) (74,722,991) (72,097,948) (59,392,027) Net Cash Provided by / (used in) Operating Activities 18 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities 8 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities 8 19,077,634 12,130,697 26,901,038 Payment for Purchase of Property, Plant & Equipment (8,995,166) (26,545,804) (5,294,071) Payment for Construction of Infrastructure (22,623,149) (38,334,501) (22,056,714) Non-Operating Grants, Subsidies and Contributions 12,646,661 25,765,853 11,951,206 Proceeds from Sale of Property, Plant and Equipment 257,564 776,071 647,517 Proceeds from Sale of Property, Plant and Equipment 25,000,000 0 0 Proceeds from Sale of Property, Plant and Equipment 25,000,000 0 0 Proceeds from Sale of Non-current Asset Held for Sale 2,500,000 0 0 Proceeds from Self Supporting Loans 91,238 267,033	Insurance Expenses		(783,825)	(777,707)	(748,751)
Net Cash Provided by / (used in) Operating Activities 18 19,077,634 12,130,697 26,901,038	Goods and Services Tax		(7,324,129)	(5,000,000)	(5,986,151)
Net Cash Provided by / (used in) Operating Activities 18 19,077,634 12,130,697 26,901,038 Cash Flows from Investing Activities Payment for Purchase of Property, Plant & Equipment (8,995,166) (26,545,804) (5,294,071) Payment for Construction of Infrastructure (22,623,149) (38,334,501) (22,056,714) Non-Operating Grants, Subsidies and Contributions 12,646,661 25,765,853 11,951,206 Proceeds from Sale of Property, Plant and Equipment 257,564 776,071 647,517 Proceeds from Sale of Non-current Asset Held for Sale 2,500,000 0 0 Proceeds from Financial Assets at Amortised Costs – (12,500,000) 9,500,000 (11,500,000) Proceeds from Self Supporting Loans 91,238 267,033 66,867 Net Cash Provided by / (used In) Investing Activities (28,622,852) (28,571,348) (26,185,195) Cash Flows from Financing Activities (3,417,757) (3,839,420) (3,043,263) Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) <td>Other Payments</td> <td></td> <td>(5,214,040)</td> <td>(7,517,880)</td> <td>(377,712)</td>	Other Payments		(5,214,040)	(7,517,880)	(377,712)
Cash Flows from Investing Activities Payment for Purchase of Property, Plant & Equipment (8,995,166) (26,545,804) (5,294,071) Payment for Construction of Infrastructure (22,623,149) (38,334,501) (22,056,714) Non-Operating Grants, Subsidies and Contributions 12,646,661 25,765,853 11,951,206 Proceeds from Sale of Property, Plant and Equipment 257,564 776,071 647,517 Proceeds from Sale of Non-current Asset Held for Sale 2,500,000 0 0 Proceeds from Financial Assets at Amortised Costs – (12,500,000) 9,500,000 (11,500,000) Proceeds from Self Supporting Loans 91,238 267,033 66,867 Net Cash Provided by / (used In) Investing Activities (28,622,852) (28,571,348) (26,185,195) Cash Flows from Financing Activities (3,417,757) (3,839,420) (3,043,263) Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) 110,000 Proceeds from New Borrowings 21,325,000 (5,450,000) 110,000 Net Cash Provided By / (used In) Financing Activities 16,			(74,722,991)	(72,097,948)	(59,392,027)
Payment for Purchase of Property, Plant & Equipment (8,995,166) (26,545,804) (5,294,071) Payment for Construction of Infrastructure (22,623,149) (38,334,501) (22,056,714) Non-Operating Grants, Subsidies and Contributions 12,646,661 25,765,853 11,951,206 Proceeds from Sale of Property, Plant and Equipment 257,564 776,071 647,517 Proceeds from Sale of Non-current Asset Held for Sale 2,500,000 0 0 Proceeds from Financial Assets at Amortised Costs – (12,500,000) 9,500,000 (11,500,000) Term Deposits 91,238 267,033 66,867 Net Cash Provided by / (used In) Investing Activities (28,622,852) (28,571,348) (26,185,195) Cash Flows from Financing Activities Repayment of Borrowings (3,417,757) (3,839,420) (3,043,263) Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) 110,000 Proceeds from New Borrowings 21,325,000 (5,450,000) 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437	Net Cash Provided by / (used in) Operating Activities	18	19,077,634	12,130,697	26,901,038
Payment for Construction of Infrastructure (22,623,149) (38,334,501) (22,056,714) Non-Operating Grants, Subsidies and Contributions 12,646,661 25,765,853 11,951,206 Proceeds from Sale of Property, Plant and Equipment 257,564 776,071 647,517 Proceeds from Sale of Non-current Asset Held for Sale 2,500,000 0 0 Proceeds from Financial Assets at Amortised Costs – (12,500,000) 9,500,000 (11,500,000) Term Deposits 91,238 267,033 66,867 Net Cash Provided by / (used In) Investing Activities (28,622,852) (28,571,348) (26,185,195) Cash Flows from Financing Activities (3,417,757) (3,839,420) (3,043,263) Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) 110,000 Proceeds from New Borrowings 21,325,000 15,450,000 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,2	Cash Flows from Investing Activities				
Non-Operating Grants, Subsidies and Contributions 12,646,661 25,765,853 11,951,206 Proceeds from Sale of Property, Plant and Equipment 257,564 776,071 647,517 Proceeds from Sale of Non-current Asset Held for Sale 2,500,000 0 0 Proceeds from Financial Assets at Amortised Costs – Term Deposits (12,500,000) 9,500,000 (11,500,000) Proceeds from Self Supporting Loans 91,238 267,033 66,867 Net Cash Provided by / (used In) Investing Activities (28,622,852) (28,571,348) (26,185,195) Cash Flows from Financing Activities (3,417,757) (3,839,420) (3,043,263) Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) 110,000) Proceeds from New Borrowings 21,325,000 15,450,000 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235	Payment for Purchase of Property, Plant & Equipment		(8,995,166)	(26,545,804)	(5,294,071)
Proceeds from Sale of Property, Plant and Equipment 257,564 776,071 647,517 Proceeds from Sale of Non-current Asset Held for Sale 2,500,000 0 0 Proceeds from Financial Assets at Amortised Costs – Term Deposits (12,500,000) 9,500,000 (11,500,000) Proceeds from Self Supporting Loans 91,238 267,033 66,867 Net Cash Provided by / (used In) Investing Activities (28,622,852) (28,571,348) (26,185,195) Cash Flows from Financing Activities 8 (3,417,757) (3,839,420) (3,043,263) Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) (110,000) Proceeds from New Borrowings 21,325,000 15,450,000 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235 59,657,456 20,001,304	Payment for Construction of Infrastructure		(22,623,149)	(38,334,501)	(22,056,714)
Proceeds from Sale of Non-current Asset Held for Sale 2,500,000 0 0 Proceeds from Financial Assets at Amortised Costs – Term Deposits (12,500,000) 9,500,000 (11,500,000) Proceeds from Self Supporting Loans 91,238 267,033 66,867 Net Cash Provided by / (used In) Investing Activities (28,622,852) (28,571,348) (26,185,195) Cash Flows from Financing Activities 8 (3,417,757) (3,839,420) (3,043,263) Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) (110,000) Proceeds from New Borrowings 21,325,000 15,450,000 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235 59,657,456 20,001,304	Non-Operating Grants, Subsidies and Contributions		12,646,661	25,765,853	11,951,206
Proceeds from Financial Assets at Amortised Costs – Term Deposits (12,500,000) 9,500,000 (11,500,000) Proceeds from Self Supporting Loans 91,238 267,033 66,867 Net Cash Provided by / (used In) Investing Activities (28,622,852) (28,571,348) (26,185,195) Cash Flows from Financing Activities 8 489,805 (3,417,757) (3,839,420) (3,043,263) Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) (110,000) Proceeds from New Borrowings 21,325,000 15,450,000 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235 59,657,456 20,001,304	Proceeds from Sale of Property, Plant and Equipment		257,564	776,071	647,517
Term Deposits (12,500,000) 9,500,000 (11,500,000) Proceeds from Self Supporting Loans 91,238 267,033 66,867 Net Cash Provided by / (used In) Investing Activities (28,622,852) (28,571,348) (26,185,195) Cash Flows from Financing Activities 8 489,806 (3,417,757) (3,839,420) (3,043,263) Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) (110,000) Proceeds from New Borrowings 21,325,000 15,450,000 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235 59,657,456 20,001,304	Proceeds from Sale of Non-current Asset Held for Sale		2,500,000	0	0
Cash Frowided by / (used In) Investing Activities (28,622,852) (28,571,348) (26,185,195) Cash Flows from Financing Activities Repayment of Borrowings (3,417,757) (3,839,420) (3,043,263) Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) (110,000) Proceeds from New Borrowings 21,325,000 15,450,000 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235 59,657,456 20,001,304			(12,500,000)	9,500,000	(11,500,000)
Cash Flows from Financing Activities Repayment of Borrowings (3,417,757) (3,839,420) (3,043,263) Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) (110,000) Proceeds from New Borrowings 21,325,000 15,450,000 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235 59,657,456 20,001,304	Proceeds from Self Supporting Loans		91,238	267,033	66,867
Repayment of Borrowings (3,417,757) (3,839,420) (3,043,263) Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) (110,000) Proceeds from New Borrowings 21,325,000 15,450,000 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235 59,657,456 20,001,304	Net Cash Provided by / (used In) Investing Activities		(28,622,852)	(28,571,348)	(26,185,195)
Payments of Principal Portion of Lease Liabilities (489,806) (489,199) (565,649) Advances to Community Groups (1,325,000) (5,450,000) (110,000) Proceeds from New Borrowings 21,325,000 15,450,000 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235 59,657,456 20,001,304	Cash Flows from Financing Activities				
Advances to Community Groups (1,325,000) (5,450,000) (110,000) Proceeds from New Borrowings 21,325,000 15,450,000 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235 59,657,456 20,001,304	Repayment of Borrowings		(3,417,757)	(3,839,420)	(3,043,263)
Proceeds from New Borrowings 21,325,000 15,450,000 110,000 Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235 59,657,456 20,001,304	Payments of Principal Portion of Lease Liabilities		(489,806)	(489,199)	(565,649)
Net Cash Provided By / (used In) Financing Activities 16,092,437 5,671,381 (3,608,912) Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235 59,657,456 20,001,304	Advances to Community Groups		(1,325,000)	(5,450,000)	(110,000)
Net Increase / (Decrease) in Cash Held 6,547,219 (10,769,270) (2,893,069) Cash at Beginning of Year 17,108,235 59,657,456 20,001,304	Proceeds from New Borrowings		21,325,000	15,450,000	110,000
Cash at Beginning of Year 17,108,235 59,657,456 20,001,304	Net Cash Provided By / (used In) Financing Activities		16,092,437	5,671,381	(3,608,912)
	Net Increase / (Decrease) in Cash Held		6,547,219	(10,769,270)	(2,893,069)
Cash and Cash Equivalents at the End of the Year 18 23,655,454 48,888,186 17,108,235	Cash at Beginning of Year		17,108,235	59,657,456	20,001,304
	Cash and Cash Equivalents at the End of the Year	18	23,655,454	48,888,186	17,108,235

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

Rate Setting Statement

	Note	2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
Net current assets at start of financial year – surplus / (deficit)	28(b)	2,448,380	2,448,380	473,794
,	_	2,448,380	2,448,380	473,794
Operating Activities				
Revenue from operating activities (excluding rates)		606 212	604 303	E97 E4E
Rates (Excluding General Rates) Operating Grants, Subsidies and Contributions		606,213 6,166,651	604,392 4,730,088	587,545 6,986,817
Fees and Charges		19,407,734	18,102,218	17,412,051
Interest Earnings		1,004,063	609,250	1,120,191
Other Revenue		771,797	414,950	551,451
Gain on Finance Sublease		0	0	2,786,007
Profit on Asset Disposals		68,489	46,714	148,677
Gain on Sale of Non-Current Assets Held for Resale		461,893	0	0
Reversal of Asset Write Off		462,502	0	0
Fair Value Adjustment to Financial Assets through Profit				
or Loss	_	11,520	0	0
		28,960,862	24,507,612	29,592,739
Expenditure from operating activities				
Employee Costs		(33,845,687)	(34,562,209)	(32,762,836)
Materials and Contracts		(19,305,656)	(20,245,296)	(16,560,581)
Utility Charges		(2,750,011)	(2,774,773)	(2,651,097)
Depreciation		(24,526,198)	(24,957,238)	(24,607,001)
Interest Expenses		(1,237,620)	(1,262,247)	(1,192,417)
Insurance Expenses		(783,825)	(777,707)	(748,751)
Other Expenditure		(3,196,840)	(7,517,880)	(832,615)
Loss on Asset Disposals		(748,170)	(65,149)	(521,958)
	-	(86,394,007)	(92,162,499)	(79,877,256)
Non-cash amounts excluded from operating activities	28(a)	13,070,869	16,366,860	15,007,990
Amount Attributable to Operating Activities	., _	(44,362,276)	(51,288,027)	(35,276,527)
Investing activities				
Non-operating grants, subsidies and contributions		24,801,422	34,846,780	20,309,932
Proceeds from disposal of assets		2,757,564	776,071	647,517
Purchase of property, plant and equipment	8 (a)	(8,611,327)	(26,537,397)	(5,396,873)
Purchase and construction of infrastructure	9 (a)	(22,623,150)	(38,334,501)	(22,056,717)
Amount attributable to investing activities	_	(3,675,490)	(29,249,047)	(6,496,141)
Financing activities				
Advances to community groups	29 (a)	(1,325,000)	(5,450,000)	(110,000)
Repayment of advances to community groups	29 (a)	91,240	267,033	66,867
Repayment of borrowings	29 (a)	(3,417,758)	(3,839,418)	(3,043,263)
Repayment of lease liabilities	20 ()	(489,807)	(489,199)	(498,833)
Proceeds from new borrowings	29 (a)	21,325,000	15,450,000	110,000
Transfers to reserves and restricted assets		(68,303,015)	(22,130,972)	(32,870,825)
Transfers from reserves and restricted assets	-	43,870,975	41,070,043	28,034,072
Amount attributable to financing activities		(8,248,367)	24,877,487	(8,311,982)
Surplus/ (deficiency) before imposition of general	_			
rates	-	(53,837,753)	(53,211,207)	(49,610,856)
Total amount raised from general rates	27 (a) _	54,179,561	54,329,388	52,059,236
Surplus / (deficit) after imposition of general rates	28 (b)	341,808	1,118,181	2,448,380
This statement is to be read in conjunction with the accor	_	toc		

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

Index of notes to the financial report

Note 1	Basis of Preparation53
Note 2	Revenue and Expenses54
Note 3	Cash and Cash Equivalents56
Note 4	Other Financial Assets57
Note 5	Trade and Other Receivables (includes finance lease receivables)58
Note 6	Inventories
Note 7	Other Assets and Non-Current Assets Held for Sale
Note 8	Property, Plant and Equipment61
Note 9	Infrastructure
Note 10	Fixed Assets65
Note 11	Leases68
Note 12	Trade and Other Payables70
Note 13	Other Liabilities71
Note 14	Borrowings72
Note 15	Employee Related Provisions73
Note 16	Other Provisions73
Note 17	Revaluation Surplus74

Note 18	Notes to the Statement of Cash Flows75
Note 19	Contingent Liabilities76
Note 20	Capital Commitments78
Note 21	Related Party Transactions79
Note 22	Joint Arrangements82
Note 23	Financial Risk Management83
Note 24	Events occurring after the
	end of the reporting period87
Note 25	Other Significant Accounting Policies88
Note 26	Function and Activity89
Informati	on required by legislation
Note 27	Rating Information93
Note 28	Rate Setting Statement Information97
Note 29	Information on Borrowings98
Note 30	Reserve Accounts101
Note 31	Trust Funds113
Note 32	Major Land Transactions113
Note 33	Trading Undertakings and
	Major Trading Undertakings113

Notes to and forming part of the Financial Report

1. BASIS OF PREPARATION

Basis of preparation

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

Local Government Act 1995 requirements

Section 6.4(2) of the Local Government Act 1995 read with the Local Government (Financial Management) Regulations 1996 prescribe that the financial report be prepared in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-forprofit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

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

Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

The local government reporting entity

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

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

Judgements and estimates

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

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

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

- estimated fair value of certain financial assets
- · impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure

Notes to and forming part of the Financial Report

2. Revenue and Expenses

Revenue Recognition Policy

Recognition of revenue is dependent 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	Timing of revenue recognition
Rates	General rates & rates charged for specific defined purposes.	When rates notice is issued.
Operating Grants, Subsidies and Contributions	Community events, minor facilities, research, design, planning evaluation and services. General appropriations and contributions with no reciprocal commitment.	Income from grants that are enforceable and with sufficiently specific performance obligations is recognised as the City satisfies its obligations in the grant agreements. Income from grants without any sufficiently specific performance obligations, or that are not enforceable, is recognised when the City has an unconditional right to receive cash which usually coincides with receipt of cash.
Non-Operating Grants, Subsidies and Contributions	Construction or acquisition of recognisable non-financial assets to be controlled by the local government.	Capital grants are recognised as income as the City satisfies its obligations in the grant agreements.
Fees and Charges	Building, planning, development and animal management, having the same nature as a licence regardless of naming. Compliance safety check. Regulatory food, health and safety. Kerbside collection service. Waste treatment, recycling and disposal service at disposal sites. Permission to use facilities and runway. Gym and pool membership. Cemetery services, library fees, reinstatements and private works. Aviation fuel, kiosk and visitor centre stock. Fines issued for breaches of local laws.	At a point in time (or over a relatively short period of time) when the services have been provided and payments are received.
Other Revenue	Sale of scrap materials. Insurance claims. Commissions on licencing and ticket sales.	At a point in time when the goods have been transferred and payments are received, or upon receipt of funds.

Notes to and forming part of the Financial Report

		2022 Actual \$	2022 Budget \$	2021 Actual \$
2.	Revenue and Expenses (Continued)			
(a)	Revenue (Continued)			
	Revenue from Statutory Requirements Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:			
	General rates	54,179,561	54,329,388	52,059,236
	Specified area rates	606,213	604,392	587,545
	Statutory permits and licences	1,180,350	1,153,812	1,315,816
	Fines	57,130	85,950	84,317
	Developer contributions	785,269	755,981	958,602
	Public open space contributions	0	10,140	745,999
		56,808,523	54,933,780	55,751,515
	Assets and services acquired below fair value			
	Contributed assets	12,518,962	5,600,000	9,424,331
		12,518,962	5,600,000	9,424,331
	Interest Earnings			
	- Reserve Funds	224,316	125,000	337,120
	- Other Funds	344,876	75,000	312,408
	- Other Interest Revenue	434,871	409,250	470,663
		1,004,063	609,250	1,120,191
(b)	Expenses			
	Auditors Remuneration			
	- Audit of the Annual Financial Report	56,820	49,900	41,000
	- Other Services Certifications	5,900	2,500	3,835
		62,720	52,400	44,835
	Interest Expenses (Finance Costs)			
	Long Term Borrowings (refer Note 29(a))	1,206,769	1,233,787	1,140,572
	Lease Interest	30,852	28,460	51,845
		1,237,620	1,262,247	1,192,417

Notes to and forming part of the Financial Report

		Note	2022 Actual \$	2021 Actual \$
3.	Cash and Cash Equivalents			
	Unrestricted		29,696	5,414,518
	Restricted		23,625,758	11,693,717
			23,655,454	17,108,235
	Restrictions			
	The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
	 Cash and cash equivalents - restricted 		23,625,758	11,693,717
	 Financial Assets at amortised cost – Term Deposits 	4	74,500,000	62,000,000
			98,125,758	73,693,717
	Reserves – cash/financial asset backed	30	71,183,341	62,919,560
	Cash set aside in Lieu of Parking		358,943	275,602
	Cash set aside in Lieu of Public Open Space		1,410	381,410
	Cash set aside for Roadwork within specific areas, being funds given as a condition of subdivision/development		870,368	1,122,046
	Cash set aside, being unspent specific purpose Government Grants	13	7,019,727	5,265,121
	Cash set aside, being Unspent Loan Funds	29(c)	14,366,377	49,341
	Cash set aside for Sundry Restricted		256,155	256,155
	Cash set aside for Deposits & Bonds	12	4,069,438	3,424,482
		-	98,125,758	73,693,717

SIGNIFICANT ACCOUNTING POLICIES Cash and cash equivalents

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

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

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 reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

Details of restrictions on financial assets can be found at Note 3.

Notes to and forming part of the Financial Report

		Note	2022 Actual \$	2021 Actual \$
4.	Other Financial Assets			
(a)	Current Assets			
	Financial assets at amortised cost		74,677,873	62,059,374
			74,677,873	62,059,374
	Other Financial Assets at Amortised Costs			
	Self-supporting loans		177,873	59,374
	Term Deposit	3	74,500,000	62,000,000
			74,677,873	62,059,374
(b)	Non-Current Assets			
	Financial assets at amortised cost		1471,909	356,646
	Financial assets at fair value through profit and loss		136,157	124,637
			1,608,066	481,283
	Financial assets at amortised cost			
	Self-supporting loans		1,471,909	356,646
			1,471,909	356,646
	Financial assets at fair value through profit and loss			
	Units in Local Government House Trust		136,157	124,637
			136,157	124,637

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 29(a) as self-supporting loans. Fair value of financial assets at fair value through profit and loss is determined from the net asset value of the units held in trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

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. Fair values of non-current financial assets at amortised cost are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 25 (i)) due to the observable market rates.

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 23.

Notes to and forming part of the Financial Report

5.	Trade and Other Receivables	2022 Actual \$	2021 Actual \$
	-		
	Current		
	Rates Receivable	1,017,639	1,458,200
	Rates Receivable – Pensioners	21,187	22,432
	Trade and Other Receivables	2,319,748	1,612,352
	GST Receivable	619,057	700,753
		3,977,631	3,793,737
	Non-Current		
	Rates Receivable – Pensioners	344,503	327,669
	Trade and Other Receivables	195,547	66,115
		540,050	393,784

SIGNIFICANT ACCOUNTING POLICIES Trade and other receivables

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 23.

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 cash flows and therefore the City measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

Notes to and forming part of the Financial Report

5.1 Finance Lease Receivables

	2022 Actual S	2021 Actual S
Current	230,175	217,910
Non-current	7,704,476	7,698,983
	7,934,651	7,916,893

SIGNIFICANT ACCOUNTING POLICIES

Finance lease receivables

The City is an intermediate lessor and the finance lease receivables relate to properties that the City has subleased to third parties. The City has classified these subleases as finance lease as the subleases are for the whole of the remaining term of the head leases.

Amounts due from the finance leases are recorded as receivables. Finance lease receivables are initially recorded at amounts equal to the present value of the minimum lease payments receivable plus the present value of any unguaranteed residual value expected to accrue at the end of the lease term. Finance lease receipts are apportioned between periodic interest revenue and reduction of the lease receivable over the term of the lease in order to reflect a constant periodic rate of return on the net investment outstanding in the leases.

		2022 Actual \$	2021 Actual \$
6.	Inventories		
	Current		
	Materials	935,800	936,902
		935,800	936,902
	The following movements in inventories occurred during the year:		
	Balance at beginning of year	936,902	25,802
	Adjustment to inventory (a)	0	643,164
	Inventories expensed during the year	(114,574)	(195,566)
	Additions to inventory	113,472	463,502
	Balance at end of year	935.800	936 902

⁽a) Adjustment of \$643,164 was processed last year to recognise additional inventory as identified by management in that year.

SIGNIFICANT ACCOUNTING POLICIES

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.

Notes to and forming part of the Financial Report

7. Other Assets and Non-Current Assets Held for Sale

		2022 Actual \$	2021 Actual \$
(a)	Other Assets Prepayments	367,383	197,380
(b)	Non-Current Assets Held for Sale	0	2 035 508

(a) In 2020-21, the City sought an expression of interest for the disposal of Lots 58 and 59 Chapman Hill Road and Lot 60 Queen Elizabeth Avenue, Ambergate. A buyer showed interest in the properties and a local public notice of the proposed sale of lands was advertised in accordance with section 3.58(3) of the Local Government Act. The lands were valued by an external valuer and sold for \$2.5 million in September 2021. A gain of \$0.5 million was recognised in the Statement of Comprehensive Income under 'Gain on Sale of Non-Current Asset Held for Sale'.

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Non-Current Assets Held for Sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

FINANCIAL REPORT for the year ended 30 June 2022

Notes to and forming part of the Financial Report

Property, Plant and Equipment
Movements in Balances
Movement in the balances of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land	Buildings	Furniture and	Plant and	Total
		1	equipment	equipment	
Balance at 1 July 2020	49,966,728	66,469,601	3,970,605	17,009,336	137,416,270
Additions	4,028	3,560,701	568,322	1,263,821	5,396,872
Transfers to held for sale	(2,035,508)	0	0	0	(2,035,508)
(Disposals)	0	(1,452)	(33,550)	(566,734)	(601,736)
Depreciation (expense)	0	(2,779,594)	(521,978)	(2,270,796)	(5,572,368)
Donated Assets	0	110,000	59,231	10,592	179,823
Other Adjustments	0	430,000	0	0	430,000
Balance at 30 June 2021	47,935,248	67,789,256	4,042,630	15,446,219	135,213,353
Comprises:					
Gross balance amount at 30 June 2021	47,935,248	79,836,152	4,877,748	19,731,257	152,380,405
Accumulated depreciation at 30 June 2021	0	(12,046,896)	(835,118)	(4,285,038)	(17,167,052)
Balance at 30 June 2021	47,935,248	67,789,256	4,042,630	15,446,219	135,213,353
Additions	0	7,078,870	405,559	1,126,898	8,611,327
Transfers	(74,438)	(1,004,955)	245,005	367,803	(466,585)
(Disposals)	0	(516,412)	(7,278)	(223,164)	(746,854)
Depreciation (expense)	0	(2,636,425)	(579,118)	(2,380,102)	(5,595,645)
Revaluation Increments/ (Decrements)	12,664,548	47,627,653	0	0	60,292,201
Donated Assets	0	30,000	0	881,375	911,375
Balance at 30 June 2022	60,525,358	118,367,987	4,106,798	15,219,029	198,219,172
Comprises:					
Gross balance amount at 30 June 2022	60,525,358	118,723,727	5,584,364	21,934,234	206,411,943
Accumulated depreciation at 30 June 2022	0	(355,740)	(1,477,566)	(6,715,205)	(8,192,771)
Balance at 30 June 2022	60,525,358	118,367,987	4,106,798	15,219,029	198,219,172

8. (a)

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FINANCIAL REPORT for the year ended 30 June 2022

Notes to and forming part of the Financial Report

Property, Plant and Equipment (Continued) **∞**

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	Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of last Inputs Used Valuation	Inputs Used
Ξ	Fair Value					
	Land	2	Market approach using recent observable market Independent Registered data for similar properties/ income approach using Valuer discounted cashflow methodology	Independent Registered Valuer	June 2022	Price per hectare / market borrowing rate.
	Buildings -					
	Specialised	е	Cost approach using current replacement cost	Independent Registered Valuer	May 2022	Construction costs and current condition, residual value and remaining useful life assessment's inputs.
	Buildings -					
	Non-Specialised	2	Market approach using recent observable market Independent Registered data for similar properties/ income approach using Valuer discounted cashflow methodology	Independent Registered Valuer	May 2022	Price per square meter / market borrowing rate.

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. A A $\widehat{\equiv}$

	quipment N/A Cost N/A	Z/N
Cost	Furniture and Equipment	Plant & Fourinment

Movements in Balances

633,216,640 (52,463,751) 580,752,889 (419,061) (18,537,845) 9,244,508 580,752,889 22,623,150 429,838 (190,391) (18,461,959) 56,675,893 11,607,586 653,437,006 553,437,006 653,437,006 22,056,716 568,408,571 Total Infrastructure 10,372,719 496,556 (32,619) (9,826,164) 6,367,483 2,460,187 (419,061) (10,414,366) 1,956,797 166,797,220 195,015,955 (28,218,735) 166,797,220 167,625,414 176,635,382 8,048,436 176,635,382 Other Infrastructure (835,271) 2,804,822 58,894,169 61,351,453 (2,457,284) 58,894,169 343,693 629 7,246,139 (883,973) 68,070,838 56,869,325 68,070,838 68,070,838 Drainage Infrastructure (364,942) 816,606 10,496,636 11,562,208 (1,065,572) 1,185,864 (61,678) (418,219) 995,088 621,792 10,496,636 12,197,691 9,423,180 12,197,691 12,197,691 Car Parks Infrastructure 55,004,513 0 0 (794,778) (157,772) (820,595) 12,932,853 3,929,239 55,004,513 4,871 3,472,083 40,688,674 (2,826,374) 55,004,513 35,180,124 37,862,300 37,862,300 1,258,488 Bridges Infrastructure 0 (6,128,488) 3,666,283 306,702,564 324,598,350 (17,895,786) 306,702,564 (6,513,008) 29,134,330 2,747,979 341,528,582 341,528,582 0 13,326,324 (3,472,083) (2,669)9,462,386 341,528,582 299,310,528 Roads Infrastructure Accumulated depreciation at 30 June 2021 Accumulated depreciation at 30 June 2022 Transfers (Disposals) Depreciation (expense) Revaluation Increments/ (Decrements) Gross balance amount at 30 June 2021 Gross balance amount at 30 June 2022 Impairment (losses)
Depreciation (expense)
Donated Assets
Balance at 30 June 2021
Comprises: Balance at 30 June 2022 Balance at 30 June 2021 Balance at 30 June 2022 Balance at 1 July 2020 Donated Assets Comprises: (Disposals)

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

Movement in the balances of each class of Infrastructure between the beginning and the end of the current financial year. 9. (a)

FINANCIAL REPORT

for the year ended 30 June 2022

Notes to and forming part of the Financial Report

Infrastructure (Continued)

Fair Value Measurements

(q)

Asset Class	Fair Value Hierarchy	Fair Value Valuation Technique Hierarchy	enb		Basis of Valuation	Date of last Valuation	Date of last Inputs Used Valuation
Roads	m	Cost approach replacement cost		current	using current Management valuation	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Bridges	ю	Cost approach replacement cost	using	current	Cost approach using current Management valuation replacement cost	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Car Parks	ю	Cost approach replacement cost	using	current	Cost approach using current Management valuation replacement cost	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Drainage	ю	Cost approach replacement cost	using	current	Cost approach using current Management valuation replacement cost	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Other Infrastructure	6	Cost approach replacement cost	using	current	Cost approach using current Management valuation replacement cost	June 2022	Construction costs and current condition, residual values and remaining useful life assessments inputs.

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

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

for the year ended 30 June 2022

FINANCIAL REPORT

Notes to and forming part of the Financial Report

10. Fixed Assets

		2022 Actual \$	2022 Budget \$	2021 Actual \$
(a)	Depreciation			
	Buildings	2,636,425	3,248,840	2,779,595
	Furniture and Equipment	579,118	502,320	521,978
	Plant and Equipment	2,380,102	2,267,130	2,270,796
	Infrastructure - Roads	6,513,008	6,358,820	6,128,488
	Infrastructure - Bridges	820,595	825,190	794,778
	Infrastructure - Car Parks	418,219	410,800	364,942
	Infrastructure - Stormwater Drainage	883,973	855,130	835,271
	Infrastructure - Other	9,826,165	10,020,415	10,414,366
	Right of Use Assets – Furniture and Equipment	468,593	468,593	496,787
		24,526,198	24,957,238	24,607,001

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

Buildings	40 - 90	Years
Furniture and Equipment	3 - 15	Years
Plant and Equipment	3 - 25	Years
Infrastructure:		
Roads	10 - 60	Years
Bridges	40 - 85	Years
Car Parks	20 - 40	Years
Footpaths & Cycle ways	20 - 50	Years
Parks, Gardens & Reserves & Community Facilities	4 - 80	Years
Drainage	80	Years
Regional Airport & Industrial Park	5 - 60	Years

Notes to and forming part of the Financial Report

10. Fixed Assets (Continued)

(b) Fully Depreciated Assets in Use

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

	2022	2021
	Actual	Actual
	\$	\$
Furniture and equipment	130,022	57,297
Plant and equipment	2,919,626	1,590,380
	3,049,648	1,647,677

(c) Disposals of Assets

The following assets were disposed of during the year:

	Net Boo	k Value	Sale	Price	Net Profi	t / (Loss)
	Actual	Budget	Actual	Budget	Actual	Budget
	\$	\$	\$	\$	\$	\$
Buildings	516,412	0	0	0	(516,412)	0
Plant and Equipment	223,164	794,506	257,565	776,071	34,401	(18,435)
Furniture and Fittings	7,278	0	0	0	(7,278)	0
Infrastructure	190,391	0	0	0	(190,391)	0
	937,245	794,506	257,565	776,071	(679,680)	(18,435)

Notes to and forming part of the Financial Report

10. Fixed Assets (Continued) SIGNIFICANT ACCOUNTING POLICIES Fixed assets

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

Initial recognition and measurement for assets held at cost

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

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

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5). These assets are expensed immediately. Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

Revaluation

The fair value of land, buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the City. At the end of each period, the carrying amount for each asset class is reviewed and where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires land, buildings, infrastructure, and vested improvements to be shown at fair value.

Revaluation (Continued)

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

Depreciation

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

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

Depreciation on revaluation

When an item of property, plant and equipment and infrastructure is revalued, any accumulated depreciation at the date of the revaluation is eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Notes to and forming part of the Financial Report

11. Leases

(a) Right of use assets

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

		Right of use assets – Furniture and Equipment \$	Right of use assets - Total \$
	Balance at 1 July 2020	1,308,114	1,308,114
	Depreciation (expense)	(496,787)	(496,787)
	Balance at 30 June 2021	811,327	811,327
	Depreciation (expense)	(468,593)	(468,593)
	Balance at 30 June 2022	342,734	342,734
(b)	The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the entity is the lessee:	2022 Actual	2021 Actual
		\$	\$
	Depreciation expense on right of use assets	(468,593)	(496,787)
	Interest expense on lease liabilities	(28,460)	(49,434)
	Total amount recognised in the statement of comprehensive income	(497,053)	(546,221)
(c)	Total cash outflow from leases	(517,660)	(548,268)

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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

Right-of-use assets – valuation

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

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

Right-of-use assets – depreciation

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

Notes to and forming part of the Financial Report

11. Leases (Continued)

(d) Property subject to lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

	2022 Actual \$	2021 Actual \$
Less than 1 year	1,137,441	1,224,369
1 to 2 years	1,114,721	1,161,326
2 to 3 years	1,068,125	1,103,638
3 to 4 years	1,032,489	1,057,043
4 to 5 years	1,032,489	1,032,275
> 5 years	27,512,227	28,555,245
	32.897.492	34.133.896

The City leases properties to external parties with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

SIGNIFICANT ACCOUNTING POLICIES

The City as Lessor

Upon entering into each contract as a lessor, the City 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 (e.g. 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 nonlease components, the City applies AASB 15 to allocate the consideration under the contract to each component.

Notes to and forming part of the Financial Report

		2022 Actual \$	2021 Actual \$
12.	Trade and Other Payables		
	Current		
	Sundry Creditors	1,178,615	5,871,565
	Prepaid Rates	918,088	894,244
	Deposits and Bonds	4,069,438	3,424,482
	Accrued Expenses	2,504,616	930,968
		8,670,757	11,121,259

SIGNIFICANT ACCOUNTING POLICIES

Financial Liabilities

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

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

Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of noncash 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 City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are 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 City recognises revenue for the prepaid rates that have not been refunded.

Notes to and forming part of the Financial Report

13. Other Liabilities \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$			2022	2021
Contracts Grant Liabilities Current Cu	12	Oshou Linkillalan	Actual	Actual
13.1 Contract Liabilities Current 1,603,261 2,521,219 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,699,199	15.		\$	Þ
Current Non-current 1,603,261 2,521,219 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,679,299 7,888,354 7,888,		Contracts/ Grant Elabinties		
Non-current 7,679,299 7,888,354 9,282,560 10,409,573 13.1.1 Movement in contract liabilities Reconciliation of changes in contract liabilities Opening balance Additions Addit	13.1	Contract Liabilities		
13.1.1 Movement in contract liabilities Reconciliation of changes in contract liabilities Opening balance 10,409,573 10,178,544 Additions 785,269 1,704,601 Revenue recognised in the reporting period 61,912,282; 10,409,573 10,178,572 Regular at end of period 9,282,560 10,409,573 10,4		Current	1,603,261	2,521,219
13.1.1		Non-current	7,679,299	7,888,354
Reconciliation of changes in contract Ilabilities			9,282,560	10,409,573
Iiabilities	13.1.1	Movement in contract liabilities		
Opening balance		Reconciliation of changes in contract		
Additions Revenue recognised in the reporting period Revenue recognition 1 year 1 to 5 years 2,320,640 2,890,444 0 ver 5 years 3,358,659 4,997,910 2,882,560 10,409,573 13.2 Grant Liabilities Current Non-current 5,623,503 4,276,558 Reconciliation of changes in grant liabilities Reconciliation of changes in grant liabilities Opening balance Additions Additions Revenue recognised in the reporting period Revenue recognised in the seporting period Revenu		liabilities		
Revenue recognised in the reporting period Balance at end of period 9,282,560 10,409,573 13.1.2 Expected satisfaction of contract liabilities 1,603,261 2,521,219 1 to 5 years 2,320,640 2,890,444 2,990,444 2,990		Opening balance	10,409,573	10,178,544
Balance at end of period 9,282,560 10,409,573 13.1.2 Expected satisfaction of contract liabilities 1,000m recognition 1,900m for part liabilities 1,000m for part liabil		Additions	785,269	1,704,601
13.1.2 Expected satisfaction of contract liabilities Income recognition 1 year 1,603,261 2,521,219 1 to 5 years 2,320,640 2,890,444		Revenue recognised in the reporting period	(1,912,282)	(1,473,572)
Income recognition 1 year 1,603,261 2,521,219 1 to 5 years 2,320,640 2,890,444 2,890,444 2,890,444 2,890,444 2,890,444 2,890,444 2,890,444 2,890,445 2,890,445 2,890,445 2,890,445 2,890,445 2,890,445 2,890,445 2,890,445 2,890,455 2,928,560 10,409,573 2,885,560 10,409,573 2,885,560 2,885		Balance at end of period	9,282,560	10,409,573
Income recognition 1 year 1,603,261 2,521,219 1 to 5 years 2,320,640 2,890,444 2,890,444 2,890,444 2,890,444 2,890,444 2,890,444 2,890,444 2,890,445 2,890,445 2,890,445 2,890,445 2,890,445 2,890,445 2,890,445 2,890,445 2,890,455 2,928,560 10,409,573 2,885,560 10,409,573 2,885,560 2,885				
1 year 1,603,261 2,521,219 1 to 5 years 2,320,640 2,890,444 Over 5 years 5,358,659 4,997,910 9,282,560 10,409,573 13.2 Grant Liabilities Current 1,396,224 988,563 Non-current 5,623,503 4,276,558 Non-current 5,623,503 4,276,558 13.2.1 Movement in grant liabilities Reconciliation of changes in grant liabilities Opening balance Additions 14,042,405 5,171,084 Revenue recognised in the reporting period (12,287,799) (4,454,253) Balance at end of period (12,287,799) (4,454,253)	13.1.2	·		
1 to 5 years		•		
Over 5 years 5,358,659 4,997,910 9,282,560 10,409,573 13.2 Grant Liabilities 1,396,224 988,563 Non-current 5,623,503 4,276,558 7,019,727 5,265,121 13.2.1 Movement in grant liabilities		,		
13.2 Grant Liabilities 1,396,224 988,563 7,019,727 5,265,121 13.2.1 Movement in grant liabilities Reconciliation of changes in grant liabilities Opening balance Additions 14,042,405 5,171,084 Revenue recognised in the reporting period (12,287,799) (4,454,253) Balance at end of period (12,287,799) (4,454,253) (1,287,799)			, ,	, ,
13.2 Grant Liabilities Current Non-current Non-current 1,396,224 7,019,727 5,265,121 13.2.1 Movement in grant liabilities Reconciliation of changes in grant liabilities Opening balance Additions Additions Additions Revenue recognised in the reporting period Revenue recognised in the reporting period Revenue recognised in the reporting period Revenue recognised in the sporting period Revenue recognised i		Over 5 years		
Current 1,396,224 988,563 Non-current 5,623,503 4,276,558			9,282,560	10,409,573
Current 1,396,224 988,563 Non-current 5,623,503 4,276,558	13.2	Grant Liabilities		
Non-current 5,623,503 4,276,558 7,019,727 5,265,121 13.2.1 Movement in grant liabilities Reconciliation of changes in grant liabilities	13.2		1 396 224	988 563
13.2.1 Movement in grant liabilities Reconciliation of changes in grant liabilities Opening balance Additions 14,042,405 5,171,084 Revenue recognised in the reporting period (12,287,799) (4,454,253) Balance at end of period 7,019,727 5,265,121 13.2.2 Expected satisfaction of grant liabilities Income recognition 1 year 1,396,224 988,563 1 to 5 years 5,623,503 4,276,558 Over 5 years 0 0 0				
13.2.1 Movement in grant liabilities Reconciliation of changes in grant liabilities 5,265,121 4,548,290 Additions 14,042,405 5,171,084 Revenue recognised in the reporting period (12,287,799) (4,454,253) Balance at end of period 7,019,727 5,265,121 13.2.2 Expected satisfaction of grant liabilities Income recognition 1 year 1,396,224 988,563 1 to 5 years 5,623,503 4,276,558 Over 5 years 0 0		THE CALL CALL		
Reconciliation of changes in grant	13.2.1	Movement in grant liabilities		3,203,121
Iiabilities	15.1.1	-		
Opening balance 5,265,121 4,548,290 Additions 14,042,405 5,171,084 Revenue recognised in the reporting period (12,287,799) (4,454,253) Balance at end of period 7,019,727 5,265,121 13.2.2 Expected satisfaction of grant liabilities Income recognition 1 year 1,396,224 988,563 1 to 5 years 5,623,503 4,276,558 Over 5 years 0 0 0				
Additions			5.265.121	4.548.290
Revenue recognised in the reporting period (12,287,799) (4,454,253) Balance at end of period 7,019,727 5,265,121 13.2.2 Expected satisfaction of grant liabilities Income recognition 1,396,224 988,563 1 to 5 years 5,623,503 4,276,558 Over 5 years 0 0				
Balance at end of period 7,019,727 5,265,121 13.2.2 Expected satisfaction of grant liabilities Income recognition 1,396,224 988,563 1 year 1,396,224 988,563 1 to 5 years 5,623,503 4,276,558 Over 5 years 0 0				
Income recognition 1 year 1,396,224 988,563 1 to 5 years 5,623,503 4,276,558 Over 5 years 0 0				
Income recognition 1 year 1,396,224 988,563 1 to 5 years 5,623,503 4,276,558 Over 5 years 0 0		·		, ,
1 year 1,396,224 988,563 1 to 5 years 5,623,503 4,276,558 Over 5 years 0 0	13.2.2			
1 to 5 years 5,623,503 4,276,558 Over 5 years 0 0		•		
Over 5 years 0 0		·		
			, ,	
		Over 5 years		
			7,019,727	5,265,121

SIGNIFICANT ACCOUNTING POLICIES

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

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

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

Notes to and forming part of the Financial Report

14. Borrowings

			2022			2021	
	Note	Current	Non-	Total	Current	Non-	Total
			current			current	
		\$	\$	\$	\$	\$	\$
Secured							
Bank Overdrafts		0	0	0	0	0	0
Bank Loans		0	0	0	0	0	0
Debentures		4,330,300	41,844,638	46,174,938	3,020,442	25,247,254	28,267,696
Total Secured Borrowings	29	4,330,300	41,844,638	46,174,938	3,020,442	25,247,254	28,267,696

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the City.

The City of Busselton has complied with the financial covenants of its borrowing facilities during the 2022 and 2021 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing cost

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 25(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 23.

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

15.

FINANCIAL REPORT for the year ended 30 June 2022

Notes to and forming part of the Financial Report

Employee Related Provisions				
	Provision for Annual Leave	Provision for Long Service Leave	Provision for Sick Leave	Total
	\$	\$	\$	\$
Opening balance at 1 July 2021				
Current	2,244,762	3,151,678	106,241	5,502,681
Non-Current	0	715,485	0	715,485
	2,244,762	3,867,163	106,241	6,218,166
Additional Provisions	2,044,485	859,620	363	2,904,468
Amounts Used	(2,033,992)	(528,650)	(27,127)	(2,589,769)
Balance 30 June 2022	2,255,255	4,198,133	79,477	6,532,865
Comprises				
Current Provisions	2,255,255	3,577,240	79,477	5,911,972
Non-current Provisions	0	620,893	0	620,893
	2,255,255	4,198,133	79,477	6,532,865

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

Provision is made for the City's obligations for shortterm employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The City's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

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

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

16.	Other Provisions	2022	2021
		Actual	Actual
		\$	\$
	Other Provisions (a)	0	430,000
	(a) Relates to the provision for building claddings. The claddings replacement wa	is completed in F	ebruary 2022.

SIGNIFICANT ACCOUNTING POLICIES

Provisions

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

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

Notes to and forming part of the Financial Report

17.	Revaluation Surplus	2022 Actual \$	2021 Actual \$
	Land and Buildings		
	Opening Balance	46,409,353	46,409,353
	Revaluation Increment	60,292,201	0
	Revaluation Decrement	0	0_
		106,701,554	46,409,353
	Furniture & Fittings		
	Opening Balance	797,333	797,333
	Revaluation Increment	0	0
	Revaluation Decrement	0	0
		797,333	797,333
	Plant and Equipment		
	Opening Balance	840,738	840,738
	Revaluation Increment	0	0
	Revaluation Decrement	0	0
		840,738	840,738
	Roads		
	Opening Balance	122,047,036	122,047,036
	Revaluation Increment	29,134,329	0
	Revaluation Decrement	0	0
		151,181,365	122,047,036
	Bridges		
	Opening Balance	23,461,409	23,461,409
	Revaluation Increment	12,932,853	0
	Revaluation Decrement	0	0
		36,394,262	23,461,409
	Car Parks		
	Opening Balance	5,314,676	5,314,676
	Revaluation Increment	995,088	0
	Revaluation Decrement	0	0
		6,309,764	5,314,676
	Drainage		
	Opening Balance	14,102,455	14,102,455
	Revaluation Increment	7,246,139	0
	Revaluation Decrement	0	0
		21,348,594	14,102,455
	Other Infrastructure		
	Opening Balance	11,352,697	11,352,697
	Revaluation Increment	6,367,483	0
	Revaluation Decrement	0	0
		17,720,180	11,352,697
	All Asset Classes		
	Opening Balance	224,325,697	224,325,697
	Revaluation Increment	116,968,093	0
	Revaluation Decrement	0	0
	Total Assets Revaluation Surplus	341,293,790	224,325,697

Notes to and forming part of the Financial Report

18. Notes to the Statement of Cash Flows

Reconciliation of Cash

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

	2022 Actual \$	2022 Budget \$	2021 Actual \$
Cash and Cash Equivalents	23,655,454	48,888,186	17,108,235
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net Result	21,547,838	21,521,281	22,084,651
Non-cash flows in Net result:			
Depreciation	24,526,198	24,957,238	24,607,001
(Profit) / Loss on Sale of Asset	679,681	18,435	373,281
Gain on Finance Sublease	0	0	(2,786,007)
Revaluation Adjustment	(924,395)	0	0
Non-Cash Contributions	(12,518,962)	(5,600,000)	(9,424,331)
Changes in assets and Liabilities:			
(Increase) / Decrease in Receivables	(1,150,925)	(33,755)	1,563,661
(Increase) / Decrease in Inventories	1,102	36,902	(911,100)
Increase / (Decrease) in Payables	(948,531)	5,262	2,082,272
Increase / (Decrease) in Provisions	(115,299)	0	314,956
Non-operating Grants and Contributions for the Development of Assets	(12,019,073)	(28,774,666)	(11,003,346)
Net Cash from Operating Activities	19,077,634	12,130,697	26,901,038

Notes to and forming part of the Financial Report

19. Contingent Liabilities

19.1 Busselton Waste Transfer Station - Contamination Investigation

The City of Busselton operates the Rendezvous Road Waste Transfer Station from lots 500 and 27 Rendezvous Road, Vasse (Busselton Waste Transfer Site). The quality of groundwater at and in an area to the north of the Busselton Waste Transfer Site has reduced as a result of legacy issues from the use of this site as a former landfill facility, and also potentially from other historical uses in the area. Groundwater in the area has shown levels of hydrocarbons, metals, nutrients and PFAS above background levels.

The City is required to undertake investigations in respect to these legacy issues in accordance with the statutory framework under the Contaminated Sites Act 2003 (WA). The City's investigations have been ongoing for a number of years and are conducted by qualified consultants, reviewed by an independent accredited Contaminated Sites Auditor and advised to DWER. DWER has, pursuant to the Contaminated Sites Act, the power to classify a site if there are reasonable grounds to do so based on relevant guidelines, currently accepted industrial standards or any other information. During this period, a number of sites within the investigation area have been classified by DWER.

The nature and extent of these legacy groundwater issues have been determined with a reasonable level of certainty, and relevant information has been provided to the Contaminated Sites Auditor and DWER. DWER indicated that they are in process of assessing this information and reviewing current property classifications, noting the change in risk profile with the availability of scheme water at affected properties. DWER further indicated that, as part of this review, existing restrictions on use of groundwater could be removed or revised. DWER's final decision in relation to restrictions on use of groundwater in this area (and subsequent classification or re-classification of affected properties), could impact on the value of affected properties (DWER Final Decision). These impacts can only be assessed and, if applicable, quantified, once the DWER Final Decision has been made. It is expected that the DWER Final Decision will be made in the third quarter of 2022. By that stage the City should, depending on the issue of liability, be in a position to consider options for long term remediation and/or mitigation solutions.

Depending on the outcome of the DWER Final Decision, the City may incur a certain level of liability in respect of remedial action and/or claims for compensation. Due to complex scientific, operational and legal issues impacting on this matter, it is not reasonably possible to determine at this stage the City's potential liability (if any). Therefore:

- It is not practicable to make at this stage an estimate of the financial effect of or determine the amount or timing of any outflow associated with the contamination issues associated with the Busselton Waste Transfer Site; and
- Disclosure of further information in relation to the potential financial effect of these contamination issues
 could prejudice the City's position in any resulting dispute with affected landowners.

19.2 Claim for Damages by Unsuccessful Tenderer pursuant to RFT11/19 'Road Network Upgrade – City Centre Eastern Link Stage 1 and Stages 2A+2B'

An unsuccessful tenderer (Plaintiff) instituted legal action against the City of Busselton, claiming \$1.2 million damages based on breach of "process contract" resulting from RFT11/19. The City is of view that it has a strong case and is therefore defending the matter. Depending on the outcome of the legal proceedings, the City may incur a certain level of liability in respect of damages and/or legal costs.

Indications are that the City's insurance policy will respond to any adverse finding/order against the City. The litigation is ongoing.

Notes to and forming part of the Financial Report

19. Contingent Liabilities (Continued)

19.3 Contaminated Sites

Under the Contaminated Sites Act 2003, the City is required to report known and suspected contaminated sites to the Department of Water and Environmental Regulation (DWER). In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values. Where sites are classified as 'contaminated – remediation required' or 'possibly contaminated – investigation required', the City may have a liability in respect of investigation or remediation expenses.

DWER has classified eleven sites as 'possibly contaminated – investigation required'. Until the City conducts an investigation, it is not possible to estimate the potential financial effect or to identify the uncertainties relating to the amount or timing of any outflows.

19.4 Jetstar Cash Incentive

Per the Air Services Agreement between the City and Jetstar, the City is required to incentivise and underwrite Jetstar's 3-weekly services to Melbourne, up to an agreed maximum value. The Jetstar flights commenced in April 2022 following the reopening of the WA State border.

At the end of the reporting period, it is acknowledged that there is a possibility that the City may have a liability in relation to the cash subsidy arrangement, if Jetstar's actual revenue is less than the agreed required revenue for the periods in the agreement.

The City is unable to reliably estimate the financial effects, if any, at this time.

Notes to and forming part of the Financial Report

20. Capital Commitments

Capital Communicities		
	2022 Actual	2021 Actual
Capital Expenditure Commitments	\$	\$
Contracted for:		
<u>Capital projects</u>		
- King Street Works	0	26,016
- Busselton Performing Arts and Convention Centre	33,476,638	864,844
- Busselton Senior Citizens Building	0	113,316
- Mitchell Park	36,760	570,824
- Dunsborough Lakes Sports Precinct	509,635	996,852
- Administration Building Car Park	0	32,928
- Busselton Foreshore (East)	0	141,698
- Buayanyup Drain Path	0	347,107
- Energy Efficiency Building Upgrade	0	74,400
- Churchill Park	188,620	0
- Bovell Construction Works	190,123	0
- Construction of Youth Hub in Dunsborough	36,146	0
- Other	17,573	0
	34,455,495	3,167,985
Payable:		
- not later than one year	34,455,495	3,167,985
- later than one year but not later than five years	0	0

 $The \ capital \ expenditure \ projects \ outstanding \ at \ the \ end \ of \ the \ current \ reporting \ period \ represent \ construction \ works \ associated \ with \ the \ above \ stated \ projects.$

Notes to and forming part of the Financial Report

Actual Budget Actual S S S S S S S S S	21.	Related Party Transactions			
(a) Elected Members Remuneration \$ \$ The following fees, expenses and allowances were paid to council members and the mayor. Mayor Grant Henley Allowance 89,261 89,753 80,129 Sitting Fees 47,256 47,516 41,788 Communication Allowance 3,481 3,500 3,500 Other Allowances/ Reimbursements 435 478 226 Deputy Mayor Kelly Hick 6,639 22,438 20,032 Allowance 6,639 22,438 20,932 Sitting Fees 9,373 31,678 29,910 Travelling Allowance – Councillors Meetings 815 1,250 2,739 Communication Allowance 1,036 3,500 3,500 Other Allowance Paul Carter 11,266 0 0 0 Allowance Allowance - Councillors Meetings 2,362 1,250 2,910 Travelling Allowance – Councillors Meetings 2,362 1,250 0 Communication Allowance 3,500 3,500 3,500 Ot					
The following fees, expenses and allowances were paid to council members and the mayor. Mayor Grant Henley				•	
Mayor Grant Henley Allowance 89,261 89,753 80,129	(a)	Elected Members Remuneration	*	*	7
Mayor Grant Henley 89,261 89,753 80,129 Sitting Fees 47,256 47,516 41,788 Communication Allowance 3,481 3,500 3,200 Other Allowances/ Reimbursements 435 478 226 Deputy Mayor Kelly Hick 410,433 141,247 125,643 Allowance 6,639 22,438 20,032 Sitting Fees 9,373 31,678 29,910 Travelling Allowance – Councillors Meetings 10,36 3,500 3,500 Other Allowances/ Reimbursements 0 478 0 Other Allowance – Councillors Meetings 15,676 0 0 Sitting Fees 31,678 31,678 29,910 Travelling Allowance – Councillors Meetings 2,362 1,250 0 Communication Allowance 3,500 3,500 3,500 Other Allowances/ Reimbursements 227 478 0 Councillor Kate Cox 31,678 31,678 29,910 Sitting Fees 31,678 31,678 <		The following fees, expenses and allowances were			
Allowance 89,261 89,753 80,129 Sitting Fees 47,256 47,516 41,788 Communication Allowance 3,481 3,500 3,500 Other Allowances/ Reimbursements 435 478 226 Deputy Mayor Kelly Hick 140,433 141,247 125,643 Allowance 6,639 22,438 20,032 Sitting Fees 9,373 31,678 29,910 Travelling Allowance – Councillors Meetings 815 1,250 2,739 Communication Allowance 1,036 3,500 3,500 Other Allowances/ Reimbursements 0 478 0 Sitting Fees 31,678 31,678 29,910 Travelling Allowance – Councillors Meetings 2,362 1,250 3,500 Other Allowances/ Reimbursements 227 478 0 Communication Allowance 3,500 3,500 3,500 Other Allowances/ Reimbursements 31,678 31,678 29,910 Travelling Allowance – Councillors Meetings 0 <		paid to council members and the mayor.			
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Deputy Mayor Kelly Hick Allowance 6,639 22,438 20,032 Sitting Fees 9,373 31,678 29,910 Travelling Allowance – Councillors Meetings 815 1,250 2,739 Communication Allowance 1,036 3,500 3,500 Other Allowances/ Reimbursements 17,863 59,344 56,181 Deputy Mayor Paul Carter Allowance 15,676 0 0 Sitting Fees 31,678 31,678 29,910 Travelling Allowance – Councillors Meetings 2,362 1,250 0 Communication Allowance 3,500 3,500 3,500 Other Allowances/ Reimbursements 22,7 478 0 Councillor Kate Cox 31,678 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 1,787 Communication Allowance 3,500 3,500 3,500 Other Allowances/ Reimbursements 31,678 31,678 29,910 Travelling Allowance – Councillors Meetings 2,304		Other Allowances/ Reimbursements			
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Other Allowances/ Reimbursements 0 478 217 37,482 36,906 37,596 Councillor Ross Paine Sitting Fees 31,678 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 0 Communication Allowance 3,500 3,500 3,500 Other Allowances/ Reimbursements 184 478 236 Councillor Jo Barrett-Lennard Sitting Fees 9,373 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 756 Communication Allowance 1,036 3,500 3,500 Other Allowances/ Reimbursements 0 478 227		Travelling Allowance – Councillors Meetings	2,304	1,250	3,969
Councillor Ross Paine 37,482 36,906 37,596 Sitting Fees 31,678 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 0 Communication Allowance 3,500 3,500 3,500 Other Allowances/ Reimbursements 184 478 236 Councillor Jo Barrett-Lennard 35,362 36,906 33,646 Councillor Jo Barrett-Lennard 9,373 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 756 Communication Allowance 1,036 3,500 3,500 Other Allowances/ Reimbursements 0 478 227			-,	-,	-,
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Travelling Allowance – Councillors Meetings 0 1,250 0 Communication Allowance 3,500 3,500 3,500 Other Allowances/ Reimbursements 184 478 236 35,362 36,906 33,646 Councillor Jo Barrett-Lennard Sitting Fees 9,373 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 756 Communication Allowance 1,036 3,500 3,500 Other Allowances/ Reimbursements 0 478 227					
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Other Allowances/ Reimbursements 184 478 236 35,362 36,906 33,646 Councillor Jo Barrett-Lennard Sitting Fees 9,373 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 756 Communication Allowance 1,036 3,500 3,500 Other Allowances/ Reimbursements 0 478 227		-			3.500
Councillor Jo Barrett-Lennard 35,362 36,906 33,646 Sitting Fees 9,373 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 756 Communication Allowance 1,036 3,500 3,500 Other Allowances/ Reimbursements 0 478 227			,	,	,
Councillor Jo Barrett-Lennard Sitting Fees 9,373 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 756 Communication Allowance 1,036 3,500 3,500 Other Allowances/ Reimbursements 0 478 227		Other Allowances/ Reinibursements			
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Travelling Allowance – Councillors Meetings 0 1,250 756 Communication Allowance 1,036 3,500 3,500 Other Allowances/ Reimbursements 0 478 227			9.373	31.678	29.910
Communication Allowance 1,036 3,500 3,500 Other Allowances/ Reimbursements 0 478 227		_			
Other Allowances/ Reimbursements 0 478 227			_	,	
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Notes to and forming part of the Financial Report

Page	21.	Related Party Transactions (Continued)			
(a) Elected Members Remuneration \$ \$ \$ Councillor Lyndon Miles Sitting Fees 9,373 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 970 Communication Allowance 1,036 3,500 3,500 Other Allowances/ Reimbursements 0 478 382 Councillor Sue Riccelli 31,678 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 0 Communication Allowance 3,500 3,500 3,500 Other Allowances/ Reimbursements 225 478 213 Travelling Allowance – Councillors Meetings 0 0 0 Communication Allowance 24,445 0 0 Communication Allowance 24,445 0 0 Other Allowances/ Reimbursements 22,131 0 0 Communication Allowance 24,445 0 0 Communication Allowance 22,131 0 0 Other Allowances/ Reimbursements			2022	2022	2021
Councillor Lyndon Miles 9,373 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 970 Communication Allowances / Reimbursements 1,036 3,500 3,500 Other Allowances / Reimbursements 10,409 36,906 34,762 Councillor Sue Riccelli 31,678 31,678 29,910 Travelling Allowance – Councillors Meetings 0 1,250 0 Communication Allowance – Councillors Meetings 0 1,250 0 Communication Allowance / Reimbursements 35,403 36,906 33,623 Councillor Anne Ryan 35,403 36,906 33,623 Communication Allowance – Councillors Meetings 0 0 0 Communication Allowance – Councillors Meetings 24,455 0 0 Councillor Jodie Richards 22,131 0 0 Sitting Fees 22,131 0 0 Travelling Allowance – Councillors Meetings 483 0 0 Communication Allowance 2,445 0 0 <t< th=""><th></th><th></th><th></th><th>•</th><th></th></t<>				•	
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Sitting Fees 300,158 300,940 281,068 Travelling Allowance – Councillors Meetings 7,100 10,000 10,221 Communication Allowance 31,424 31,500 31,500 Other Allowances/ Reimbursements 1,658 4,302 1,669		TOTAL ELECTED MEMBERS REMUNERATION			
Travelling Allowance – Councillors Meetings 7,100 10,000 10,221 Communication Allowance 31,424 31,500 31,500 Other Allowances/ Reimbursements 1,658 4,302 1,669		Allowance	111,576	112,191	100,161
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Other Allowances/ Reimbursements 1,658 4,302 1,669					
			,		31,500
451,916 458,933 424,619		Other Allowances/ Reimbursements			,
			451,916	458,933	424,619

Notes to and forming part of the Financial Report

21. Related Party Transactions (Continued)

(b) Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration paid to KMP of the City during the year are as follows:

	2022	2021 Actual	
	Actual		
	\$	\$	
Short-term employee benefits	1,140,011	1,105,301	
Post-employment benefits	126,502	142,726	
Other long-term benefits	109,532	105,783	
	1.376.045	1.353.810	

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 elected members.

Post-employment benefits

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

Other long-term benefits

These amounts represent annual leave and long service benefits accruing during the year.

(c) Transactions with Related Parties

The City's main related parties are as follows:

i Key management personnel

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

ii Other Related Parties

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

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

iii Entities subject to significant influence by the City

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

Notes to and forming part of the Financial Report

21. Related Party Transactions (Continued)

(c) Transactions with Related Parties (Continued)

Management has assessed the materiality of disclosure of transactions with related parties on the following criteria:

- 1) The potential effect of the relationship on the financial statements;
- 2) Whether the transaction occurred as:
 - a. Part of a public service provider relationship on terms no different to that of a transaction with the general public; or
 - b. Part of an ordinary operational transaction within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that are reasonable to expect the City would have adopted with the party at arm's length in the same circumstances.

During the financial year, the City purchased goods and services from one related party to the value of \$55K.The transactions are on normal commercial terms and conditions. Besides this, there are no other material transactions with related parties entered into during the financial year.

22. Joint Arrangements

The City of Busselton has not been involved in any joint arrangements during the reporting period.

Notes to and forming part of the Financial Report

23. Financial Risk Management

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

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

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

Financial risk management is carried out by the finance area under policies approved by the Council. The finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. The Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest Rate Risk

Cash and Cash Equivalents

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City to cash flow interest rate risk. 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 City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits held are reflected in the table below.

	Weighted			Variable	
	Average	Carrying	Fixed Interest	Interest	Non-Interest
	Interest Rate	Amount	Rate	Rate	Bearing
	%	\$	\$	\$	\$
2022					
Cash and Cash Equivalents	0.80%	23,655,454	7,172,965	16,460,644	21,845
Financial Assets at Amortised Cost –					
Term Deposits	1.40%	74,500,000	74,500,000	0	0
2021					
Cash and Cash Equivalents	0.07%	17,108,235	3,276,102	13,810,228	21,845
Financial Assets at Amortised Cost -					
Term Deposits	0.32%	62,000,000	62,000,000	0	0

Notes to and forming part of the Financial Report

- 23. Financial Risk Management (Continued)
- (a) Interest Rate Risk (Continued)

Cash and Cash Equivalents (Continued)

Sensitivity

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

	2022	2021	
	Actual	Actual	
	\$	\$	
Impact of a 1% movement in interest rates on profit and loss and equity $\!\!\!\!\!\!\!\!^*$	164,606	138,103	

^{*} 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 City 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 City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 29.

Notes to and forming part of the Financial Report

23. Financial Risk Management (Continued)

(b) Credit Risk

Trade and Other Receivables

The City's major receivables comprise rates annual charges and user fees and charges. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2021 or 1 July 2022 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

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

	Less than 1 year past due	More than 1 year past due	More than 2 year past due	More than 3 year past due	Total
30 June 2022					
Rates receivable					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	747,486	236,682	120,561	(87,090)	1,017,639
Loss allowance	0	0	0	0	0
30 June 2021					
Rates receivable					
Expected credit loss	0%	0%	0%	0%	
Gross carrying amount	963,815	342,474	173,666	(21,755)	1,458,200
Loss allowance	0	0	0	0	0

Notes to and forming part of the Financial Report

23. Financial Risk Management (Continued)

(b) Credit Risk (Continued)

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

	Less than 1 year past due	More than 1 year past due	More than 2 year past due	More than 3 year past due	Total
30 June 2022					
Trade and other receivables					
Expected credit loss	0.01%	0.05%	0.06%	0.00%	
Gross carrying amount	2,449,091	0	66,204	0	2,515,295
Loss allowance	178	0	40	0	218
30 June 2021					
Trade and other receivables					
Expected credit loss	0.05%	0.06%	0.00%	0.00%	
Gross carrying amount	1,618,281	60,185	0	0	1,678,466
Loss allowance	777	36	0	0	813

(c) Liquidity Risk

Payables and Borrowings

Payables and borrowings are both subject to liquidity risk – that is, the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required.

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

				Total		
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	contractual cash flows \$	Carrying Values \$	
2022						
Payables	8,670,757	0	0	8,670,757	8,670,757	
Borrowings	5,948,457	22,455,912	28,421,553	56,825,922	46,174,937	
Lease Liability	337,904	117,085	0	454,989	441,694	
	14,957,118	22,572,997	28,421,553	65,951,668	55,287,388	
<u>2021</u>						
Payables	11,121,259	0	0	11,121,259	11,121,259	
Borrowings	4,059,936	15,699,497	14,550,390	34,309,823	28,267,696	
Lease Liabilities	594,335	378,921	0	973,256	931,503	
	15,775,530	16,078,418	14,550,390	46,404,338	40,320,458	

Notes to and forming part of the Financial Report

24. Events occurring after the end of the reporting period

There were no events subsequent to the reporting date that materially impact on this financial report.

25. OTHER SIGNIFICANT ACCOUNTING POLICIES a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current or non-current based on the City's intentions to release for sale.

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the 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.

Notes to and forming part of the Financial Report

25. OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Fair value hierarchy (Continued) 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 City selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the City are consistent with one or more of the following valuation approaches:

Market approach

Valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach

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

Cost approach

Valuation techniques that reflect the current replacement cost of the service capacity of an asset.

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

j) Impairment of assets

in accordance with Australian Accounting Standards the City's non-financial assets, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

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

k) Initial application of accounting standards

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

New accounting standards for application in future years

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

- AASB 2020-1 Amendments to Australian Accounting Standards Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current - Deferral of Effective Date
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- AASB 2021-7 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

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

Notes to and forming part of the Financial Report

26. Function and Activity

Service objectives and descriptions

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

<u>Objectives</u>	<u>Description</u>
-------------------	--------------------

General Purpose Funding

To collect revenue to allow for the provision of services.

Rates, other general purpose government grants, and interest revenue.

Governance

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

Includes the activities of members of Council and the administrative support available to the Council for the provision of governance to the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific local government services.

Law, Order and Public Safety

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

Supervision and enforcement of various by-laws, fire prevention, animal control and emergency services. Local government also provides assistance to surf lifesaving

Health

To provide an operational framework for environmental and community health.

Inspections of food outlets and their control, noise control, waste disposal compliance, mosquitoes and stingers control.

Education and Welfare

To provide services for the elderly, children and youth.

Annual donation to the operation of a Senior Citizen's Centre.

Housing

housing.

To provide and maintain elderly residents The operation of three sets of elderly residents homes.

Community Amenities

To provide services required by the community.

Includes rubbish collection and disposal services, recycling initiatives, septic tank inspection services, urban stormwater drainage networks, environmental protection initiatives, operation of three cemeteries, town scaping facilities, as well as the administration of the Town Planning Scheme and associated policies and obligations.

Recreation and Culture

To establish and effectively manage infrastructure and resources which will help the social well-being of the community.

Maintenance of halls, swimming areas and beaches, various reserves, recreation programs, the Busselton Jetty, the operation of the two Libraries, the maintenance and operation of the two Leisure Centres, and the employment of a Cultural Development Officer.

Notes to and forming part of the Financial Report

26. Function and Activity (Continued)

(a) Service objectives and descriptions (Continued)

Objectives (Continued) Description (Continued)

ranspor

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

Construction and maintenance of roads, bridges, drainage, footpaths, cycle ways, parking facilities, traffic signs and depot. Also includes cleaning of streets, maintenance of street trees, street lighting etc. Control and maintenance of a regional airport.

Economic Services

To help promote the City and its economic wellbeing.

The regulation and provision of tourism initiatives, the maintenance and operation of a caravan park and the implementation of building controls. Provision of rural services including weed control, vermin control and standpipes.

Other Property and Services

To monitor and control Council's overheads operating accounts.

Private works operation, plant repair and operation costs and engineering operation costs.

Notes to and forming part of the Financial Report

26. Functions and Activities (Continued)

(b) Income and Expenses

b)	Income and Expenses			
		2022 Actual	2022 Budget	2021 Actual
		\$	\$	\$
	Income excluding grants, subsidies and contributions			
	General Purpose Funding	55,645,773	55,616,680	53,646,794
	Governance	528,433	81,550	81,341
	Law, Order & Public Safety	212,906	256,850	258,922
	Health	606,494	584,310	726,764
	Education and Welfare	214	200	209
	Housing	528,687	504,100	520,464
	Community Amenities	10,654,214	9,268,093	9,257,609
	Recreation and Culture	3,052,761	2,966,026	2,728,507
	Transport	3,013,596	2,383,766	1,931,941
	Economic Services	2,408,917	2,099,142	2,323,507
	Other Property and Services	321,777	346,195	3,189,100
		76,973,772	74,106,912	74,665,158
	Grants, subsidies and contributions			
	General Purpose Funding	3,207,562	1,581,946	2,434,314
	Governance	208,375	7,676,980	587,389
	Law, Order & Public Safety	1,686,280	1,115,600	1,199,001
	Health	101,303	78,500	66,583
	Education and Welfare	8,723	8,050	8,419
	Housing	4,321	4,620	6,709
	Community Amenities	986,821	188,720	881,146
	Recreation and Culture	6,845,688	10,175,754	4,994,856
	Transport	17,415,929	18,488,205	16,537,683
	Economic Services	19,390	12,043	14,857
	Other Property and Services	483,681	246,450	565,792
		30,968,073	39,576,868	27,296,749
	Total Income	107,941,845	113,683,780	101,961,907
	Expenses			
	General Purpose Funding	(1,507,571)	(1,557,697)	(1,182,829)
	Governance	(8,297,705)	(7,868,409)	(7,059,029)
	Law, Order & Public Safety	(3,518,190)	(3,812,022)	(3,633,234)
	Health	(1,377,970)	(1,471,069)	(1,513,600)
	Education and Welfare	(188,420)	(169,524)	(186,001)
	Housing	(617,476)	(1,328,858)	(640,563)
	Community Amenities	(14,488,180)	(13,601,533)	(13,789,842)
	Recreation and Culture	(25,651,410)	(29,717,473)	(23,920,999)
	Transport	(25,319,862)	(27,323,469)	(23,643,812)
	Economic Services	(3,841,238)	(4,713,397)	(3,131,158)
	Other Property and Services	(1,585,985)	(599,048)	(1,176,189)
	Total Expenses	(86,394,007)	(92,162,499)	(79,877,256)
	Net Result for the Period	21,547,838	21,521,281	22,084,651

Notes to and forming part of the Financial Report

26. Functions and Activities (Continued)

(c) Fees and Charges

	2022	2022	2024
	2022	2022	2021
	Actual \$	Budget \$	Actual \$
	•		
General Purpose Funding	98,382	66,500	121,516
Governance	29,576	44,600	22,033
Law, Order & Public Safety	156,964	172,150	184,818
Health	606,415	581,810	639,280
Education and Welfare	214	200	209
Housing	528,687	504,100	520,464
Community Amenities	9,651,855	9,069,686	8,967,193
Recreation and Culture	2,986,342	2,951,243	2,679,865
Transport	2,947,884	2,322,400	1,880,541
Economic Services	2,352,643	2,053,236	2,276,559
Other Property and Services	48,772	336,293	119,573
	19,407,734	18,102,218	17,412,051

(d) Total Assets Classified by Function and Activity

	2022 Actual \$	2021 Actual \$
General Purpose Funding	2,683,446	2,866,923
Governance	31,248,508	26,855,109
Law, Order & Public Safety	8,495,541	5,620,228
Health	229,369	234,958
Education and Welfare	2,324,952	518,309
Housing	5,292,759	7,183,897
Community Amenities	47,496,302	44,927,595
Recreation and Culture	223,791,049	145,470,624
Transport	598,231,912	532,491,054
Economic Services	5,055,635	3,559,268
Other Property and Services	14,992,097	12,287,684
Unallocated	25,854,250	29,685,016
	965,695,820	811,700,665

Rating Information – 2021/22 Financial Year Rates

27. (a)

Rates									
		Number of		Rate	Interim	Total	Budget Rate	Budget	Budget T
	Rate in	Properties	Rateable Value	Revenue	Rates	Revenue	Revenue	Interim Rate	Reven
Rate Type	\$	#	\$	\$	\$	\$	\$	\$	\$
Differential General Rate									
GRV-Residential	10.0916	14,280	263,869,076	26,628,541	413,757	27,042,298	26,628,541	0	26,628
GRV-Residential Holiday Homes	11.1020	756	14,837,212	1,647,224	(142)	1,647,082	1,647,224	0	1,647
GRV-Industrial GRV-Industrial	11.6572	456	22,280,544	2,597,285	(30,906)	2,566,379	2,597,285	0	2,597
GRV-Commercial	11.6572	1,360	70,749,413	8,247,393	113,317	8,360,710	8,247,393	0	8,247
GRV-Residential Vacant Land	10.0916	253	6,891,640	695,476	89,176	784,652	695,476	0	695
GRV-Industrial Vacant Land	11.6572	49	1,131,400	131,889	(8,762)	123,127	131,889	0	131
GRV-Commercial Vacant Land	11.6572	47	2,287,850	266,699	2,243	268,942	266,699	0	566
UV-Primary Production	0.4328	754	611,129,000	2,644,963	11,069	2,656,032	2,644,963	0	2,644
UV-Rural	0.4240	1,545	812,534,500	3,445,146	(74,394)	3,370,752	3,445,146	0	3,445
UV-Commercial	0.7825	157	100,095,000	783,243	(28,717)	754,526	783,243	0	783
Interim Rates		0	0	0	0	0	0	630,850	630
Sub-Totals		19,657	1,905,805,635	47,087,859	486,641	47,574,500	47,087,859	630,850	47,718
	Minimum \$								
Minimum Differential General Rate									
GRV-Residential	1,410	1,262	16,249,976	1,779,420	0	1,779,420	1,779,420	0	1,779
GRV-Residential Holiday Homes	1,465	26	323,440	38,090	0	38,090	38,090	0	38
GRV-Industrial	1,410	20	196,498	28,200	0	28,200	28,200	0	28
GRV-Commercial	1,410	631	4,710,997	889,710	0	889,710	889,710	0	889
GRV-Residential Vacant Land	1,410	1,045	7,132,634	1,473,450	0	1,473,450	1,473,450	0	1,473
GRV-Industrial Vacant Land	1,410	0	0	0	0	0	0	0	
GRV-Commercial Vacant Land	1,410	63	398,840	88,830	0	88,830	88,830	0	88
UV-Primary Production	1,410	248	59,643,500	349,680	0	349,680	349,680	0	349
UV-Rural	1,540	1,112	269,015,500	1,712,480	0	1,712,480	1,712,480	0	1,712
UV-Commercial	1,410	90	4,262,937	126,900	0	126,900	126,900	0	126
Sub-Totals		4,497	361,934,322	6,486,760	0	6,486,760	6,486,760	0	6,486
Other Adjustments (refer note 27(d))						118,301			123
Total Amount Raised from General Rates						54,179,561			54,329
Specified Area Rate (refer note 27(b))						606,213			604
Totals						54,785,774			54,933
					'			'	

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

Notes to and forming part of the Financial Report

27(b) Specified Area Rate

	Rate in \$	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Port Geographe							
 Rate 	1.5994	GRV	14,319,056	229,019	229,019	229,019	229,019
 Interim Rate 				(894)	0	(894)	0
 Back Rate 				0	0	0	0
				228,125	229,019	228,125	229,019

	Rate in	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Provence							
 Rate 	1.4918	GRV	12,634,680	188,484	188,484	188,484	188,484
 Rate 	0.0145	UV	5,298,000	768	768	768	768
 Interim Rate 			1	1,634	0	1,634	0
 Back Rate 				0	0	0	0
				190,886	189,252	190,886	189,252

		Rate in	Basis of Rate	Rateable Value \$	Rate Revenue \$	Budget Rate Revenue \$	Applied to Costs \$	Budget Applied to Costs \$
Vasse								
•	Rate	1.8707	GRV	9,949,300	186,121	186,121	186,121	186,121
•	Interim Rate				1,081	0	1,081	0
•	Back Rate				0	0	0	0
					187,202	186,121	187,202	186,121

The purpose of the Specified Area Rates is disclosed in note 30 "Purpose of Reserves".

27(c) Service Charges – 2021/22 Financial Year

	Amount of Charge	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$	
Nil	0	0	0	0	0	
		0	0	0	0	

FINANCIAL REPORT

for the year ended 30 June 2022

Notes to and forming part of the Financial Report

27(d) Discounts, Incentives, Concessions & Write-offs

	Туре	Discount %	Total Cost / Value \$	Budget Cost / Value \$
Other	Adjustment	0	118,301	123,919
Write-offs	Write-off	0	0	0
		0	118,301	123,919

27(e). Interest Charges and Instalments

		Instalment plan admin charge	Instalment plan interest rates	Unpaid rates interest rates
Instalment options	Date due	\$	%	%
OPTION ONE				
Single full payment	10/09/2021	0	0.0%	7.0%
OPTION TWO				
(Four equal or near equal bi-monthly instalments)				
First instalment	10/09/2021	0	5.5%	7.0%
Second instalment	10/11/2021	6.1	5.5%	7.0%
Third instalment	10/01/2022	6.1	5.5%	7.0%
Fourth instalment	10/03/2022	6.1	5.5%	7.0%
OPTION THREE				
40 equal or near equal weekly instalments	10/09/2021	30.50	5.5%	7.0%
OPTION FOUR				
20 equal or near equal fortnightly instalments	10/09/2021	25.50	5.5%	7.0%
OPTION FIVE				
10 equal or near equal monthly instalments	10/09/2021	20.50	5.5%	7.0%

	Actual Revenue 2022 \$	Budgeted Revenue 2022 \$
Interest on Unpaid Rates	170,721	150,000
Interest on Instalments Plan	264,150	259,250
Charges on Instalment Plan	115,929	119,850
	550,800	529,100

Notes to and forming part of the Financial Report

27(e) Interest Charges and Instalments (Continued)

Five separate payment option plans will be made available to all ratepayers for the payment of their rates.

OPTION 1 (Full Payment)

Full amount of rates and charges including arrears to be paid on or before 10th September 2021 or 35 days after the date of service appearing on the rate notice whichever is the later.

OPTION 2 (4 Instalments)

First instalment to be received on or before 10th September 2021 or 35 days after the date of service appearing on the rate notice whichever is the later and including all arrears and service charges and one quarter of the current rates. The second, third and fourth instalments of the current rates are to be made on or before dates shown below:

1st Instalment 10th September 2021
 2nd Instalment 10th November 2021
 3rd Instalment 10th January 2022
 4th Instalment 10th March 2022

OPTION THREE

40 equal or near equal weekly instalments

OPTION FOUR

20 equal or near equal fortnightly instalments

OPTION FIVE

10 equal or near equal monthly instalments

SIGNIFICANT ACCOUNTING POLICIES Rates

Control over assets acquired from rates is obtained at the commencement of the rating period.

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer.

Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.

Notes to and forming part of the Financial Report

28	Rate Setting Statement Information

		Note	2021/22 Actual (30 June 22 Carried Forward) \$	2021/22 Budget (30 June 22 Brought Forward) \$	2021/22 Actual (1 July 21 Brought Forward) \$	2020/21 Actual (30 June 21 Carried Forward) \$
(a)	Non-cash amounts excluded from operating activities The following non-cash revenue or expenditure has been excluded from	n amounts	attributable			
	to operating activities within the Rate Setting Statement in accordance Management Regulation 32.	with Finan	cial			
	Adjustments to operating activities					
	Less: Profit on asset disposals		(68,489)	(46,714)	(148,677)	(148,677)
	Less: Non-cash grants and contributions for assets	2	(12,518,962)	(5,600,000)	(9,424,331)	(9,424,331)
	Add: Movement in liabilities associated with restricted cash		1,452,003	(3,008,813)	1,978,405	1,978,405
	Less: Movement in finance leases		0	0	(2,852,822)	(2,852,822)
	Less: Fair value adjustments to financial assets at fair value through		(025.015)	0	0	
	profit and loss Less: Movement in pensioner deferred rates (non-current)	5	(935,915) (16,835)	0	11,499	0 11.499
	Add: Movement in employee benefit provisions	15	314,699	0	314,957	314,957
	Less: Movement in Other provisions	16	(430,000)	0	0	0
	Add: Loss on disposal of assets	10	748,170	65,149	521.958	521.958
	Add: Depreciation on non-current assets	10(a)	24,526,198	24,957,238	24,607,001	24,607,001
	Non cash amounts excluded from operating activities	(-)	13,070,869	16,366,860	15,007,990	15,007,990
	The state of the s		10,010,000	10,000,000	25,001,550	23,007,330
(b)	Surplus/(deficit) after imposition of general rates					
	The following current assets and liabilities have been excluded from the in the Rate Setting Statement in accordance with Financial Managemen to the surplus/(deficit) after imposition of general rates.					
	Adjustments to net current assets					
	Less: Reserves/ Restricted Cash	3	(98,125,758)	(54,720,367)	(73,693,717)	(73,693,717)
	Less: Financial assets at amortised cost - self-supporting loans	4(a)	(177,873)	(59,374)	(59,374)	(59,374)
	Less: Other Assets	7(a)	(367,384)	(197,380)	(197,380)	
	- Current portion of lease receivables	5.1	(230,175)	0		(197,380)
	Less : Assets held for sale	7(b)			(217,910)	(197,380) (217,910)
			0	0	(217,910) (2,035,508)	
	Add: Current liabilities not expected to be cleared at end of year		0	0	,	(217,910)
	Add: Current liabilities not expected to be cleared at end of year - Current portion of borrowings	14	4,330,300	3,100,000	,	(217,910)
		14 13.1			(2,035,508)	(217,910) (2,035,508)
	- Current portion of borrowings		4,330,300	3,100,000	(2,035,508)	(217,910) (2,035,508) 3,020,442
	- Current portion of borrowings - Current portion of contract liability held in reserve/ restricted cash	13.1	4,330,300 1,603,261	3,100,000 3,000,000	(2,035,508) 3,020,442 2,521,219	(217,910) (2,035,508) 3,020,442 2,521,219
	 Current portion of borrowings Current portion of contract liability held in reserve/ restricted cash Current portion of grant liability held in reserve/ restricted cash 	13.1 13.2	4,330,300 1,603,261 1,396,224	3,100,000 3,000,000 1,000,000	(2,035,508) 3,020,442 2,521,219 988,563	(217,910) (2,035,508) 3,020,442 2,521,219 988,563
	 Current portion of borrowings Current portion of contract liability held in reserve/ restricted cash Current portion of grant liability held in reserve/ restricted cash Current portion of deposits and bonds held in restricted cash 	13.1 13.2 12 29(e) 15	4,330,300 1,603,261 1,396,224 4,069,438	3,100,000 3,000,000 1,000,000 3,424,482	(2,035,508) 3,020,442 2,521,219 988,563 3,424,482	(217,910) (2,035,508) 3,020,442 2,521,219 988,563 3,424,482
	 Current portion of borrowings Current portion of contract liability held in reserve/ restricted cash Current portion of grant liability held in reserve/ restricted cash Current portion of deposits and bonds held in restricted cash Current portion of lease liabilities 	13.1 13.2 12 29(e)	4,330,300 1,603,261 1,396,224 4,069,438 253,212	3,100,000 3,000,000 1,000,000 3,424,482 250,975	(2,035,508) 3,020,442 2,521,219 988,563 3,424,482 492,042	(217,910) (2,035,508) 3,020,442 2,521,219 988,563 3,424,482 492,042
	- Current portion of borrowings - Current portion of contract liability held in reserve/ restricted cash - Current portion of grant liability held in reserve/ restricted cash - Current portion of deposits and bonds held in restricted cash - Current portion of lease liabilities - Current portion of employee benefit provisions	13.1 13.2 12 29(e) 15	4,330,300 1,603,261 1,396,224 4,069,438 253,212 5,911,972	3,100,000 3,000,000 1,000,000 3,424,482 250,975 5,415,169	(2,035,508) 3,020,442 2,521,219 988,563 3,424,482 492,042 5,502,681	(217,910) (2,035,508) 3,020,442 2,521,219 988,563 3,424,482 492,042 5,502,681
	- Current portion of borrowings - Current portion of contract liability held in reserve/ restricted cash - Current portion of grant liability held in reserve/ restricted cash - Current portion of deposits and bonds held in restricted cash - Current portion of lease liabilities - Current portion of employee benefit provisions - Current portion of other provisions	13.1 13.2 12 29(e) 15	4,330,300 1,603,261 1,396,224 4,069,438 253,212 5,911,972 0	3,100,000 3,000,000 1,000,000 3,424,482 250,975 5,415,169	(2,035,508) 3,020,442 2,521,219 988,563 3,424,482 492,042 5,502,681 430,000	(217,910) (2,035,508) 3,020,442 2,521,219 988,563 3,424,482 492,042 5,502,681 430,000
	- Current portion of borrowings - Current portion of contract liability held in reserve/ restricted cash - Current portion of grant liability held in reserve/ restricted cash - Current portion of deposits and bonds held in restricted cash - Current portion of lease liabilities - Current portion of employee benefit provisions - Current portion of other provisions Total adjustments to net current assets Net current assets used in the Rate Setting Statement Total current assets	13.1 13.2 12 29(e) 15	4,330,300 1,603,261 1,396,224 4,069,438 253,212 5,911,972 0	3,100,000 3,000,000 1,000,000 3,424,482 250,975 5,415,169	(2,035,508) 3,020,442 2,521,219 988,563 3,424,482 492,042 5,502,681 430,000	(217,910) (2,035,508) 3,020,442 2,521,219 988,563 3,424,482 492,042 5,502,681 430,000
	- Current portion of borrowings - Current portion of contract liability held in reserve/ restricted cash - Current portion of grant liability held in reserve/ restricted cash - Current portion of deposits and bonds held in restricted cash - Current portion of lease liabilities - Current portion of employee benefit provisions - Current portion of other provisions Total adjustments to net current assets Net current assets used in the Rate Setting Statement Total current assets Less: Total current liabilities	13.1 13.2 12 29(e) 15	4,330,300 1,603,261 1,396,224 4,069,438 253,212 5,911,972 0 (81,336,782) 103,844,316 (22,165,726)	3,100,000 3,000,000 1,000,000 3,424,482 250,975 5,415,169 0 (38,786,495) 62,894,690 (22,990,014)	(2,035,508) 3,020,442 2,521,219 988,563 3,424,482 492,042 5,502,681 430,000 (59,824,460) 86,349,046 (24,076,206)	(217,910) (2,035,508) 3,020,442 2,521,219 988,563 3,424,482 492,042 5,502,681 430,000 (59,824,460) 86,349,046 (24,076,206)
	- Current portion of borrowings - Current portion of contract liability held in reserve/ restricted cash - Current portion of grant liability held in reserve/ restricted cash - Current portion of deposits and bonds held in restricted cash - Current portion of lease liabilities - Current portion of employee benefit provisions - Current portion of other provisions Total adjustments to net current assets Net current assets used in the Rate Setting Statement Total current assets	13.1 13.2 12 29(e) 15	4,330,300 1,603,261 1,396,224 4,069,438 253,212 5,911,972 0 (81,336,782)	3,100,000 3,000,000 1,000,000 3,424,482 250,975 5,415,169 0 (38,786,495)	(2,035,508) 3,020,442 2,521,219 988,563 3,424,482 492,042 5,502,681 430,000 (59,824,460) 86,349,046	(217,910) (2,035,508) 3,020,442 2,521,219 988,563 3,424,482 492,042 5,502,681 430,000 (59,824,460)

Notes to and forming part of the Financial Report

	0												
(a)	Borrowings				Principal	New Loans	New Loans	Principal Repayment	epayment	Principal	ledi	Interest Repayment	payment
	Particulars	Borrowing Institution	<u>1</u> %	Maturity Date	1 July 2021	2021/22 Budget	2021/22 Actual	2021/22 Budget	2021/22 Actual	2021/22 Budget	2021/22 Actual	2021/22 Budget	2021/22 Actual
U	Administration Loan #207 Civic and Administration Centre	WATC	4.51	06/34	13,369,906	0	0	774,864	774,864	12,595,043	12,595,042	290,000	506'685
(Recreation & Culture	MATC	3 00	66/30	124 270		•	60.050	60 050	62 434	62 431	4 040	4 0.41
) ر	Loan #204 Busselon Egrechors	WATC	0.30 A 36	06/20	672,979	0 0	0 0	72 357	77 357	604 663	604 663	28 346	78 337
, (Loan #205 GLC Extensions	WATC	3.93	06/24	411,782	0	0 0	131 942	131 942	279 840	279.840	14 218	14 204
0	Loan #208 Busselton Football & Sportsman's Club	WATC	2.93	04/25	12.755	0	0 0	3.051	3.051	9.705	9.704	340	340
0	Loan #209 Busselton Foreshore	WATC	3.56	06/27	3.610,992	0	0	549,793	549,793	3.061,200	3.061,199	121.266	121.213
O	Loan #211 Busselton Foreshore	WATC	2.55	10/24	1,387,819	0	0	384,003	384,003	1,003,817	1,003,816	31,737	30,087
S	Loan #212 Dunsborough and Districts Country Club	WATC	3.04	05/27	72,478	0	0	11,187	11,187	61,292	61,291	2,119	2,064
S	Loan #213 Geographe Bay Yacht Club	WATC	3.04	05/27	63,577	0	0	9,813	9,813	53,765	53,764	1,859	1,810
S	Loan #214 Dunsborough & Districts Country Club	WATC	3.19	09/27	75,391	0	0	10,613	10,613	64,777	64,778	2,321	2,234
O	Loan #215 Busselton Foreshore Jetty Precinct	WATC	3.25	04/28	1,832,659	0	0	237,180	237,180	1,595,479	1,595,479	57,650	56,281
O	Loan #216 Tennis Club Facilities	WATC	3.25	04/28	2,015,926	0	0	260,898	260,898	1,755,027	1,755,028	63,415	61,909
o	Loan #217 Lot 10 Commonage Road	WATC	3.25	04/28	1,172,902	0	0	151,795	151,795	1,021,107	1,021,107	36,896	36,020
U	Loan #218 Busselton Tennis Club	WATC	2.21	06/59	1,024,748	0	0	118,433	118,433	906,314	906,315	21,670	21,663
s	Loan #220 Busselton Tennis Club	WATC	1.37	92/60	37,900	0	0	7,011	7,011	30,889	30,889	483	483
S	Loan #221 Busselton Hockey Club Stadium	WATC	1.31	06/90	40,819	0	0	4,302	4,302	36,517	36,517	514	514
s	Loan #222 Busselton Golf Club	WATC	1.45	06/31	110,000	0	0	10,297	10,297	99,703	99,703	1,666	1,540
S	Loan #223 Dunsborough Bay Yacht Club	WATC	1.57	12/26	0	0	25,000	0	2,413	0	22,587	0	240
s	Loan #224 Geographe Bay Yacht Club	WATC	2.42	12/31	0	0	20,000	0	2,224	0	47,776	0	443
O	Loan #225 Performing Arts/Convention Centre	WATC	2.10	12/31	0	2,000,000	2,000,000	467,852	225,924	4,532,148	4,774,076	70,446	44,868
O	Loan #226 Performing Arts/Convention Centre	WATC	2.39	12/36	0	2,000,000	2,000,000	143,468	139,529	4,856,532	4,860,471	50,139	51,255
S	Loan #New Community Groups	Unknown	2.77	06/32	0	200,000	0	9,215	0	190,785	0	1,680	0
s	Loan #227 MRBTA – Ancient Lands Discovery Park	WATC	2.77	03/32	0	1,250,000	1,250,000	23,576	27,227	1,226,424	1,222,773	17,231	10,070
s	Loan #New Jetty AUDC	Unknown	2.77	06/32	0	4,000,000	0	174,868	0	3,825,132	0	54,797	0
O	Loan #228 Performing Arts/Convention Centre	WATC	3.86	06/42	0	0	2,000,000	0	0	0	2,000,000	0	33,556
0	Loan #229 Performing Arts/Convention Centre	WATC	3.77	68/90	0	0	2,000,000	0	0	0	2,000,000	0	32,763
(Transport		:	, , , , ,			•				•		
ر ر	Loan #205 Aircost lot A1 Installation	WAIC	4.19	12/50	40,142		0 0	26,142	30,142	01 630	01 673	420	410
ى ر	Loan #219 Air Ereight Hub Stage 1	WATC	2.52	06/20	1 213 301	0 0	0 0	140.225	140.224	1 073 076	1 073 077	75,657	25,549
_	Fconomic Services	2	77.7	67/00	100,017,1		•	77'01	177,017	2000	2000	100,03	25,023
S	Loan #201 Geographe Bay Tourism Association	WATC	4.76	09/21	3,102	0	0	3,100	3,102	0	0	38	36
_	Other Property and Services								,				
O	Loan #210 Lot 40 Vasse Highway	WATC	3.61	12/25	850,000	0	0	0	0	850,000	850,000	30,685	30,685
	Total - Council and Self-supporting Loans				28,267,696	15,450,000	21,325,000	3,839,421	3,417,759	39,878,276	46,174,938	1,233,788	1,206,769
O	Council Loans are financed by general purpose revenue.				27,851,674	10,000.000	20,000,000	3.572.388	3,326,519	34.279.287	44,525,156	1.150.740	1,186,995
S	Self-Supporting Loans are financed by payments from third parties.	parties.			416,022	5,450,000	1,325,000	267,033	91,240	5,598,989	1,649,782	83,048	19,774
					28,267,696	15,450,000	21,325,000	3,839,421	3,417,759	39,878,276	46,174,938	1,233,788	1,206,769

Information on Borrowings

Information on Borrowings (continued)

29. **(**9)

New Borrowings - 2021/22									
	Amount	Amount Borrowed	Institution	Loan Type	Term	Total Interest	Interest	Amount Used	t Used
	Actual	Budget			(Years)	& Charges	Rate %	Actual	Budget \$
Particulars / Purpose	\$	ş						ş	,
Loan #223 Dunsborough Bay Yacht Club	25,000	25,000	WATC	Debenture	5 years	26,089	1.5668%	25,000	25,000
Loan #224 Geographe Bay Yacht Club	20,000	20,000	WATC	Debenture	10 years	56,279	2.4174%	20,000	50,000
Loan #New Community Groups SSL	0	125,000	Unknown	Debenture	10 years	0	%0000.0	0	0
Loan #225 Performing Arts/Convention Centre	5,000,000	2,000,000	WATC	Debenture	10 years	5,548,865	2.0990%	2,000,000	5,000,000
Loan #226 Performing Arts/Convention Centre	2,000,000	2,000,000	WATC	Debenture	15 years	5,954,253	2.3855%	682,964	5,000,000
Loan #New Jetty AUDC	0	4,000,000	Unknown	Debenture	10 years	0	%000000	0	0
Loan #227 MRBTA – Ancient Lands Discovery Park	1,250,000	1,250,000	WATC	Debenture	10 years	1,436,812	2.7713%	1,250,000	1,250,000
Loan #228 Performing Arts/Convention Centre	2,000,000	0	WATC	Debenture	20 years	7,231,161	3.8589%	0	0
Loan #229 Performing Arts/Convention Centre	5,000,000	0	WATC	Debenture	17 years	6,826,084	3.7678%	0	0
	21,325,000	15,450,000				27,079,543		7,007,964	11,325,000

0 0 0 4,317,036 0 5,000,000 5,000,000

14,317,036

11,325,000

	Date Borrowed	Balance	Borrowed	Expended	Balance
		1 July 2021	During Year	During Year	30 June 2022
Particulars / Purpose		\$	۰,	\$	\$
Loan #216 Tennis Club Facilities	27 th April 2018	49,341	0	0	49,341
Loan #226 Performing Arts/Convention Centre	25 th January 2022	0	5,000,000	(682,964)	4,317,036
Loan #228 Performing Arts/Convention Centre	28th April 2022	0	2,000,000	0	2,000,000
Loan #229 Performing Arts/Convention Centre	28 th April 2022	0	2,000,000	0	5,000,000
		49,341	15,000,000	(682,964)	14,366,377

Unspent Borrowings

(C

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

Notes to and forming part of the Financial Report

29.	Information on Borrowings (continued)	2022 Actual \$	2021 Actual \$
(d)	Undrawn Borrowing Facilities Credit Standby Arrangements		
	Electronic Payaway Facility	850,000	850,000
	Electronic Payaway Facility at Balance Date	0	0
	Credit card limit	50,000	50,000
	Credit card balance at balance date	(28,053)	(22,384)
	Total amount of credit unused	871,947	877,616
	Loan facilities		
	Loan facilities - current	4,330,300	3,020,442
	Loan facilities - non-current	41,844,638	25,247,254
	Total facilities in use at balance date	46,174,938	28,267,696

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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

Lease Liabilities Current Non-current

Borrowing costs

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

Information regarding exposure to risk can be found at Note 23.

2022 Actual \$	2022 Budget \$	2021 Actual \$
253,212	250,975	492,042
188,483	114,652	439,461
441,695	365,627	931,503

30. Reserves – Cash/Financial Asset Backed

796,148 206,250 123,843 324,999 636,808 57,065 5,287,408 71,950 1,471,767 2,093,333 Closing Balance (761,175) (36,100) (252,277)(436,626) (171,021)(114,303)(100,000)2020/21 Actual 585,076 265,124 11,771 30,598 19,938 46,043 88,405 1,213,617 (199)83,455 1,046,717 43,488 222,753 904,897 122,795 36,854 80,355 615,084 1,577 1,483,242 111,022 1,712,273 4,073,791 41,352 599,183 384,400 780,337 124,525 93,285 60,193 141,844 80,342 1,039,545 3,908,576 2,029,478 Closing Balance (18,600)(12,200)(12,500)(37,550)(435,150)(2,350,000) (30,000)(33,900)(285, 150)(871,000)(216,050)(198,550)2021/22 Budget 2,928 121,867 807,145 33,835 57,177 359,579 290,642 971,168 1,585 48,001 22,001 96,951 ္ န 5,287,408 796,148 206,250 56,792 324,999 636,808 1,471,767 2,093,333 71,950 123,843 57,065 119,033 314,127 1,259,815 323,125 683,694 105,989 63,087 158,157 88,926 422,705 6,385,899 1,241,104 2,691,453 Closing (545,513) (5,629) (95,846)(217, 201)(115, 139)(214,571)(15,822)(13,989)(25,503)(170,368)From 2021/22 Actual 1,644,004 5,249 122,504 22,117 48,303 92,706 774,664 Transfers 2,685 812,691 34,039 57,364 290,940 ္ သ 796,148 206,250 636,808 123,843 1,471,767 5,287,408 2,093,333 119,033 Barnard Park Sports Pavilion Building Busselton Community Resource Centre Reserve Busselton Jetty Tourist Park Reserve Geographe Leisure Centre Building Reserve **Busselton Library Building Reserve** Airport Existing Terminal Building Reserve Airport Noise Mitigation Reserve Youth and Community Activities Building Reserve Airport Marketing and Incentive **Building Asset Renewal Reserve** Railway House Building Reserve Airport Infrastructure Renewal Airport Development Reserve Reserve

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

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

20. Neserves — Casily Financial Asset backed (Committee)	na packed in	2021/2	2021/22 Actual			2021/2	2021/22 Budget			2020/2	2020/21 Actual	
	Opening	Transfers	Transfers	Closing	Opening	Transfers	Transfers	Closing	Opening	Transfers	Transfers	Closing
	Balance		From	Balance	Balance	٥	From	Balance	Balance	2	From	Balance
	s	s	v	s	۰,	s	w	s	۰,	\$	\$	s
Joint Venture Aged Housing Reserve								2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2				
	1,363,306	177,587	(49,668)	1,491,225	1,363,306	123,273	(169,200)	1,317,379	1,237,307	199,324	(73,325)	1,363,306
Winderlup Aged Housing Resident Funded Reserve	292,717	72 537	(8.351)	356 903	742,717	52.231	(81.600)	263 348	212 935	79.782	C	717 666
Naturaliste Community Centre												
Building Reserve	129,592	67,151	(26,654)	170,089	129,592	66,816	(98,600)	808'26	125,077	60,710	(56,195)	129,592
Civic and Administration Building												
Reserve	670,359	342,853	(516,203)	497,009	670,359	341,712	(615,000)	397,071	429,689	285,733	(45,063)	620,359
Vasse Sports Pavilion Building												
Reserve	1,082	602	0	1,684	1,082	265	0	1,679	541	541	0	1,082
Jetty Maintenance Reserve												
	5,682,364	1,370,882	(732,944)	6,320,302	5,682,364	1,359,606	(4,221,890)	2,820,080	5,239,343	1,359,365	(916,344)	5,682,364
Jetty Self Insurance Reserve												
	495,086	78,324	0	573,410	495,086	77,296	0	572,382	432,198	62,888	0	495,086
Road Assets Renewal Reserve												
	1,317,210	3,660,291	(3,057,288)	1,920,213	1,317,210	3,655,678	(4,553,734)	419,154	1,597,129	3,514,710	(3,794,629)	1,317,210
Footpath/ Cycle Ways Reserve												
	838,835	1,245,095	(837,293)	1,246,637	838,835	1,242,385	(1,849,206)	232,014	408,438	1,222,406	(792,009)	838,835
Other Infrastructure Reserves				8								
	538,847	364,368	(489,484)	403,731	538,847	363,427	(501,705)	400,569	264,389	359,835	(85,377)	538,847
Parks, Gardens and Reserves Reserve												
	749,657	1,475,845	(1,592,275)	633,227	749,657	1,474,148	(1,956,750)	267,055	833,946	1,293,941	(1,378,230)	749,657
Furniture and Equipment Reserve												
	332,483	443,442	(259,744)	516,181	332,483	442,258	(485,800)	288,941	257,784	437,305	(362,606)	332,483
Plant Replacement Reserve												
	2,114,189	1,027,731	(443,847)	2,698,073	2,114,189	1,080,707	(1,287,969)	1,906,927	1,098,442	1,224,484	(208,737)	2,114,189

140 2021/2022 Annual Report

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

et			2020/2	2020/21 Actual	
sfers om \$	Closing Balance \$	Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$
75,000)	997,470	638,846	1,090,195	(1,491,831)	237,210
16,517)	317,545	613,762	778,598	(122,393)	1,269,967
37,350)	257,908	1,506,176	201,423	(822,631)	884,968
36,000)	820	234,907	1,442	0	236,349
16,812)	711,515	1,555,123	900'09	(822,397)	792,732
00000	102,838	0	501,841	0	501,841
50,050)	342,327	226,750	101,972	0	328,722
38,000)	218,450	560,995	154,032	0	715,027
(000'05	539,299	636,940	114,689	(80,000)	671,629
97,678)	219,852	166,392	1,302,316	(946,442)	522,266
88,446)	465,624	2,625,599	66,130	(1,359,460)	1,332,269
14,808)	3,565,953	3,482,110	572,652	(401,268)	3,653,494
(000'09	136,301	145,029	92,370	(51,468)	185,931

	Closing Balance \$	997,470	317,545	257,908	820	711,515	102,838	342,327	218,450	539,299	219,852	465,624	3,565,953	136,301
2021/22 Budget	Transfers From \$	(375,000)	(1,516,517)	(637,350)	(236,000)	(1,016,812)	(400,000)	(250,050)	(638,000)	(50,000)	(1,697,678)	(1,188,446)	(544,808)	(50,000)
2021/2	Transfers To \$	1,135,260	564,095	10,290	471	935,595	997	263,655	141,423	1,170	1,395,264	321,801	457,267	370
	Opening Balance \$	237,210	1,269,967	884,968	236,349	792,732	501,841	328,722	715,027	588,129	522,266	1,332,269	3,653,494	185,931

734 422 694 688 888 888 888 337 703 703 703

30. Reserves – Cash/ Financial Asset Backed (Continued)	sset Backed (Continued)		
		2021/2	2021/22 Actual	
	Opening	Transfers	Transfers	Closin
	Balance	<u>د</u> د	From	Baland
Major Traffic Improvements		•	•	
Reserve	237,210	1,138,233	(190,709)	1,184,7
CBD Enhancement Reserve	1,269,967	262,097	(503,642)	1,333,4
New Infrastructure Development Reserve	884,968	11,513	(172,787)	723,6
Commonage Precinct Infrastructure Road Reserve	236,349	469	(236,000)	_
ity Car Parking and Access Reserve	792,732	938,447	(517,291)	1,213,8
Oebt Default Reserve	501,841	530	(400,000)	102,3
Corporate IT Systems Reserve	328,722	264,514	(214,716)	378,5
lection, Valuation and Other Corporate Expenses Reserve	715,027	142,691	(603,387)	254,3
egal Expenses Reserves	671,629	2,326	(35,661)	638,
Marketing and Area Promotion Reserve	522,266	1,397,678	(1,264,241)	655,7
Performing Arts and Convention Centre Reserve	1,332,269	1,323,173	(269,149)	2,386,2
ong Service Leave Reserve	3,653,494	929,736	(528,649)	4,054,5
Professional Development Reserve	185,931	699	(30,386)	156,

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

2021		2021/2	2021/22 Actual			2021/2	2021/22 Budget			2020/2	2020/21 Actual	
	Opening	Transfers	Transfers	Closing	Opening	Transfers	Transfers	Closing	Opening	Transfers	Transfers	Closing
	Balance	2	From	Balance	Balance	2	From	Balance	Balance	2	From	Balance
	v	\$	v	v	\$	₩.	v	v	₩.	s	\$	s
ck Pay Incentive Reserve												
	106,241	363	(27,128)	79,476	106,241	210	(74,850)	31,601	144,632	(6,375)	(32,016)	106,241
orkers Compensation & Extended												
ck Leave Contingency Reserve	218,482	736	(25,000)	194,218	218,482	435	(25,000)	193,917	309,750	1,901	(93,169)	218,482
ommunity Facilities - City District												
	1,295,065	422,344	(633,509)	1,083,900	1,295,065	344,371	(960,650)	678,786	1,120,869	596,851	(422,655)	1,295,065
ommunity Facilities - Broadwater												
	185,047	12,686	0	197,733	185,047	15,925	0	200,972	166,414	18,633	0	185,047
ommunity Facilities - Busselton												
	39,788	35,270	(3,351)	71,707	39,788	21,213	0	61,001	9,177	30,611	0	39,788
ommunity Facilities –												
ınsborough	334,282	131,164	0	465,446	334,282	34,151	(110,000)	258,433	255,153	79,129	0	334,282
ommunity Facilities -												
unsborough Lakes Estate	943,223	3,216	(234,004)	712,435	943,223	1,876	(938,000)	7,099	937,469	5,754	0	943,223
ommunity Facilities - Geographe												
	114,007	25,268	(1,839)	137,436	114,007	10,655	0	124,662	101,979	12,028	0	114,007
ommunity Facilities - Port												
eographe	351,123	1,299	0	352,422	351,123	869	0	351,821	348,981	2,142	0	351,123
ommunity Facilities - Vasse												
	174,754	399	0	175,153	174,754	192,142	0	366,896	489,904	2,895	(318,045)	174,754
ommunity Facilities - Airport												
orth	3,164,953	11,711	0	3,176,664	3,164,953	119,834	0	3,284,787	3,017,488	147,465	0	3,164,953
ocke Estate Reserve												
	6,458	61,130	(61,000)	6,588	6,458	65,012	(65,000)	6,470	6,269	60,189	(60,000)	6,458
ort Geographe Development												
eserve	117,836	56,091	(46,930)	126,997	117,836	55,907	(147,175)	26,568	224,953	53,311	(160,428)	117,836

30. Reserves – Cash/ Financial Asset Backed (Continued)

Opening Balance

1,254,363 667,371

Provence Landscape Maintenance

Vasse Newtown Landscape Maintenance Reserve

Port Geographe Waterways

58,530 74,232 905,216 448,845 114,793 224,270 99,547 46,526 3,168,297 1,254,363 667,371 1,503,542 Closing Balance (44,530)(41,060)(520,667) (29,591)(17,727)(245,329)(155,591)(1,240,367)Transfers From 2020/21 Actual 191,215 104,042 108,206 Transfers 243,331 186,598 357 453 5,522 2,854 20,656 534 1,378,245 ဥ န 58,173 73,779 7,629,359 899,694 475,582 94,137 137,955 3,275,192 1,308,477 35,871 636,364 2,157,593 Opening Balance 907,015 46,616 58,646 74,379 58,238 123,333 135,370 142,680 77,444 6,525,300 1,237,210 3,022,970 647,847 Closing Balance 0 (3,085,500) (380,650)(208,900)(206,975)(100,300)(391,500)(2,240,900)(187,100)Transfers From 2021/22 Budget 235,323 191,747 116 105,510 78,197 90 Transfers 147 893 20,577 1,123,863 1,799 860,691 187,451 o s 58,530 74,232 905,216 448,845 114,793 224,270 99,547 46,526 8,486,937 3,168,297 1,254,363 1,503,542 Opening Balance 667,371 58,747 74,507 908,566 130,608 566,910 74,954 168,406 241,999 249,544 8,287,152 3,060,603 1,323,560 668,099 Closing Balance (32,713)(60,662) (2,107,022) (347,214)(126,470)(189,118)(319,875)(161,818)(1,795,442) Transfers From 2021/22 Actual 239,520 858,810 203,018 195,667 217 275 20,823 105,954 175,165 Transfers 3,350 1,638 1,907,237 189,846 ۵ 3,168,297 74,232 905,216 448,845 1,503,542 114,793 224,270 99,547 46,526

Waterways Improvement Reserve

Busselton Area Drainage and

Coastal and Climate Adaptation Reserve

Emergency Disaster Recovery

Energy Sustainability Reserve

Cemetery Reserve Public Art Reserve

Commonage Community Facilities Dunsborough Lakes South Reserve Commonage Community Facilities South Biddle Precinct Reserve

Commonage Precinct Bushfire Facilities Reserve

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

8,486,937

Waste Management Facility and Plant Reserve

143 2021/2022 Annual Report

FINANCIAL REPORT for the year ended 30 June 2022

Notes to and forming part of the Financial Report

	2020/2	2020/21 Actual	
Opening Balance \$	Transfers To \$	Transfers From \$	Closing Balance \$
295,560	55,346	0	350,906
1,391,422	1,286,742	(1,316,998)	1,361,166
100	11	0	111
0	50,121	(20,000)	121
0	0	0	0
59,897,884	23,803,360	(20,781,684)	62,919,560

	Closing Balance \$	405,354	78,070	12,661	121	22	45,564,221
2021/22 Budget	Transfers From \$	0	(1,285,804)	0	(50,000)	0	(39,381,069)
2021/2	Transfers To \$	54,448	2,708	12,550	50,000	22	22,109,232
	Opening Balance \$	350,906	1,361,166	111	121	0	62,836,058

Reserves – Cash/ Financial Asset Backed (Continued)	sset Backed (Continued)		
		2021/2	2021/22 Actual	
	Opening	Transfers	Transfers	Closing
	Balance	2	From	Balance
	\$	\$	φ.	*
Strategic Projects Reserve				
	350,906	2,558,670	0	2,909,576
Prepaid Grants and Deferred Works				
& Services Reserve	1,361,166	1,979,866	(1,361,521)	1,979,511
Busselton Foreshore Reserve				
	111	12,578	0	12,689
LED Street Lighting Replacement				
Program Reserve	121	50,110	(12,134)	38,097
Waterways Restoration Reserve				
	0	10	0	10
	62,919,560	30,220,481	(21,956,700)	71,183,341

Notes to and forming part of the Financial Report

30. Reserves - Cash/ Financial Asset Backed (Continued)

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

In accordance with council resolutions or adopted budget in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Airport Infrastructure Renewal Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and installation of Airport Infrastructure, Plant, Furniture and Equipment.

Airport Marketing and Incentive Reserve

The purpose of promoting and providing incentives for the Busselton Margaret River Airport.

Airport Noise Mitigation Reserve

To be utilised for the purpose of noise mitigation related activities surrounding the Airport precinct.

<u>Airport Development Reserve</u>

To provide funds for new capital works and infrastructure projects that contribute to expanding the operations and capacity of the airport including potential revenue generating opportunities (to be closed in 20/21 and added to Airport Infrastructure Renewal and Replacement Reserve).

Airport Existing Terminal Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

Building Asset Renewal Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building requirements for SLH2 to SLH6 assets that do not have their own reserve account and for other major building assets where insufficient funds are held for those assets.

Barnard Park Sports Pavilion Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

Railway House Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

Youth and Community Activities Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

Busselton Library Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

Busselton Community Resource Centre Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

Notes to and forming part of the Financial Report

30. Reserves - Cash/ Financial Asset Backed (Continued)

Busselton Jetty Tourist Park Reserve

To provide funding for capital, maintenance and promotional/ marketing requirements.

Geographe Leisure Centre Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

Joint Venture Aged Housing Reserve

To hold funds to meet future expenses, including capital, maintenance, operational and administrative costs associated with the provision of community aged housing at Winderlup Villas and Harris Road pursuant to the relevant joint venture agreements with the Department of Housing.

Winderlup Aged Housing Resident Funded Reserve

To hold funds to meet future expenses, including capital, maintenance, operational and administrative costs associated with the provision of council owned community aged housing.

Naturaliste Community Centre Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

Civic and Administration Building Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

Vasse Sports Pavilion Building Reserve

To provide funding for the construction, major maintenance, renewal, replacement, upgrading and future building and fit out requirements for the asset.

Jetty Maintenance Reserve

To provide funding for the maintenance, renewal, replacement, upgrading and future Capital works requirements for the asset.

Jetty Self Insurance Reserve

As a contingency fund to rectify damage caused by the demise of the Busselton jetty or part of the jetty or for large unbudgeted extraordinary jetty repairs.

Road Asset Renewal Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future requirements with respect to Road Infrastructure assets within the District.

Footpath/ Cycle Ways Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future requirements with respect to Footpath and Cycleway assets within the District.

Other Infrastructure Reserve

To provide funding for the major maintenance and renewal of other infrastructure not specifically provided for in other reserves.

Notes to and forming part of the Financial Report

30. Reserves - Cash/ Financial Asset Backed (Continued)

Parks, Gardens and Reserves Reserve

To provide funding for the major maintenance and renewal of Parks, Gardens and Reserves within the District.

Furniture and Equipment Reserve

To provide funds for the major maintenance, renewal, replacement, upgrading and future requirements with respect to furniture and equipment assets within the District.

Plant Replacement Reserve

To provide funding for the major maintenance, renewal, replacement, upgrading and future requirements with respect to Plant and Equipment assets excluding those in independent commercial operations.

Major Traffic Improvements Reserve

To be utilised for the provision of enabling major capital works programs to be funded for the upgrade of the local road network to reduce congestion, increase traffic flow and ease of access within the District.

CBD Enhancement Reserve

To provide funds for Capital and maintenance works and improvements within the Busselton and Dunsborough Central Business Districts.

New Infrastructure Development Reserve

For the purpose of setting aside funds to facilitate the identification, design and development/construction of new infrastructure and other capital projects as identified in the City's LTFP.

Commonage Precinct Infrastructure Road Reserve

To be utilised for the purpose of road infrastructure and road safety upgrades within the Commonage Contribution Area in accordance with the Commonage Contributions Area policy provisions.

City Car Parking and Access Reserve

To provide funding for development of public car parking, the development of infrastructure to provide for the management of public car parking and improving public transport to and within the City or for end of trip facilities. To provide funding for the purchase of land identified as of strategic importance for future parking requirements.

Debt Default Reserve

To provide for potential default on debts owing to the City, particularly in relation negative economic circumstances caused by a declared state of emergency (such as COVID-19).

Corporate IT Systems Reserve

To provide funding in relation to the ongoing development, enhancement and/or replacement of the City's corporate systems. To be utilised for the renewal and replacement or introduction of new IT platforms/hardware for the City.

Election, Valuation and Other Corporate Expenses Reserve

To provide funding for Council elections, rating valuations, fair value valuations and other legislative and corporate governance requirements.

Legal Expenses Reserve

Funding for any legal expenses or contingency involving the City of Busselton.

Notes to and forming part of the Financial Report

30. Reserves - Cash/ Financial Asset Backed (Continued)

Marketing and Area Promotion Reserve

To fund the City's contributions and expenditure on tourism, marketing, area promotion and events activities as a result of MERG funding allocations.

Performing Arts and Convention Centre Reserve

To provide funds for the planning and construction, and holding of grants or other funds for a future Performing Arts and Convention Centre for the District.

Long Service Leave Reserve

To provide funding to meet the City's future long service leave obligations of employees.

Professional Development Reserve

To provide funding to meet the City's ongoing contractual professional development obligations of employees.

Sick Pay Incentive Reserve

To provide funding to meet the City's obligations under a former sick leave incentive scheme pertaining to staff employed pre 2003.

Workers Compensation and Extended Sick Leave Contingency Reserve

A contingency fund to assist the City in meeting its Workers Compensation Contribution obligations when claim costs exceed the "Deposit" amount allocated to claims, to fund any shortfall with respect to insurance premiums in any one year, negotiated settlements of outstanding claims, and to enable periods of extended Sick Leave to be funded with a replacement officer.

Community Facilities - City District

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the District.

Community Facilities - Broadwater

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

Community Facilities - Busselton

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

Community Facilities – Dunsborough

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

Community Facilities - Dunsborough Lakes Estate

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

Community Facilities – Geographe

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

Notes to and forming part of the Financial Report

30. Reserves – Cash/ Financial Asset Backed (Continued)

Community Facilities - Port Geographe

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

Community Facilities - Vasse

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

Community Facilities - Airport North

To hold development contributions received by the City for the provision of new or upgraded community infrastructure within the Precinct as per the adopted contributions plan.

Locke Estate Reserve

To provide funding for the protection of the Locke Estate (Reserve 22674) coastline.

Port Geographe Development Reserve

To provide funds for capital and maintenance costs for development works associated within the Port Geographe contribution area.

Port Geographe Waterways Management Reserve

To provide funds for the City to fulfil its obligations under a Waterways Management Deed with the State Government for the future maintenance of waterways and associated facilities within the Port Geographe contributions area.

Provence Landscape Maintenance Reserve

For the purpose of holding funds for the maintenance of the approved higher standard of landscaping with the contributions area including future Capital replacement of landscaping structures as may be required.

Vasse Newtown Landscape Maintenance Reserve

For the purpose of holding funds for the maintenance of the approved higher standard of landscaping with the contributions area including future Capital replacement of landscaping structures as may be required.

Commonage Precinct Bushfire Facilities Reserve

For the purpose of the provision of fire protection facilities in accordance with the Commonage Contributions Area policy provisions.

Commonage Community Facilities Dunsborough Lakes South Reserve

For the purpose of the provision of future recreational facilities at Dunsborough Lakes South in accordance with the Dunsborough Lakes Developer Contributions Plan.

Commonage Community Facilities South Biddle Precinct Reserve

To be utilised for the provision of community facilities within the South Biddle Precinct in accordance with the Commonage Area Implementation Policy provisions.

Busselton Area Drainage and Waterways Improvement Reserve

To hold development contributions for the provision of drainage works and the management and improvement of waterways and adjacent reserves within Busselton including the lower Vasse River.

Notes to and forming part of the Financial Report

30. Reserves - Cash/ Financial Asset Backed (Continued)

Coastal and Climate Adaptation Reserve

The purpose of the reserve is to provide funds for coastal protection of assets and to fund initiatives to address the impacts of climate change including water supply sustainability and improvements/ upgrades of infrastructure susceptible to climate change.

Emergency Disaster Recovery Reserve

To provide funding for Disaster Recovery activities including natural and man-made events.

Energy Sustainability Reserve

To provide funding for the investigation, implementation and optimisation of Energy Sustainability initiatives within the District.

Cemetery Reserve

To provide funding for the renewal, expansion and establishment of Cemeteries within the district.

Public Art Reserve

To hold development contributions received by the City for the commissioning, purchase and enhancement of public art works within the District.

Waste Management Facility and Plant Reserve

To provide funding for development and rehabilitation of waste disposal sites both within the district and regionally. Acquisition of waste plant and equipment and any other waste management activities that may include contaminated sites within the District.

Strategic Projects Reserve

To provide funds for projects which may create a future revenue stream for the City and reduce reliance on rate revenue.

Prepaid Grants and Deferred Works and Services Reserve

To hold Government and third party grants monies received in advance as well as deferred municipal funded works and services as at the end of financial year.

Busselton Foreshore Reserve

To provide funds for on-going asset maintenance and any future capital works.

LED Street Lighting Replacement Program Reserve

To provide funds for the on-going replacement of street lighting throughout the district with LED capacity.

Waterways Restoration Reserve

To provide for any works required to rejuvenate, revive or rectify natural waterways within the Busselton district

Notes to and forming part of the Financial Report

31. Trust Funds

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

	Balance 1 July 2021 \$	Amounts Received	Amounts Paid \$	Balance 30 June 2022 \$
Builders Registration Board Levies	32,621	1,010,281	(969,371)	73,531
Building Training Levy	3,964	57,867	(46,942)	14,889
Cash in Lieu of Public Open Space	919,820	2,634	(777,315)	145,139
Contiguous Local Authorities Group (CLAG) Funding	21,223	31,787	(27,461)	25,549
Nomination Deposits	0	1,120	(1,120)	0
	977,628	1,103,689	(1,822,209)	259,108

32. Major Land Transactions

The City did not participate in any major land transactions during the year.

33. Trading Undertakings and Major Trading Undertakings

There were no material trading undertakings and major trading undertakings that require disclosure at the end of the reporting period.

Keep up to date with what is happening at the City of Busselton and also within the region through the following websites, plus keep in touch on Facebook and Instagram.

151

2021/2022 Annual Report

City of Busselton

www.busselton.wa.gov.au

Information about the City of Busselton Council and City services including information for residents, development across the City, investment opportunities, rates, City plans and publications, and community funding:

Art Geo Cultural Complex

www.artgeo.com.au

What's on at ArtGeo and access to ArtGeo's online shop and gallery.

Geographe Leisure Centre Naturaliste Community Centres

www.busseltonleisurecentres.com.au

Leisure centre classes, facilities, services and memberships.

Busselton Libraries

www.busseltonlibraries.com.au

Information about our libraries, library collections, programs and events.

Connecting with Council

Community Access Sessions

Community Access Sessions (CAS) provide an opportunity to raise for discussion any topic that you are passionate about.

Public Participation Sessions

Public Participation Sessions provide an opportunity for you to discuss with Council items on the current Council Agenda.

Council Meetings

Members of the public can attend Council meetings which are also live streamed on the City's website. There is an allocated public question time at each meeting.

Community Engagement and Consultation www.yoursay.busselton.wa.gov.au

The online engagement portal where residents, ratepayers and visitors can share thoughts and ideas on a range of Council activities and community developments.

Busselton Margaret River Airport www.busseltonmargaretriverairport.com.au

Get flight schedules, airport operations, and commercial opportunities at the airport.

Busselton Jetty

www.busseltonjetty.com.au

Information about the services and facilities provided at the City's Busselton Jetty Tourist Park.

Sister City Association

www.bascca.asn.au

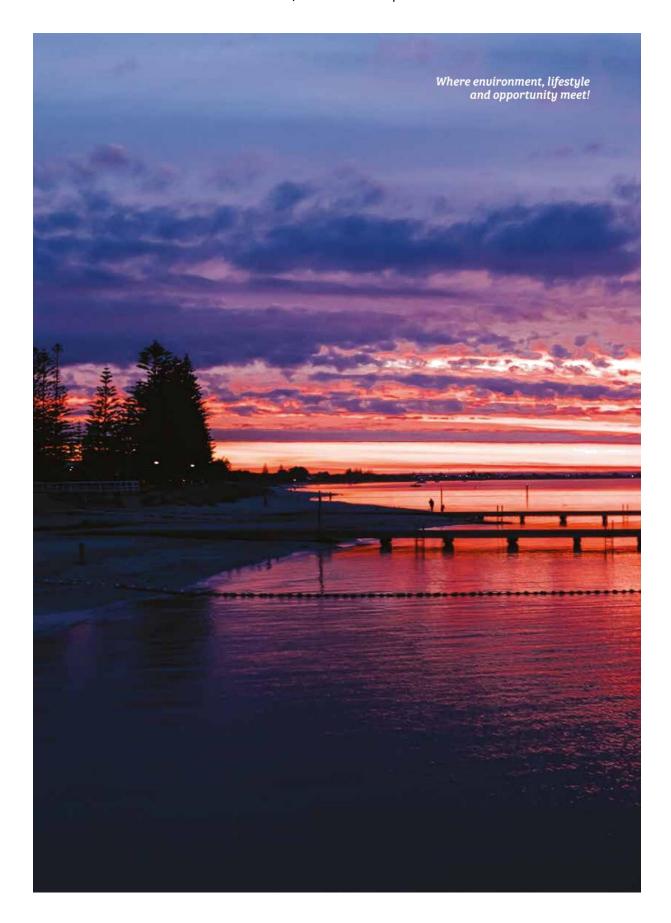
Learn about our sister City relationship and exchange program with Sugito, Japan.

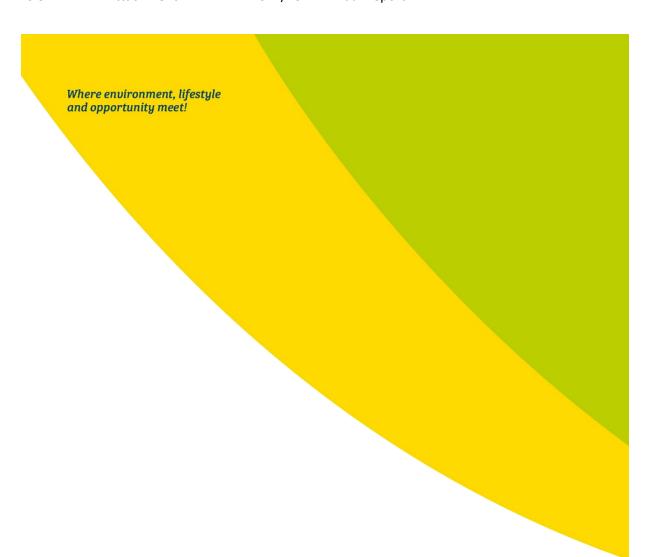
When is Council in Session?

Dates of Council Meetings, Public Participation and Community Access sessions are available on the city website.

Subscribe to our newsletter to receive the latest Council information in your inbox each month.

www.busselton.wa.gov.au/connect/news-andmedia/bay-to-bay-e-newsletter







Join Our Community









17. CHIEF EXECUTIVE OFFICERS REPORT

17.2 PROPOSED WALGA GOVERNANCE MODEL

STRATEGIC THEME LEADERSHIP - A Council that connects with the community and is

accountable in its decision making.

STRATEGIC PRIORITY 4.4 Govern a professional organisation that is healthy, capable and

engaged.

SUBJECT INDEXWALGA GovernanceBUSINESS UNITExecutive Services

REPORTING OFFICER Chief Executive Officer - Tony Nottle
AUTHORISING OFFICER Chief Executive Officer - Tony Nottle

NATURE OF DECISION Advocacy: to advocate on its own behalf or on behalf of its

community to another level of government/body/agency

VOTING REQUIREMENT Simple Majority

ATTACHMENTS Attachment A Background Paper - WALGA Best Practice Governence

Review U

Attachment B Consultation Paper - WALGA Best Practice

Governence Review !!

OFFICER RECOMMENDATION

That the Council:

 Endorse Option 2 - Board, Regional Bodies (as per Attachment B) as the City of Busselton's preferred Model in relation to the WA Local Government Association's (WALGA) Best Practice Governance Review; and

2. Rank the preference of remaining WALGA Best Practice Governance Model options from 2 to 5:

Option	Ranking
Option 1 – Two tier model, existing zones	
Option 2 – Board, Regional Bodies	1
Option 3 – Board, amalgamated zones	
Option 4– Member elected Board, Regional Groups	
Option 5 – Current Model	

EXECUTIVE SUMMARY

As part of the Western Australian Local Government Association (WALGA) recent development of its new Corporate Strategy 2020-2025, the organisation identified a key strategic priority to undertake a Best Practice Governance Review (BPGR). Council is being asked to consider the attached documentation (Attachments A and B) taking into account its needs as a member of WALGA, and to provide feedback on the proposed governance models that have been presented.

BACKGROUND

WALGA was formed on 6 December 2001 to provide a representative and united voice for Local Government in WA after the amalgamation of separate urban, metropolitan, regional and remote local government representative organisations.

The City of Busselton has been a member of WALGA since its establishment in 2001. A number of reviews have been considered during this time in relation to representation. There has however, been no drastic changes to the structure and direction of WALGA in the past.

In 2021, WALGA's State Council determined to undertake a BPGR, and established a Steering Committee, to oversee the project.

On 22 August 2022, at a Special Council meeting held by the State Council, the BPGR guiding principles were endorsed.

WALGA subsequently presented the Background Paper (Attachment A) and the Consultation Paper (Attachment B) to the WALGA South West Country Zone (SWZ) on 2 December 2022. WALGA is seeking individual positions by the member local governments on the proposed governance models presented in the consultation paper, by 23 December 2022.

OFFICER COMMENT

Over the past two years, WALGA has progressively adapted to changes in leadership, legislative amendments and requirements of its members. The BPGR provides WALGA and its members an opportunity to re-examine their membership structure, constitution, board role, board composition, governance approach and policies.

The endorsed governance principles guiding the BPGR were developed to ensure that WALGA is a Representative, Responsive and Results Orientated organisation. These principles were endorsed at WALGA's AGM held on the 3 October 2022. The aim of these principles is to ensure that WALGA:

- 1. unites and represents the entire local government sector in WA and understands the diverse nature and needs of members, regional communities and economies;
- 2. is an agile association which acts quickly to respond to the needs of Local Government members and stakeholders; and
- 3. dedicates resources and efforts to secure the best outcomes for Local Government members and supports the delivery of high quality projects, programs and services.

Issues raised by stakeholders in relation to the current governance model include the level of responsiveness, transparency / accountability and effectiveness of the zone structure. As part of the review, analysis of local government representative organisations across Australia as well as similar membership based organisations has been undertaken.

Options

The review has arrived at five (5) options:

- 1. Two tier model, existing bodies
- 2. Board, regional bodies
- 3. Board, amalgamated zones
- 4. Member elected Board, Regional Groups
- 5. Current Model

The consultation paper provided in Attachment B outlines the details of each proposed model.

In considering the options put forward, Council should consider what model will best align with the principles as well as what is the best representation model for the City of Busselton. The City of Busselton is a member of WALGA, as well as advocacy bodies such as the Regional Capitals Alliance WA (RCAWA) and the Regional Capitals Australia (RCA). As such, Option 2 (Board, Regional Bodies) seems to seems to align as the most appropriate representation model, and provides a more streamlined membership approach.

Other than the Current Model (Option 5) all other options have made a genuine attempt to reduce the amount of members at the board table (currently 24 plus the President) to a more manageable number, with input still filtering through representative bodies or zones. This is seen as a positive outcome of the review, to rationalise the numbers at the board level.

Therefore in considering the options outlined in Attachment B, it is recommended that Option 2 be endorsed as Council's number 1 preference. Council will also be asked to consider the remaining options in order of preference.

Statutory Environment

There are no statutory implications for the City of Busselton in relation to the officer recommendation.

Relevant Plans and Policies

There are no relevant plans or policies to consider in relation to this matter.

Financial Implications

There are no financial implications associated with the officer recommendation.

Stakeholder Consultation

The consultation undertaken by WALGA is outlined within Attachments A and B. Additionally, a presentation on the proposed models was provided to the SWZ on 2 December 2022.

Risk Assessment

An assessment of the potential implications of implementing the officer recommendation has been undertaken using the City's risk management framework, with no risks being assessed as a medium or higher level of risk.

Options

As an alternative to the proposed recommendation the Council could consider a different option as its preferred model.

CONCLUSION

It is considered important that any restructured governance model and board should take into account the RCAWA as a voice of WA Regional Capitals Alliance. Therefore Option 2 is recommended as the preferred model. Council is also requested to consider the remaining models in order of preference.

TIMELINE FOR IMPLEMENTATION OF OFFICER RECOMMENDATION

The Chief Executive Officer will advise WALGA within 5 working days of Council's decision.





Best Practice Governance Review

Background Paper



Contents

Item	Section	Page
1	Background, Approach and Timeline	<u>3</u>
2	Jurisdictional Analysis	<u>6</u>
3	Comparator Organisations	9
4	Governance Principles	<u>17</u>







Best Practice Governance Review

1. Background, Approach and Timeline

Background and Approach

Attachment A

Background and approach that led to the development of the governance principles for the Best Practice Governance Review.

Background

The Western Australian Local Government Association (WALGA) developed it's Corporate Strategy 2020-25, and in doing so identified a key strategic priority, to undertake a Best Practice Governance Review. The objective of the review is to ensure WALGA's governance and engagement models are contemporary, agile, and maximise engagement with members. Other drivers for the review included:

- Misalignment between key governance documents; Constitution, Corporate Governance Charter, State Council Code of Conduct, and Standing Orders – stemming from varying amendments.
- State Council's 3 September 2021 resolution requesting amendment to the Constitution to "deal with matters related to State Councillors' Candidature for State and Federal elections"
- Proposed legislative reforms to remove WALGA from being constituted under the Local Government Act 1995 (WA).
- Constitutional requirements for WALGA to become a registered organisation under the Industrial Relations Act 1979 (WA), which would enable WALGA to make applications in its own right to the Western Australian Industrial Relations Commission

In March 2022 State Council commissioned the Best Practice Governance Review (BPGR) and established a Steering Committee to guide the Review.

The BPGR Steering Committee had its first meeting on 5 May 2022. There was wide-ranging discussion on WALGA's current governance model, the need to engage broadly with the membership, and opportunities for change. At the meeting, five comparator organisations were identified to be used in a governance model comparative analysis. Steering Committee meetings 2 to 5 had a focus on the development of governance model principles.

This document

This document presents the key insights from the jurisdictional and comparator organisation analysis that supported the development of the governance principles. The final section presents the endorsed governance principles.

Jurisdictional Analysis – This section compares WALGA to equivalent jurisdictional associations (e.g. LGASA). This provides key insights into the size and election processes of WALGA compared to equivalent associations.

Comparator Organisations – This section compares WALGA's governance arrangements to five comparator organisations that were agreed a the BGPR Steering Committee meeting 1. This provides key insights into the size, election processes and recent governance changes of these five comparator organisations.

Governance Model Principles – The governance model principles were developed through BPGR Steering Committee meetings 2 to 5. This provides a structure for understanding how the current governance model of WALGA and any future governance model aligns to these principles.

The following slide outlines the timeline of key events and meetings that formed part of the BPGR.



Attachment A

and comments received from State Councillors.

Timeline

Timeline of key events with a focus on the BPGR Steering Committee meetings throughout May to August 2022 **WALGA Corporate Strategy** 2020-25 Third BPGR Steering In 2019, a five-year Corporate Committee meeting held Principles shared Strategy was developed and On 28 June 2022, an In September 2022 identified that a governance model First BPGR Steering Commissioning of Best options paper was reviewed. agreement on the next was key to delivery of the strategy. Committee meeting held **Practice Governance** State Council updated 19 interviews and 2 workshops Stakeholder Engagement steps for sharing the On 22 May 2022, the first On 3 August 2022, an Review covering 20 Local and State Project, GRA Partners, 2021 principles with Local In March 2022, WALGA meeting of the BPGR Steering update on the BPGR was 45 responses received from Government members. Government leaders informed the Committee identified commissioned PwC to provided to State Council. Federal and State Government strategy. five comparator organisations support the BPGR Project. and Opposition. for the Review. 2019 2020 · 2021 2022 NOW · · ▶ WALGA Stakeholder Engagement Project, 2019 Governance Marketforce 2021 Review Second BPGR Steering Fourth BPGR Steering Fifth BPGR Steering 105 survey responses and 42 A governance review Committee meeting held Committee meeting held Committee meeting held interviews were facilitated was undertaken in 2019 On 8 June 2022, the initial On 18 July 2022, core On 10 August 2022, core across 95 Local Governments. that led to numerous draft of comparator principles were decided to principles for the BPGR process changes. organisations was guide the BPGR. were finalised. presented and assessment criteria was identified. State Council Performance Assessment, 2020 17 survey responses







Best Practice Governance Review

2. Jurisdictional Analysis

Analysis: Jurisdictional equivalents to WALGA

Jurisdictional equivalents of WALGA have been analysed according to their size and election methods.

Background

Prior to the BPGR Project commencing in March 2022, work was undertaken to understand governance arrangements in other jurisdictions. The focus of this work was on associations from other Australian states, as well as New Zealand.

The full list of associations are:

- · Local Government NSW (LGNSW)
- Municipal Association Victoria (MAV)
- Local Government Association of Tasmania (LGAT)

Attachment A

- · Local Government Association of South Australia (LGASA)
- Local Government Association of Queensland (LGAQ)
- Local Government Association of Northern Territory (LGANT)
- Local Government Association of New Zealand (LGNZ)

The assessment of these associations focused on providing insights into the following domains:

- Size of Board: How many board members are there in comparison to the 25 WALGA board members?
- · Method of Election of President: How is the President elected to the board?
- Method of Election of Board Members: How are board members elected?

Key Insights

Key insights following the comparison of WALGA to equivalent associations are outlined below:

- Size of Board while WALGA's board (State Council) contains the largest number of representatives, it can be seen that boards of Local Government Associations tend to be relatively large. The average board size (using Queensland's policy executive, not board) is 15.4.
- Method of Election of President WALGA is an outlier: all other Presidents are elected directly by the membership. Perhaps this is a reflection of the prevalence of Council elected Mayors and Presidents in WA.
- Method of Election of Board Members The majority of associations use regional groupings (equivalent to our Zones) to elect board members. The New Zealand hybrid model of electing representatives from geographic zones and sector groups (metro, provincial, rural, regional) is of interest.

The following slide presents this information for each of the seven associations.

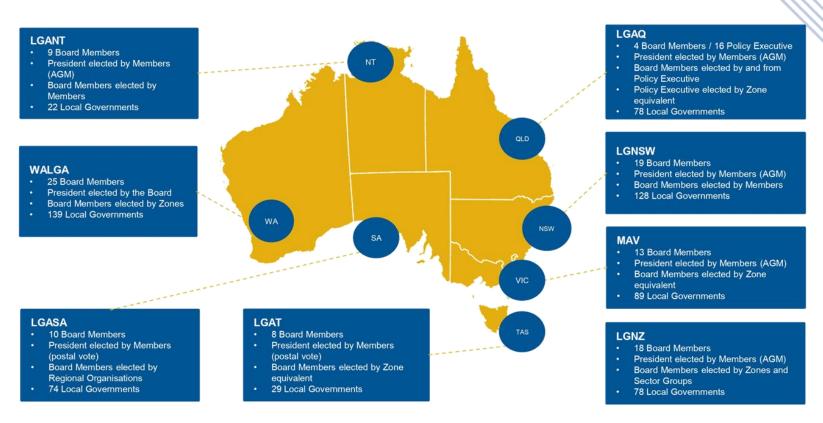


Attachment A

Summary: Jurisdictional equivalents to WALGA

Summary of jurisdictional analysis of WALGA equivalents in relation to their Board membership, election methods and number of Local Governments.

164









Best Practice Governance Review

3. Comparator Organisations

Comparator organisations

Comparison of WALGA's governance model to the governance models of five comparator organisations.

Background

The BPGR Steering Committee had its first meeting on the 5 May 2022. There was wide-ranging discussion on WALGA's current governance model, the need to engage broadly with the membership, and opportunities for change.

At the meeting, five comparator organisations were identified to be used in a governance model comparative analysis. The organisations were selected on the basis of their similarity to WALGA as WA member-based peak industry organisations.

The selected organisations were: Australian Medical Association (AMA) WA, Chamber of Commerce and Industry (CCI) WA, Chamber of Minerals and Energy (CME), Australian Hotels Association (AHA) WA and Pharmacy Guild (PG) WA Branch.

Process

WALGA supplied a range of background documents to assist in undertaking the initial desktop comparison. This included the Constitution, Corporate Governance Charter, Corporate Strategy 2020-2025, Standing Orders, Elected Member Prospectus, Flow Chart - WALGA Zone and State Council Process, Final Report -State Councils and Zone Structure and Process Working Group.

The documentation used for the comparator organisations were typically the:

Constitution – which serves as the instrument for establishment of the association:

Background Paper - WALGA Best Practice Governence Review

- Annual reports which contains information about an association's performance over a 12-month period; and
- Organisational website which may outline the structure and current composition of the board, council and the leadership team of the organisations.

Interviews were successfully arranged with three of the five organisations. They were AMA WA, CCI WA and CME WA. The document analysis and interviews provided insights into the size, election methods and recent changes within these organisations.

Key insights

Key insights through the comparison of WALGA to the five comparator organisations are outlined below:

- Size of Board WALGA's board (State Council) was larger than all other comparator organisation's boards.
- Election methods election methods varied across the comparator organisations but many involved election through the membership.
- Change three of the five organisations had recently undergone changes or reviews of their governance structures. There were a range of drivers for this change including: to increase the decision making ability of the board; to use specific working groups to focus on specific topics of interest and to increase representativeness of specific groups (e.g. Aboriginal and Torres Strait Islanders).

The following slide presents summary information on the size and election methods of the five comparator organisations. This is then followed by more detailed background into each organisation, their governance structure and any outcomes from conversations with these organisations.



Summary: Governance structure analysis

WALGA's governance structure was analysed in comparison to five comparator organisations

Organisational Comparisons	Number of Board Members	President Elected by	Board Members elected by	
WA Local Government Association (WALGA)	25	The Board	Zones	
Australian Medical Association (AMA)	9	AMA WA Members	Members of the Association	
Chamber of Commerce and Industry WA (CCIWA)	7 to 10	The Board	 Up to 12 elected by Members Up to 8 appointed by the Board Up to 8 appointed by the Council 	
Chamber of Minerals and Energy (CME)	6 to 11	Ordinary Members	Executive Councillors	
Australian Hotels Association (AHA) WA	17	The Branch Committee of Management	The Branch Committee of Management	
Pharmacy Guild (PG) – WA branch	16 to 22	The Branch	Financial Members from the same region as the Branch	

Note: The Council, Branch, or Board chosen from the organisations above were chosen for how appropriate their structure is as a comparison to the WALGA State Council.



Organisational Analysis: Australian Medical Association (AMA) WA

With over 5.000 members, the AMA (WA) is the largest independent professional organisation for medical practitioners and medical students in the State. Total revenue and other income for AMA nationally in 2020 was reported as \$21,928,000.

Organisational Information

Attachment A

The AMA (WA) Board was created in 2017 and is comprised of the President, Immediate Past President, two Vice Presidents and five members of Council who are elected to sit on the Board (9 in total).

The AMA (WA) Council consists of four office bearers (President, Immediate Past President, two Vice Presidents), Additionally, there are the Specialty Group Representatives (e.g. General practice, surgery); Practice Group Representatives (e.g. rural doctors, public hospital doctors); Ordinary Council Members; and, Co-opted Council Members. Majority of the representatives and members represent their specialty (e.g. anesthetics) or group of representative (e.g. medical student society).

The AMA Federal Council meets quarterly and is the AMA's main policymaking body. It is a forum to identify and debate emerging issues of relevance to the membership. The Federal Council's primary role is to: Form the policy of the AMA; Propose changes to existing policy; and Elect representatives to roles and committees. There is one State and one Area nominee from WA on the Federal Council.

The Leadership team consists of seven staff, CEO, CFO, COO, General Manager Training and Recruitment, Operations Manager, General Manager Financial Services and an HR manager.

Governance Structure*

The Board comprises of approximately 9 members.

conformity with the constitution.

The Board may increase or decrease the number of Advisory Council members as needed. However, it currently has 4 members.

The General Council focuses on advocacy, policy making, and representation of the association.

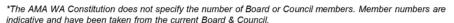
The Board focuses on governance, managing the

Association's conduct and business, and ensuring

The Board and Council is also supported by Specialty Group Representatives, Practice Group Representatives, Ordinary Council Members, and Co-Opted Council Members.

Outcomes of Organisation Discussion

- Governance Review: The 2020 annual report mentions that an organisation-wide review was undertaken with the transformation in the process of being implemented until March 2020 (COVID).
- Representation: It is more important to restrict the number of Board members than Councillors. Board members are involved in making policy and governance decisions, requiring a greater decision-making capability; Councillors are more involved in stakeholder engagement and solving specific issues through working groups, therefore Council size has less impact to efficiency and effectiveness of the model.
- Engagement: The president is the spokesperson when it comes to policy issues. Councillors represent the views of Specialty Groups, Practice Groups, and the medical profession as a whole.
- · Feedback on the current model: Board members have previously taken the role because they are passionate, but do not necessarily have the right expertise, resulting in poor governance. Board members who have leadership and governance experience have proven to be effective in the updated model. The Board would benefit from an independent audit partner and increased diversity in specialty, a simplified purpose of the Board and Council Advisory, and a reduced number of meetings each year.





Organisational Analysis: Chamber of Commerce and Industry (CCI) WA

CCIWA is a not-for-profit member organisation providing information, professional services and support for businesses in Western Australia, with over 2.000 WA members. Total revenue and other income for 2021 was reported as \$34.270.130.

Organisational Information

The CCIWA operates as a company limited by guarantee. This came into effect on 11 January 2019. The change in status means that CCIWA is now incorporated under the Corporations Act 2001 (Cth) rather than the State legislation covering incorporated associations.

Based on the constitution, the number of board members can be between 9-12 (including President & Vice President). The current board has only 6 members including the President and Vice President.

There is a General Council. The constitution states that Councillors can be up to certain numbers depending on who they were elected by. The resulting effect is a council that does not have consistent numbers of members and does not need to fill all positions. This is unlike WALGA's governance model where representatives are elected by zones.

The Board is responsible for the sound governance of the organisation, whereas the General Council provides input to the organisations policy; provides advice to the Board; acts as a point of interface; elects and appoints Council Elected Directors; and passes resolutions relating to specific handling of assets and raising and borrowing funds.

Governance Structure

The Board comprises of 9 – 12 members.

The Board focuses on strategic priorities, financial performance and compliance issues.

The General Council consists of up to 28 Councillors.

The General Council focuses on developing and being spokespersons on public policy frameworks and positions.

The governance structure is supported by bespoke working groups, formed from Councillors as relevant for specific strategic and policy issues.

Outcomes of Organisation Discussion

- · Governance Review: CCIWA conducted a review of their 2018 Constitution, resulting in changes contained in the 2021 Constitution, including: The governance model was revised to increase the decision-making capability of the board; The structure of the General Council was determined to be too generic causing low Councillor attendance. After the review, Councillors were split into bespoke working groups for specific policy issues for the upcoming 12-month period. This resulted in higher councillor attendance, than the previous governance model.
- Representation: In the new revision of the constitution, two new types of Councillors were included to increase representation for their respective groups. Future Leader Councillors, from members of University business schools; and First Nations Business Councillors, elected from First Nations Members.
- Feedback on the current model: In the current governance model, when a board member leaves, a temporary team member is appointed since board members can only be elected in general meetings.



Organisational Analysis: The Chamber of Minerals and Energy (CME) WA

CME WA is the peak resources sector representative body in Western Australia whose member companies generate 95% of all mineral and energy production and employ 80% of the sector's workforce in the State.

Organisational Information

The Corporate Governance Charter (Charter) provides guidance on the respective roles, responsibilities and authorities of members of the Executive Council (Executive Councillors) and members of the Advisory Board (Advisory Board Members) in setting the direction, management and control.

The number of Vice Presidents is determined by the Executive Council, the constitution contains no limit on the number of Vice Presidents and so the number of Vice Presidents is excluded from the diagram to the right.

Executive Councillors are elected by Ordinary Members, and there can be no less than 10.

The Role of the Advisory Board is to act as a traditional board providing strategic oversight on behalf of the Chamber. interface with the Executive Management Team on organisational matters, including strategy, operating accounts, governance and risk.

Governance Structure

Advisory Board comprises of 5-10 members.

Executive Council (10+ members).

The Advisory Board provides strategic oversight and acts as the key interface with the Executive Management team on strategy, operating accounts, governance and risk.

The Executive Council most senior interface to guide and prioritise the agenda of the Chamber and its respective committees and holds final decision-making authority re: annual financial reports/statements.

The governance structure is supported by committees including bespoke working groups, appointed by Executive Council as relevant for specific strategic and policy issues.

Outcomes of Organisation Discussion

- · Governance Review: CME recently engaged in a governance review. In April 2020, CME put in place a governance charter. This codified processed and structures, clarified lines of accountability and included a director's code of conduct.
- Representation: Members who express an interest, get a seat at the table for the Executive Council. There are approximately 60 ordinary members with 16-20 regularly attending council meetings. This group is intended to provide a litmus check that the broader membership needs are being met.
- Engagement: Although the board is strongly engaged in the work and responsibilities it holds, there is the varying engagement of the executive council - this is broadly because due to the large array of issues it covers - the organisation would love to see stronger engagement in this area.
- · Feedback on the current model: Based on the age of the organisation, the current pyramid structure works. This is successful largely due to the governance charter which provides clarity in role and structure for the organisation.



Organisational Analysis: Australian Hotels Association (WA)

The Australian Hotels Association (AHA) represents more than 5,000 members across Australia serviced by a network of branches based in every state and territory, plus a Canberra-based National Office. Total revenue and other income for AMA nationally in 2020 was reported as \$2,257,963.

Organisational Information

Attachment A

AHA was founded in 1892 and now represents more than 80% of the Western Australian hotel and hospitality industry.

The organisation has a branch in each state and territory, including a division in each branch known as the National Accommodation Hotels Division. The organisation and each of its branches have their own set of rules by which they are governed. However, ultimate authority is deferred to the National Board of the organisation.

All issues and opportunities are addressed by The Branch Committee of Management (The Branch). Consisting of six ordinary members, elected by members of the branch, and the president from each of the Territorial and Non-Territorial Divisions of the Branch. This includes a President, Senior Vice President, Vice President, Treasurer, Accommodation President and Country Representative. The President, Senior Vice President (SVP) and Vice President (VP) are elected by The Branch.

AHA developed a subsidiary known as 'Tourism Accommodation Australia (TAA)'. TAA publicly represents and lobbies specifically for accommodation hotels separately from the AHA's general hospitality members. However, membership to both AHA and TAA is granted to accommodation properties. There are 11 Divisional Presidents – 7 represent different Areas/Regions and 4 represent different membership groups.

Governance Structure*

Branch Committee of Management has 6 Ordinary members & the president of each Territory/Non-Territory Division (11).

Focuses on staff remuneration/conditions, branch transactions, disbursements, funds and resolves delegated Commonwealth industrial disputes.

There is no council or other governing entity to provide support to the Branch Committee of Management.

Relevance to WALGA BPGR

AHA was contacted to schedule an interview; however, there was no response following multiple requests. The following insights have been made by research on their publicly available governance information and documentation.

- Composition: Similar to WALGA's State Council, the AHA Governance structure only has one governing entity, The Branch Committee of Management. The number of branch members (17) is smaller than WALGA (25).
- **Responsibilities:** The AHA Branch Committee of Management is responsible for financial activities; however, the Rules document does not mention that they are responsible for activities that other comparator organisations governing entities are, such as policy creation or ensuring compliance.
- Lack of compliance with constitution: The Rules of the AHA WA Branch document acts as the
 Association's constitution. However, there are many conflicts between the governance structure in the
 Branch Rules document, and the governance structure depicted on AHA WA's website. For example, in
 the document the supreme governing body of the Branch is the Branch Committee of Management,
 whereas on the website it is the Executive Management team. Additionally, there is no mention of a
 board in the Rules document, but there is a Board of Management on the website.



^{*}The governance structure has been taken from the Rules of the AHA WA Branch document instead of the current governance structure depicted on the website, due to conflicting information.

Organisational Analysis: Pharmacy Guild (WA Branch Focus)

Pharmacy Guild supports over 5,800 pharmacies across Australia. It is broken up into Territory Branches with more than 600 pharmacies as members in WA (est. 2017).

Organisational Information

Attachment A

The Pharmacy Guild's WA Branch's Annual Report can only be viewed by Members of the Organisation.

The Branch consists of the Branch Executive, and the Branch Committee. Where the Branch Executive consists of the Branch President, Branch Vice President(s) and the National Councillor(s). Additionally, in the Branch Executive, the position of Branch President and Vice President can also be held by a National Councillor, resulting in different numbers of Branch Executives between states.

The National council has the power to determine and direct policy, settle disputes, control the national fund, appoint an auditor and other activities relating to being the supreme governing entity.

The constitution does not specify who exactly elects the Branch President, or the Branch Vice Presidents, only that they are elected from the Branch. Whereas Branch Committee Members are elected by financial members in that region.

The Branch and the National Council shall appoint their own auditor. Resulting in potential conflicts of interest, as hypothetically the Branch and the National Council can appoint an auditor who audits in their favour.

Governance Structure*

Branch Executive consists of 2-6 Executive Members.

All powers and functions of the Branch Committee between meetings of the Branch Committee.

Branch Committee consists of 7 - 14 committee members (excluding the Branch executive).

Control the Branch fund, decide the agenda for and attend special meetings.

There is only one governing entity in WA for Pharmacy Guild, however the WA Branch consists of National Councillors, from the National Council which is the supreme governing body for the Pharmacy Guild. However, the Branch Committee can create subcommittees to carry out particular functions.

Relevance to WALGA BPGR

Pharmacy Guild WA was contacted to schedule an interview; however, they responded that they do not have time to discuss their governance model. The following insights have been made by research on their publicly available governance information and documentation.

- Representation: The interests of members are represented by the Branch Committee Members who
 are elected by the financial members of the same regions. Additionally, the interests of the National
 Council are represented in Branches by the National Councillors appointed in each Branch.
- Composition: The governance structure of the Branches of the Pharmacy Guild is adaptable to the needs of the Branch. Since the Branch Committee members can decide the number of Committee members needed in their branch, they can do so based on the needs of the Branch at any point in time, making the composition and size of the Branch adaptable to emerging needs. Also, the creation of additional branches and amalgamations of current branches is up to the decision of the National Council, enabling the National Council to alter the composition of the governance model nation-wide as needed.
 Branches can also create subcommittees as needed.



^{*}Since the number of members in governance entities is mentioned in the Constitution, the numbers have been estimated based on the current membership as per the Guild's website.





Best Practice Governance Review

4. Governance Principles

Development of Governance Principles

Attachment A

BPGR Steering Committee (SC) meetings and how they lead to the development of the proposed governance principles.

BPGR Steering Committee meetings

The BPGR Steering Committee (SC) was established by State Council to guide the review. SC Meetings 2 through to 5 acted as key inputs into the development of the Governance Model principles. The focus of SC Meetings two through to five led to the development of the governance principles.

- SC Meeting 2 On 8 June 2022, the initial draft of the comparator organisations and their governance structures was presented. The SC identified four assessment criteria for the purposes of assessing potential governance models. The assessment criteria were: (1) representation, (2) efficiency, (3) contemporary, and (4) sustainable. An Options Paper was then developed, using the assessment criteria against two governance model options.
- SC Meeting 3 On 28 June 2022, a discussion of the DRAFT Options Paper took place. The SC decided that a workshop was required to take a step back and develop the core governance principles (rather than assessment criteria) that needed to underpin any future governance model for WALGA.
- SC Meeting 4 On 18 July 2022, the SC discussed the principles and identified four principles that should guide WALGA's governance. They were Representative, Responsive, Results Oriented and Renewal. Renewal was the principle that some SC members deemed as optional and is not included as a separate principle. Some elements of renewal are incorporated into the other three principles.
- SC Meeting 5 On 10 August 2022, the SC discussed and finalised the proposed principles. Discussion focused on the principle components and their likely governance implications. Several activities also occurred around this SC meeting. This include an update to State Council at the Information Forum on 3 August 2022, finalisation of principles on 17 August 2022 to inform AGM Item and finalisation of Agenda Item for 2022 AGM, including approval by State Council.

Key outcomes

The SC agreed on the proposed governance model principles, their component parts and the implications of these principles. Specifically:

- **Principle definition** the definition of each of the three principles.
- Principle component the key component parts of each principle.
- Principle component description a description of each principle
- · Governance implications the governance implications of each of the principle components.

The following slide presents the principles, their components and a description and their governance implications.



Endorsed Governance Principles

The principles for assessing WALGA's governance model options and governance implications

	Principle	Principle component	Component description	Governance implications	
represents local govern sector in W. understands diverse natuneeds of me regional cor	WALGA unites and	Composition	The composition of WALGA's governance model represents Local Government members from metropolitan and country councils.	The governing body will maintain equal country and metropolitan local government representation.	
	represents the entire local government sector in WA and understands the	Size	An appropriate number of members/representatives oversees WALGA's governance.	Potential reduction in the size of the overarching governing body.	
	diverse nature and needs of members, regional communities and economies.	Diversity	WALGA's governance reflects the diversity and experience of its Local Government members.	Potential for the introduction of a mechanism to ensure the governance model comprises an appropriate diversity of skills and experience.	
	and edonomies.	Election Process	Considers the processes by which WALGA's governance positions are elected and appointed.	Consideration of alternative election and appointment arrangements with the President to be elected by and from the governing body.	
۸e	WALGA is an agile association which acts quickly to respond to the needs of Local Government members and stakeholders.	Timely Decision Making	WALGA's governance supports timely decision making.	WALGA's governance model facilitates responsive decision making	
que th		Engaged Decision Making	WALGA's Local Government members are engaged in decision making processes.	WALGA's governance model facilitates clear and accessible proces for Local Government members to influence policy and advocacy with consideration to alternatives to the existing zone structure.	
		Agility	Considers the flexibility of WALGA's governance to adapt to changing circumstances.	WALGA's governance model is agile and future proofed for external changes.	
resources and e to secure the be outcomes for Lo Government me and supports the delivery of high-		WALGA dedicates resources and efforts to secure the best	Focus	Considers the clarity and separation of responsibilities and accountabilities of WALGA's governance.	Governance bodies have clearly defined responsibilities and accountabilities, with the capacity to prioritise and focus on strategic issues.
	Government members and supports the delivery of high-quality projects, programs	Value Added Decision Making	Facilitates opportunities for value to be added to decision making.	Adoption of best practice board processes, and introduction of governance structures that are empowered to inform decisions.	
		Continuous Improvement	Considers regular review processes for components of the governance model, their purpose and achieved outcomes.	WALGA's governance is regularly reviewed every 3 to 5 years to ensure the best outcomes are achieved for Local Government members.	





Thank you

For more information, visit our <u>website</u> or contact Tim Lane, Manager Association and Corporate Governance, at <u>tlane@walga.asn.au</u> or 9213 2029.





Best Practice Governance Review

Consultation Paper – Model Options

Contents

Item	Section	Page
1	Introduction	<u>3</u>
2	Governance Principles	<u>5</u>
3	Options and Current Model	<u>7</u>
4	Alignment to Principles	<u>14</u>
5	Consultation Process and Next Steps	<u>20</u>



179





Best Practice Governance Review

1. Introduction

Background

Attachment B

The Western Australian Local Government Association (WALGA) developed it's Corporate Strategy 2020-25, and in doing so identified a key strategic priority, to undertake a Best Practice Governance Review. The objective of the review is to ensure WALGA's governance and engagement models are contemporary, agile, and maximise engagement with members.

Other drivers for the review included: misalignment between key governance documents; constitution amendments for State Councillors' Candidature for State and Federal elections; and legislative reforms for the *Local Government Act 1995*, and for the *Industrial Relations Act 1979*.

In March 2022, State Council commissioned the Best Practice Governance Review (BPGR) and established a Steering Committee to guide the Review.

The BPGR Steering Committee had five meetings between 5 May 2022 and 10 August 2022. There was wide-ranging discussion on WALGA's current governance model, the need to engage broadly with the membership, and opportunities for change. Key outputs from the BPGR Steering Committee meetings included:

- Agreement on five comparator organisations Australian Medical Association (AMA) WA, Chamber of Commerce and Industry (CCI) WA, Chamber of Minerals and Energy (CME), Australian Hotels Association (AHA) WA and the Pharmacy Guild (PG).
- Review of governance models of Local Government Associations in other Australian States and Territories, and New Zealand.
- Drafting of governance principles that will underpin future governance models.
- Finalisation of governance principles and principle components across the domains of: Representative, Responsive and Results Oriented.

These activities are outlined in more detail in the Background Paper.

This document

This document outlines:

Principles: The governance model principles and principle components across the domains of: Representative, Responsive and Results Oriented. The principles were endorsed at the WALGA AGM on 3 October 2022.

Governance model options: Presents four potential governance model options and the structure and roles associated with each option. The four options are:

- Option 1: Two tier model, existing zones
- · Option 2: Board, regional bodies
- · Option 3: Board, amalgamated zones
- Option 4: Member elected board, regional groups
- Option 5: Current model

Alignment to principles: Each of these options are then assessed as to whether they align with the principles and their components. The assessment considers the option and whether it meets, partially meets or does not meet the principle component. Alongside this assessment are some discussion points. An example of this relates to diversity.

Diversity is a component of the governance model being representative. Diversity here may include consideration of whether the governance model comprises an appropriate diversity of skills and experience. It also provides opportunity to consider whether the governance model provides opportunity for members of diverse backgrounds e.g. people of Aboriginal and Torres Strait Islander descent, people with Culturally and Linguistically Diverse backgrounds.

Within all the model options, direct relationship with WALGA and regional / subregional collaboration would continue to be encouraged.







Best Practice Governance Review

2. Governance Principles

Governance Principles

The following Governance Principles were endorsed by members at the 2022 AGM

	Principle	Principle component	Component description	Governance implications
Representative	WALGA unites and represents the entire local government sector in WA and understands the diverse nature and needs of members, regional communities and economies.	Composition	The composition of WALGA's governance model represents Local Government members from metropolitan and country councils.	The governing body will maintain equal country and metropolitan local government representation.
		Size	An appropriate number of members/representatives oversees WALGA's governance.	Potential reduction in the size of the overarching governing body.
Repres		Diversity	WALGA's governance reflects the diversity and experience of its Local Government members.	Potential for the introduction of a mechanism to ensure the governance model comprises an appropriate diversity of skills and experience.
		Election Process	Considers the processes by which WALGA's governance positions are elected and appointed.	Consideration of alternative election and appointment arrangements with the President to be elected by and from the governing body.
Responsive	WALGA is an agile association which acts quickly to respond to the needs of Local Government members and stakeholders.	Timely Decision Making	WALGA's governance supports timely decision making.	WALGA's governance model facilitates responsive decision making
		Engaged Decision Making	WALGA's Local Government members are engaged in decision making processes.	WALGA's governance model facilitates clear and accessible proces for Local Government members to influence policy and advocacy w consideration to alternatives to the existing zone structure.
		Agility	Considers the flexibility of WALGA's governance to adapt to changing circumstances.	WALGA's governance model is agile and future proofed for externa changes.
Results Oriented	WALGA dedicates resources and efforts to secure the best outcomes for Local Government members and supports the delivery of high-quality projects, programs and services.	Focus	Considers the clarity and separation of responsibilities and accountabilities of WALGA's governance.	Governance bodies have clearly defined responsibilities and accountabilities, with the capacity to prioritise and focus on strategic issues.
		Value Added Decision Making	Facilitates opportunities for value to be added to decision making.	Adoption of best practice board processes, and introduction of governance structures that are empowered to inform decisions.
		Continuous Improvement	Considers regular review processes for components of the governance model, their purpose and achieved outcomes.	WALGA's governance is regularly reviewed every 3 to 5 years to ensure the best outcomes are achieved for Local Government members.
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Best Practice Governance Review

3. Options and Current Model

Consultation Paper - WALGA Best Practice Governence Review

Options and Current Model

Five options, including the Current Model, with details of each of their key governance bodies

Option 1 -Two tier model, existing Zones

Option 2 -Board, Regional **Bodies**

Option 3 -Board, Amalgamated Zones

Option 4 -Member elected Board, **Regional Groups**

Option 5 -**Current Model**

Board (11 members) 8 elected from Policy Council, incl. Board elected President

> Policy Council (25 members) 24 members plus President

Up to 3 independents

Zones (5 metro, 12 country)

Board (11 members) 8 elected from Regional Bodies, incl. Board elected President Up to 3 independents

器

Regional Bodies (4 metro, 4 country)

Policy Teams / Forums / Committees

Board (15 members) 12 elected from Zones, incl. Board elected President Up to 2 independents



Zones (6 metro, 6 country)



Policy Teams / Forums / Committees

Board (11 members) 8 elected via direct election, incl. Board elected President Up to 3 independents



Policy Teams / Forums / Committees



Regional Groups

State Council (25 members) 24 State Councillors 1 President



Zones (5 metro. 12 country)



Policy Teams / Forums / Committees



Option 1 – Two Tier Model, Existing Zones

A description of the governance body structure and role for Option 1

Attachment B

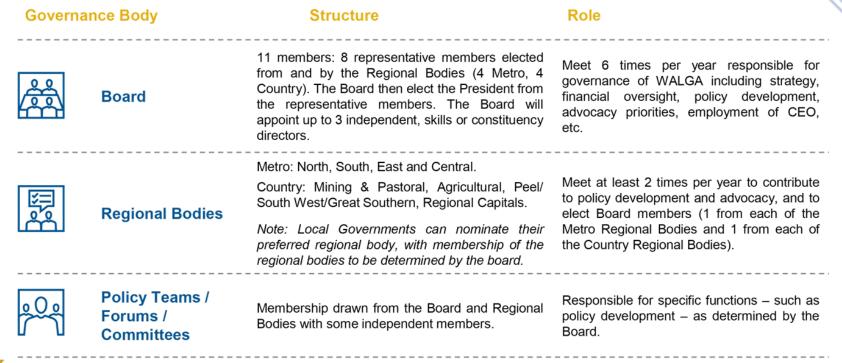
Governa	nce Body	Structure	Role	
	Board	11 members: 8 representative members elected from and by the Policy Council (4 Metro, 4 Country). The Board then elect the President from the representative members. The Board will appoint up to 3 independent, skills or constituency directors.	Meet 6 times per year. Responsible for governance of WALGA including strategy, financial oversight, policy development and endorsement, advocacy priorities, employment of CEO, etc.	
	Policy Council	24 members plus President. Members elected by and from the Zones (12 from 5 Metro Zones, 12 from 12 Country Zones).	Meet at least 2 times per year to contribute to policy positions and advocacy for input into Board, and to liaise with Zones on policy and advocacy. The Policy Council can form Policy Teams, Policy Forums and Committees, which would have responsibility for specific functions, such as policy development.	
	Zones	5 Metro, 12 Country.	Meet at least 2 times per year to raise policy issues, elect representatives to the Policy Council, and undertake regional advocacy and projects as directed by the Zone.	



Option 2 – Board, Regional Bodies

Attachment B

A description of the governance body structure and role for Option 2





Option 3 – Board, Amalgamated Zones

A description of the governance body structure and role for Option 3

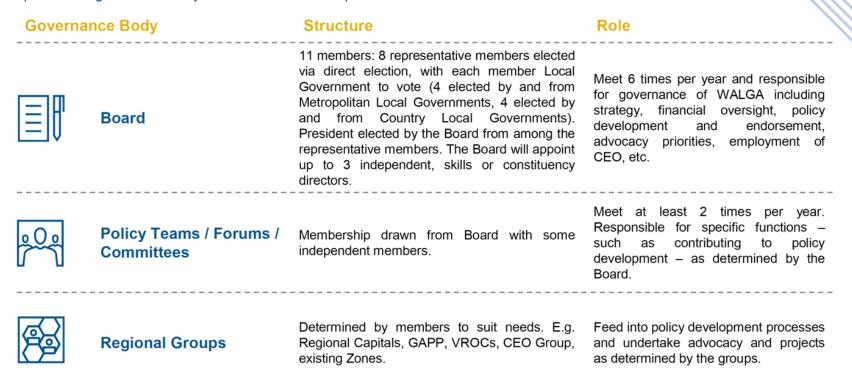
Attachment B

	Governance Body Board		Structure		Role	
			15 members: 12 elected from the Zones (6 from Metro/Peel, 6 from Country). President to be elected by the Board. The Board will appoint up to 2 independent, skills or constituency directors.		Meet 6 times per year. Responsible for the governance of WALGA including strategy, financial oversight, policy development and endorsement, advocacy priorities, employment of CEO, etc.	
		Zones	Metro/Peel:	Country*: • Wheatbelt South • Wheatbelt North • Mid West / Murchison / Gascoyne • Pilbara / Kimberley • South West / Great Southern • Goldfields / Esperance *indicative, re-drawing required	Meet at least 2 times per year to contribute to policy development and advocacy, and to elect Board members.	
~	<u>,0,</u>	Policy Teams / Forums / Committees	Membership drawn from E members.	Board with some independent	Responsible for specific functions – such as policy development – as determined by the Board.	
*						



Option 4 – Member Elected Board, Regional Groups

A description of the governance body structure and role for Option 4





Option 5 – Current Model

A description of the governance body structure and roles for the Current Model

Governance Body		Structure	Role	
	State Council	24 members plus the President. Members elected by and from the Zones (12 from 5 Metropolitan Zones, 12 from 12 Country Zones).	Responsible for the governance of WALGA including strategy, financial oversight, policy development and endorsement, advocacy, employment of CEO, etc.	
	Zones	5 Metro, 12 Country.	Consider the State Council Agenda, elect State Councillors, and undertake regional advocacy / projects as directed by the Zone.	
<u>,0.</u>	Policy Teams / Forums / Committees	Membership drawn from State Council with some independent members.	Responsible for specific functions – such as contributing to policy development, financial oversight etc. – as determined by State Council.	

189

Consultation Paper - WALGA Best Practice Governence Review







Best Practice Governance Review

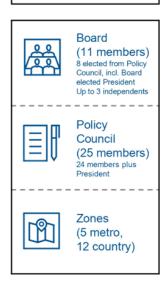
4. Alignment to Principles

Option 1 – Two Tier Model, Existing Zones

Option 1 and its alignment to the principles

Attachment B

Option 1 – Two tier model, existing Zones



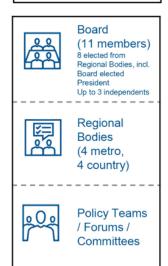
Principle & component		Principle alignment (Meets, partial, does not meet)	Discussion points
	Composition	Meets	Board will have equal metropolitan and country membership
tive	Size	Meets	Board is smaller
epresentative	Diversity	Meets	Consideration of appointment processes for independent members
Repr	Election Process	Meets	Board to be elected from Policy Council
ω.	Timely Decision Making	Meets	Meeting frequency aligned to governing body roles
Responsive	Engaged Decision Making	Meets	Board meetings are not dependent on other governing body meetings
Resp	Agility	Partial	Board is future-proofed from external changes Zone structures still underpin Council
·	Focus	Partial	Prioritisation and focus may be a challenge
Results Oriented	Value Added Decision Making	Meets	Best practice board approaches will be adopted
Res	Continuous Improvement	Meets	Board would be responsible for ongoing reviews of governance body roles in consultation with members



Option 2 - Board, Regional Bodies Option 2 and its alignment to the principles

Attachment B

Option 2 -Board, Regional **Bodies**



Principle & component		Principle alignment (Meets, partial, does not meet)	Discussion points
	Composition	Meets	Board will have equal metropolitan and country membership How to establish regional body membership is a consideration
ative	Size	Partial	Board is smaller Number of regional bodies is a consideration
epresentative	Diversity	Meets	Consideration of appointment processes for independent members
Repr	Election Process	Meets	Board election from regional bodies
o .	Timely Decision Making	Meets	Meeting frequency aligned to governing body roles
Results Responsive	Engaged Decision Making	Meets	Board meetings are not dependent on regional body meetings
	Agility	Meets	Board and regional bodies are future proofed from external changes
	Focus	Partial	There may be challenges defining accountabilities and responsibilities of regional bodies
	Value Added Decision Making	Meets	Best practice board approaches will be adopted
	Continuous Improvement	Meets	Board will be responsible for ongoing reviews of governing body roles in consultation with members

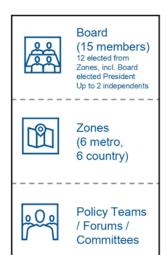


Option 3 – Board, Amalgamated Zones

Option 3 and its alignment to the principles

Attachment B

Option 3 – Board, Amalgamated Zones



Principle & component		Principle alignment (Meets, partial, does not meet)	Discussion points
	Composition	Partial	Board will have equal metropolitan and country membership There may be composition challenges for amalgamated zones
ative	Size	Partial	Board is smaller Amalgamation of zones to 12 in total
epresentative	Diversity	Meets	Consideration of appointment processes for independent members
Repre	Election Process	Meets	Board election from zones
Φ.	Timely Decision Making	Meets	Meeting frequency aligned to governing body roles
Responsive	Engaged Decision Making	Meets	Board meetings are aligned to zone meetings
Resp	Agility	Meets	Board is future proofed from external changes
	Focus	Partial	Prioritisation and focus may be a challenge
Results Oriented	Value Added Decision Making	Meets	Best practice board approaches will be adopted
Res	Continuous Improvement	Meets	The Board would be responsible for ongoing reviews of governance body roles in consultation with members



Option 4 – Member Elected Board, Regional Groups

Option 4 and its alignment to the principles

Attachment B

Option 4 – Member elected Board, Regional Groups



Principle & component		Principle alignment (Meets, partial, does not meet)	Discussion points
	Composition	Partial	Board will have equal metropolitan and country membership Membership of regional groups dynamic and ad hoc
ative	Size	Partial	Board is smaller
epresentative	Diversity	Meets	Consideration of appointment processes for independent members
Repr	Election Process	Meets	Board election from a general meeting
υ	Timely Decision Making	Meets	Meeting frequency aligned to governing body roles
Responsive	Engaged Decision Making	Meets	Board meetings are not dependent on policy teams / regional group meetings
Resp	Agility	Meets	Board is future-proofed from external changes
	Focus	Partial	Policy teams / Regional Group meetings to influence priorities
Results Oriented	Value Added Decision Making	Meets	Best practice board approaches will be adopted
	Continuous Improvement	Meets	Board would be responsible for ongoing reviews of governing body roles in consultation with members

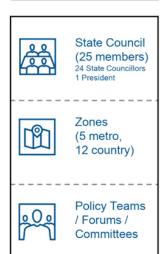


Option 5 – Current Model

Attachment B

Current model and its alignment to the principles

Option 5 – Current Model



Principle & component		Principle alignment (Meets, partial, does not meet)	Discussion points
	Composition	Meets	State Council has equal metropolitan and country membership
ative	Size	Partial	State Council will retain 25 members
epresentative	Diversity	Partial	No control of diversity of State Council
Repre	Election Process	Meets	State Council election from zones
ο .	Timely Decision Making	Partial	Meeting frequency aligned to governing body roles
Responsive	Engaged Decision Making	Meets	State Council meetings are aligned to zone meetings
Resp	Agility	Partial	State Council is not future proofed from external changes
	Focus	Partial	Prioritisation and focus may remain a challenge
sults	Value Added Decision Making	Partial	Best practice board approaches will not be adopted
Results	Continuous Improvement	Meets	State Council would continue to be responsible for ongoing reviews of governance body roles in consultation with members







Best Practice Governance Review

5. Consultation Process and Next Steps

WALGA Best Practice Governance Review

Consultation Process and Next Steps

Consultation Process

Council Position

Member Local Governments are asked to consider this paper and the governance model options put forward and provide a Council endorsed position to WALGA.

It is suggested that Councils endorse a preferred model (which could be the Current Model) and provide a ranking in terms of an order of preference.

Submissions to WALGA are sought by 23 December 2022.

Supplementary Market Research

An independent market research company has been engaged to ascertain insights from Elected Members and Chief Executive Officers about WALGA's governance model. Qualitative interviews and a quantitative survey will be undertaken to supplement Council positions.

Workshops and Forums

Requests for presentations on the work undertaken by the Steering Committee and the model options, as well as facilitation of workshops and discussions will be accommodated where practicable.

Next Steps

Timetable

- · Consultation and engagement with Members on this paper and governance model options will be undertaken from October 2022 until 23 December 2022.
- · The Steering Committee will consider the outcomes of the consultation process during January 2023.
- · A Final Report with a recommended direction will be the subject of a State Council Agenda item for the March 2023 State Council meeting.







Thank you

For more information, visit our <u>website</u> or contact Tim Lane, Manager Association and Corporate Governance, at <u>tlane@walga.asn.au</u> or 9213 2029.