



City of Stirling Financial Statements

For the year ended 30 June 2021

Understanding the financial report and general purpose financial statements

The City's Financial Report and general purpose financial statements are prepared in accordance with the Australian Accounting Standards (as they apply to local governments and not for profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995*, accompanying regulations and amendments.

The Financial Report and general purpose financial statements are accepted by Council at the annual Electors General Meeting.

Financial Statements

The financial statements consist of six financial reports, explanatory notes supporting the reports and endorsement from the Chief Executive Officer and the Auditor General.

The six financial reports are:

- Statement of Comprehensive Income by Nature or Type
- Statement of Comprehensive Income by Program
- Statement of Financial Position
- Statement of Changes in Equity
- Statement of Cash Flows
- Rate Setting Statement by Nature or Type

Statement of Comprehensive Income by Nature or Type and Program

The Statement of Comprehensive Income measures the City's performance over the year.

It lists the sources of the City's revenue under various income headings and the expenses incurred in running the City during the year. The expenses relate only to the 'Operations' and do not include the cost associated with the purchase or the building of assets. Expenses do include an item for depreciation which is the value of the assets used up during the year.

Statement of Financial Position

The Statement of Financial Position shows the assets the City owns and what it owes (liabilities) as at 30 June 2021.

The assets and liabilities are separated into Current and Non-Current. Current refers to assets or liabilities that will fall due within the next 12 months (except Long Service Leave refer note 11 within the Notes to the accounts).

City of Stirling – Understanding the Financial Report and General Purpose Financial Statements

Statement of Changes in Equity

The Statement of Changes in Equity summarises the change in value of Total Ratepayers Equity.

The value of equity can only change as a result of:

- The profit or loss from operations described as surplus or deficit in the income statement.
- The use of monies from the City's Reserves.
- A change in the value of non-current assets resulting from a revaluation of these assets.

Statement of Cash Flows

The Statement of Cash Flows summarises the City's cash payments and receipts for the year and the level of cash at the end of the financial year.

Cash in this statement refers to Bank Deposits and investments capable of being quickly converted to cash.

The City's cash arises from, and is used in, two main areas:

- Cash Flows from Operating Activities – summarises all income and expenses relating to City operations, including service delivery and maintenance.
- Cash Flows from Investing Activities – relates to capital works payments recorded as assets in the Statement of Financial Position as well as receipts for the sale of assets

Rate Setting Statement by Nature or Type and Program

The Rate Setting Statement is a summary of all operating and capital sources of funds and the application of these funds.

The Rate Setting Statement is a critical part of the budget process and establishes the deficit to be made up from rates. The deficit is derived by offsetting all sources of income (except rates) against operating and capital expenditure which is then covered by the raising of rates from the ratepayers of the City.

The Rate Setting Statement is prepared as set out in the *Local Government (Financial Management) Regulations 1996* and the guidelines issued by the Department of Local Government, Sport and Cultural Industries.

Notes to the Statements

The Notes to the Statements are an informative section of the report and enable the reader to understand the basis on which the values shown in the statements are established.

The notes also advise if there has been any change to the Accounting Standards, Policy or Legislation that has impacted on the preparation of the statements.

Within the six Financial Statements, there is a “Note” column to indicate which Note the reader can refer to for additional information. This is particularly useful where there has been a significant change from the previous year’s comparative figure.

Statement by Chief Executive Officer

The Annual Financial Report and supporting notes require certification under the *Local Government Act 1995*. The certifications are made by the Chief Executive Officer on behalf of the City as a written undertaking to the Statements being correct and not misleading.

Auditor General Report

Under the *Local Government Amendment (Auditing) Act 2017*, the Auditor General is now responsible for the audit of the City of Stirling 2020-2021 annual financial audit.

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Statement by Chief Executive Officer

The attached financial report of the City of Stirling for the financial year ended 30 June 2021 is based on proper accounts and records to present fairly the financial position of the City of Stirling at 30 June 2021 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 22 day of December 2021



STUART JARDINE PSM
CHIEF EXECUTIVE OFFICER





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Statement of Comprehensive Income by Nature or Type

For the year ended 30 June 2021

	Note	2021 Budget	2021 Actual	2020 Restated Actual *
		\$	\$	\$
Revenue				
Rates	18a	137,605,072	138,442,109	141,203,971
Security service charge	4b, 18e	2,994,630	3,043,380	3,023,880
Grants and subsidies	4b	12,506,214	13,722,118	13,331,681
Contributions, reimbursements and donations		2,621,146	3,228,444	3,049,998
Waste service charge	4b	38,677,356	38,477,025	39,326,088
Fees and charges	4b	17,406,179	19,136,668	15,643,540
Interest earnings	4b	2,704,100	1,006,246	2,933,149
Registrations/Licences and permits		4,058,833	4,539,145	3,770,485
Underground power	4b	-	39,389	1,633,607
Other revenue/income		3,649,346	4,350,511	3,052,294
Total revenue from ordinary activities		222,222,876	225,985,035	226,968,693
Expenses				
Employee costs		(84,460,448)	(84,298,287)	(78,247,546)
Materials and contracts direct maintenance of non-current assets		(23,294,552)	(22,090,761)	(21,470,376)
Materials and contracts other works		(76,626,388)	(69,012,886)	(74,003,764)
Underground power		-	(36,756)	(1,600,357)
Utility charge		(7,437,564)	(7,259,739)	(7,643,334)
Depreciation and amortisation	4a, 4d	(47,316,143)	(51,022,381)	(50,171,318)
Interest expenses	4a	-	(6,873)	(7,509)
Insurance expenses		(1,831,135)	(1,647,821)	(1,457,852)
Other expenditure		(4,002,126)	(3,773,009)	(2,440,369)
Total expenditure from ordinary activities		(244,968,356)	(239,148,513)	(237,042,425)
Net result from operating activities		(22,745,480)	(13,163,478)	(10,073,732)
Non-operating activities				
Grants and subsidies		29,884,626	19,808,685	10,310,628
Gifted and acquired assets		-	65,000	1,505,592
Share of profit/(loss) of associates accounted for using the equity method	4b	-	(1,790,492)	(311,935)
Profit/(Loss) on sale of Tamala Park land	4b, 16	1,000,000	4,165,714	2,913,342
Fair value adjustment to financial assets		-	6,465	(176,866)
Profit on asset disposals	4b, 4e	394,197	2,272,748	1,308,042
Loss on asset disposals	4b, 4e	(577,420)	(1,158,333)	(2,163,910)
Total non-operating activities		30,701,403	23,369,787	13,384,893
Net result		7,955,923	10,206,309	3,311,161
Other comprehensive income				
Changes on revaluation of non-current assets	12b	-	-	(581,004,188)
Total comprehensive income		7,955,923	10,206,309	(577,693,027)

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

* Refer Note 26 - 'Prior period restatements and guarantee payments'.

Statement of Comprehensive Income by Program

For the year ended 30 June 2021

	Note	2021 Budget	2021 Actual	2020 Restated Actual *
		\$	\$	\$
Revenue from operations				
General purpose funding	18a	144,865,516	144,674,737	149,209,556
Governance		1,692,730	1,752,049	1,742,657
Law, order and public safety		3,385,022	3,596,850	3,790,948
Health		192,220	271,874	207,655
Education and welfare		11,585,999	11,557,552	10,903,560
Community amenities		42,970,489	43,539,990	43,537,673
Recreation and culture		12,440,321	14,799,770	10,538,097
Transport		2,532,400	2,490,147	2,917,823
Economic services		2,216,150	2,274,910	3,589,545
Other property and services		342,029	1,027,156	531,179
Total revenue		222,222,876	225,985,035	226,968,693
Expenses from operations				
General purpose funding		(40,000)	(274,538)	(964,567)
Governance		(12,829,645)	(12,219,221)	(12,987,976)
Law, order and public safety		(8,223,705)	(8,116,127)	(7,881,732)
Health		(2,894,400)	(2,748,871)	(2,773,116)
Education and welfare		(18,840,153)	(19,096,227)	(17,965,088)
Community amenities		(51,368,189)	(49,990,359)	(45,174,812)
Recreation and culture		(69,664,271)	(72,006,322)	(68,774,904)
Transport		(58,614,844)	(56,811,184)	(55,503,871)
Economic services		(5,453,450)	(5,024,588)	(6,588,257)
Other property and services		(17,039,699)	(12,861,076)	(18,428,102)
Total expenditure		(244,968,356)	(239,148,513)	(237,042,425)
Net result		(22,745,480)	(13,163,478)	(10,073,732)
Non-operating grants, subsidies, contributions				
General purpose funding		2,202,840	2,257,042	2,439,107
Governance		-	84,891	21,988
Community amenities		50,000	-	-
Recreation and culture		391,668	625,179	1,226,088
Transport		26,383,193	4,490,800	3,542,658
Other property and services		856,925	12,350,773	3,080,787
Total non-operating grants, subsidies, contributions		29,884,626	19,808,685	10,310,628

Statement of Comprehensive Income by Program (continued)

For the year ended 30 June 2021

	Note	2021 Budget	2021 Actual	2020 Restated Actual *
		\$	\$	\$
Gifted and previously unrecognised assets				
Recreation and culture		-	65,000	-
Other property and services		-	-	1,505,592
Total gifted and previously unrecognised assets		-	65,000	1,505,592
Share of profit/(loss) in equity accounted investment				
Other property & services		-	(1,790,492)	(311,935)
Total equity share of investment		-	(1,790,492)	(311,935)
Profit on sale of Tamala Park land				
Other property and services		1,000,000	4,165,714	2,913,342
Total Profit on sale of Tamala Park land		1,000,000	4,165,714	2,913,342
Fair Value Adjustment to Financial Assets				
Other property & services		-	6,465	(176,866)
Total Fair Value Adjustment to Financial Assets		-	6,465	(176,866)
Profit/(Loss) on disposal of Assets				
Governance		-	(1,506)	(157,551)
Law, order and public safety		-	8,283	(2)
Health		-	(6)	(99,664)
Education and welfare		-	(13,920)	(177,000)
Community amenities		-	1,173,636	(5,325)
Recreation and culture		-	(785,055)	(127,451)
Transport		-	(5)	10,998
Economic services		-	-	635
Other property and services		(183,223)	732,988	(300,509)
Total profit/(loss) on disposal of assets		(183,223)	1,114,415	(855,868)
Net result		7,955,923	10,206,309	3,311,161
Other comprehensive income				
Changes on revaluation of non-current assets		-	-	(581,004,188)
Total comprehensive income		7,955,923	10,206,309	(577,693,027)

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

* - Refer note 26 - 'Prior period restatements and guarantee payments'.

Statement of Financial Position

For the year ended 30 June 2021

	Note	2021 \$	2020 Restated* \$
Assets			
Current assets			
Cash and cash equivalents	5	144,619,551	125,256,781
Trade and other receivables	6a	8,033,850	6,672,461
Other assets	6c	1,341,280	1,324,464
Inventories	7a	305,134	2,716,891
Contract Assets	7b	1,676,982	105,836
Total current assets		155,976,797	136,076,433
Non-current Assets			
Investments*	16	26,167,259	25,077,097
Other financial assets at fair value through profit and loss	2	184,517	178,053
Trade and other receivables	6b	9,491,786	7,367,304
Intangibles	9	2,594,710	-
Property, plant and equipment	8a	747,916,543	753,515,004
Infrastructure	8d	1,661,588,197	1,659,953,771
Right of use assets	7c	119,623	98,917
Contract Assets	7b	2,185	10,379
Total non-current assets		2,448,064,820	2,446,200,525
Total assets		2,604,041,617	2,582,276,958
Liabilities			
Current liabilities			
Trade and other payables	10a	40,916,401	30,815,104
Other liabilities	10b	2,931,290	932,091
Lease liabilities	10c	50,702	36,288
Employee related provisions	11	18,859,533	16,372,165
Total current liabilities		62,757,926	48,155,648
Non-current liabilities			
Employee related provisions	11	1,357,262	1,176,106
Lease liabilities	10c	72,815	65,928
Total non-current liabilities		1,430,077	1,242,034
Total liabilities		64,188,003	49,397,682
Net assets		2,539,853,614	2,532,879,276
Equity			
Accumulated surplus		1,061,236,390	1,053,295,951
Reserves - cash/investment backed	12a	84,898,889	82,218,244
Reserves - asset revaluation	12b	1,393,718,335	1,397,365,081
Total equity		2,539,853,614	2,532,879,276

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

* Refer Note 26 - 'Prior period restatements and guarantee payments'.

Statement of Changes in Equity

For the year ended 30 June 2021

	Note	Accumulated surplus \$	Reserves cash backed \$	Revaluation surplus \$	Total equity \$
Balance as at 30 June 2019		1,068,420,718	73,924,249	1,989,629,514	3,131,974,481
Change in accounting policy in Associate	26b	(13,813,375)	-	-	(13,813,375)
Prior period corrections	26c	(1,012,717)	-	(170,558)	(1,183,275)
Restated balance as at 1 July 2019	12b, 26	1,053,594,626	73,924,249	1,989,458,956	3,116,977,831
Change in accounting policy	12b	(405,529)	-	(6,000,000)	(6,405,529)
Comprehensive income					
Net result (restated)	26	3,311,162	-	-	3,311,162
Change on revaluation of non-current assets (restated)	12b, 26	-	-	(581,004,188)	(581,004,188)
Total comprehensive income (restated)		3,311,162	-	(581,004,188)	(577,693,026)
Realisation of revaluation reserve upon disposal of assets	12b, 26c	5,089,687	-	(5,089,687)	-
Transfers to reserves	12a	(18,449,707)	18,449,707	-	-
Transfers from reserves	12a	10,155,712	(10,155,712)	-	-
Restated balance as at 30 June 2020		1,053,295,951	82,218,244	1,397,365,081	2,532,879,276
Restated total equity as at 1st July 2020		1,053,295,951	82,218,244	1,397,365,081	2,532,879,276
Comprehensive income					
Net result		10,206,309	-	-	10,206,309
Total comprehensive income		10,206,309	-	-	10,206,309
Realisation of revaluation reserve upon disposal of assets	12b	3,646,746	-	(3,646,746)	-
Transfers to and from trust	14	(3,231,971)	-	-	(3,231,971)
Transfers to reserves	12a	(14,552,716)	14,552,716	-	-
Transfers from reserves	12a	11,872,071	(11,872,071)	-	-
Balance as at 30 June 2021		1,061,236,390	84,898,889	1,393,718,335	2,539,853,614

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

Statement of Cash Flows

For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts			
Rates		136,798,963	136,625,906
Underground power		18,236	1,633,607
Fees from regulatory services		4,524,580	3,767,446
User charges		60,836,367	57,913,384
Interest earned		1,196,577	3,178,943
Other grants and contributions		16,943,782	15,738,885
Activity functional operating revenue		8,552,570	7,087,249
		228,871,075	225,945,420
Payments			
Staff expenses		(102,995,110)	(100,722,424)
Materials and contracts		(69,142,749)	(74,470,054)
Underground power		(36,755)	(1,600,357)
Utilities		(7,259,739)	(7,643,334)
Insurance		(1,647,822)	(1,457,852)
Interest		(6,873)	(7,509)
Other expenditure		(3,537,781)	(2,462,116)
		(184,626,829)	(188,363,646)
Net cash from operating activities	17c	44,244,246	37,581,774
Cash flows used in investing activities			
New and redevelopment of community infrastructure		(37,401,658)	(29,376,985)
Payments for purchase of property, plant and equipment		(17,740,553)	(20,311,816)
Transfer to trust	14	(3,538,400)	-
Transfer from Trust	14	4,344,066	-
Payments for principal portion of lease liabilities	7c	(39,832)	(32,266)
Distributions from investment in associate	16	3,000,000	1,000,000
Proceeds from sale of property, plant and equipment	4e	6,686,216	4,508,224
Non-operating grants and subsidies		19,808,685	10,040,511
Net cash used in investing activities		(24,881,476)	(34,172,332)
Net increase in cash and cash equivalent		19,362,770	3,409,442
Cash and cash equivalent at beginning of reporting period		125,256,781	121,847,339
Cash and cash equivalent at end of reporting period	5, 17a	144,619,551	125,256,781

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

Rate Setting Statement – by Nature or Type

For the year ended 30 June 2021

	Note	2021 Budget	2021 Actual	2020 Restated Actual *
		\$	\$	\$
Net surplus at start of financial year		28,449,259	22,173,623	26,581,252
Revenue				
Security service charge		2,994,630	3,043,380	3,023,880
Grants and subsidies		12,506,214	13,722,118	13,331,681
Contributions, reimbursements and donations		2,621,146	3,228,444	3,049,998
Waste service charge		38,677,356	38,477,025	39,326,088
Fees and charges		17,406,179	19,136,668	15,643,540
Interest earnings		2,704,100	1,006,246	2,933,149
Registrations/licences and permits		4,058,833	4,539,145	3,770,485
Underground power		-	39,389	1,633,607
Other revenue/income		3,649,346	4,350,511	3,731,385
Total revenue from ordinary activity		84,617,804	87,542,926	86,443,813
Expenses				
Employee costs		(84,460,448)	(84,298,287)	(78,247,546)
Materials & contracts direct maintenance of non-current assets		(23,294,552)	(22,090,761)	(21,470,376)
Materials & contracts other works		(76,626,388)	(69,012,886)	(74,003,764)
Underground power		-	(36,756)	(1,600,357)
Utilities		(7,437,564)	(7,259,739)	(7,643,334)
Depreciation on non-current assets		(47,316,143)	(51,022,381)	(50,171,318)
Interest expenses		-	(6,873)	(7,509)
Insurance expenses		(1,831,135)	(1,647,821)	(1,457,852)
Other expenditure		(4,002,126)	(3,773,009)	(2,440,369)
Total Expenditure from ordinary activities		(244,968,356)	(239,148,513)	(237,042,426)
Total operating		(160,350,552)	(151,605,587)	(150,598,613)
Operating activities excluded				
Profit on disposal of assets		(394,197)	2,272,748	1,308,042
Loss on disposal of assets		577,420	(1,158,333)	(2,163,910)
Impairment of financial assets		-	6,465	(155,118)
Movement in non-current lease liability		-	6,887	-
Movement in non current assets and payables		-	(6,186,602)	(1,124,779)
Movement leave provisions		-	2,668,525	-
Gifted & previously unrecognised assets		-	65,000	1,505,592
Depreciation on assets		47,316,143	51,022,381	50,171,318
Total Excluded from Operating Result		47,499,366	48,697,071	49,541,145
Amount attributed to operating activities		(112,851,186)	(102,908,516)	(101,057,468)
INVESTMENT ACTIVITIES				

Rate Setting Statement – by Nature or Type (continued)

For the year ended 30 June 2021

	Note	2021 Budget	2021 Actual	2020 Restated Actual *
		\$	\$	\$
Grants & Subsidies		29,884,626	19,808,685	9,025,242
Share of profit and equity of associates accounted for using the equity method (including TPRC land sales)	4b	1,000,000	2,375,222	1,516,871
Proceeds from Disposal of Assets	4e	3,025,700	6,686,216	4,508,223
Profit / (Loss) on Disposals		(183,223)	(1,114,415)	855,868
Total Capital Expenditure		(109,535,220)	(52,262,039)	(52,387,606)
Amount attributed to investment activities		(76,808,117)	(24,506,331)	(36,481,403)
FINANCIAL ACTIVITIES				
Transfers (to) & from Town Planning Schemes and Trust	14	433,820	(3,231,971)	1,285,385
Payments for principal portion of lease liabilities	7c	-	(39,832)	(32,366)
Transfers to reserves	12a	(7,743,410)	(14,552,716)	(18,449,707)
Transfers from reserves	12a	29,914,561	11,872,071	10,155,712
Amount attributed to financial activities		22,604,971	(5,952,448)	(7,040,976)
Change in accounting policy		-	-	(352,663)
Net surplus/(deficit) end of financial year	25	-	27,248,436	22,173,623
Amount Required to be raised from Rates		(137,605,072)	(138,442,109)	(140,524,880)

* Refer Note 26 - 'Prior period restatements and guarantee payments'.

Notes to and forming part of the financial statements

For the year ended 30 June 2021

1. Summary of significant accounting policies

a) Basis of preparation

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, *the Local Government Act 1995* and accompanying regulations plus any amendments under the *Local Government Amendment (Auditing) Act 2017*.

The *Local Government Act 1995* and accompanying *Regulations* take precedence over Australian Accounting Standards where they are inconsistent.'

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

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

The Local Government Reporting Entity

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

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears in note 14 to these financial statements.

Initial application of accounting standards

On 1 July 2020 the following new accounting standards were adopted

- AASB 1059 Service Concession Arrangements: Grantors is not expected to impact the City's financial report.

- AASB 2018-7 Amendments to Australian Accounting Standards - the materiality of any changes have not been identified by the City as at 30 June 2020.

New accounting standards for application in future years

The following new accounting standards will have application to the City in the future:

- AASB 2020-1 Amendments to Australian Accounting Standards - classification of liabilities as current or non-current

- AASB 2020-3 Amendments to Australian Accounting Standards - annual improvements 2018-2020 and other amendments

- AASB 2021-2 Amendments to Australian Accounting Standards - disclosures of accounting policies or definition of accounting estimates

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

b) 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.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

1. Summary of significant accounting policies (continued)

c) Rates, grants, donations and other contributions

Rates, grants, donations and other contributions are recognised as revenues when the City obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions were accounting for in accordance with AASB 15 and AASB 1058.

d) Fees and charges

Revenue (other than service charges) from the use of facilities and charges made for local government services rates, rentals, hire charges, fee for service, photocopying charges, license, sale of goods and information, fines, penalties and administration fees. Dependent on the type of charge the obligation may be satisfied either over time or a single point in time. Revenue for fees and charges can either be recognised either when notices are issued (fines), service is provided, entry or conclusion of hire of facilities or use of output method in case of memberships.

e) Service charges

This revenue is largely from the refuse charge and security charges. The Refuse Charge provides for the provision of services that ensures the City waste collections and amenity are maintained while reducing the associated environmental footprint.

The security program aims to meet the community's concerns through security patrols and security awareness. It is expected that the revenue raised will be expended on the provision of services. If surplus funds are identified at the end of the year, these funds will be transferred to a specific reserve for use in providing the service in future years. Obligations are typically satisfied over time with revenue being recognised when rates notices are issued.

f) Rounding off figures

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

g) Comparative figures

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

h) 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.

i) Fair value of assets and liabilities

When performing a revaluation, the City uses a mix of both independent and management valuations using the following as a guide:

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. 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 (i.e. the market with the greatest volume and level of activity for the asset) 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.

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 City 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 statements (continued)

For the year ended 30 June 2021

1. Summary of significant accounting policies (continued)

i) Fair value of assets and liabilities (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 an asset at its current service capacity.

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.

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 5 years.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

2. Other financial assets

Non-current	2021 \$	2020 \$
Financial assets at fair value through profit and loss	184,517	178,053
	184,517	178,053

The City, along with other Local Authorities is a beneficiary of the Local Government Unit Trust.

The City of Stirling holds 10 units in the Trust. As set out in the Trust Deed units in the Trust can only be issued to Local Authorities recognised under the Local Government Act and cannot be commercially traded.

Other financial assets at amortised cost

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

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

Financial assets at fair value through profit and loss

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

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

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 22.

3. Critical accounting estimates and judgements

Critical accounting estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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:

- Employee expenses
- Other financial assets
- Property, Plant and Equipment
- Infrastructure
- Intangible assets
- Right-of-use assets
- Lease liabilities
- Borrowing liabilities
- Provisions

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

4. Operating revenues and expenses

a) The Change in net assets resulting from operations was arrived at after charging the following items:

	2021 \$	2020 \$
Depreciation on:		
Buildings	6,203,731	6,215,811
Plant and equipment	1,606,964	2,016,719
Mobile vehicles and plant	4,845,192	5,544,690
Furniture and office equipment	1,501,581	1,836,649
Recreation equipment	664,572	804,087
Roads	21,986,447	19,538,862
Drainage	5,736,751	5,986,579
Footpaths	2,493,068	1,850,913
Other engineering infrastructure	597,657	702,823
Other engineering reticulation	1,758,017	1,685,111
Other engineering parks	2,176,685	2,940,289
Right of Use Assets	40,427	34,154
Lighting	1,083,607	1,014,629
Intangibles	327,682	-
	51,022,381	50,171,318
Materials & contracts other works - Auditors remuneration		
Audit of the Annual Financial Report	91,800	90,000
	91,800	90,000
Interest Expense		
Interest on third party payables	6,873	7,509
	6,873	7,509

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

4. Operating revenues and expenses (continued)

b) The change in net assets resulting from operations was arrived at after crediting the following items:

	Note	2021 \$	2020 \$
Underground Power			
Other underground power		39,389	1,633,607
		39,389	1,633,607
Share of profit/(loss) of associate accounted for using the equity method			
Share of profit/(loss) of Mindarie Regional Council	16	(1,599,635)	(258,470)
Share of profit/(loss) of Tamala Park Regional Council	16	(190,857)	(53,465)
		(1,790,492)	(311,935)
Profit/(Loss) on land sales at Tamala Park			
Cost of land sold and land development expenses		(6,497,785)	(1,563,192)
Proceeds for sale of land		10,663,499	4,476,534
		4,165,714	2,913,342
Interest earnings			
Interest on reserve fund investments		362,622	1,131,347
Interest on other money investments		611,404	1,675,454
Other interest		32,220	126,347
		1,006,246	2,933,149
Net profit on sale of non-current assets			
		1,114,415	(855,868)
Security service charge			
<i>Program</i>			
Law, order & public safety		3,043,380	3,023,880
Operating grants and subsidies			
<i>Program</i>			
General purpose funding		4,628,417	4,755,771
Law, order & public safety		82,612	70,157
Health		-	300
Education & welfare		7,797,463	7,999,619
Recreation & culture		832,868	214,457
Transport		160,548	153,387
Other property & services		220,210	137,990
		13,722,118	13,331,681

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

4. Operating revenues and expenses (continued)

b) The change in net assets resulting from operations was arrived at after crediting the following items:
(continued)

	Note	2021 \$	2020 \$
Waste service charge			
<i>Program</i>			
Community amenities		37,693,819	39,326,088
Recreation & culture		783,206	-
		38,477,025	39,326,088
Fees and charges			
<i>Program</i>			
General purpose funding		-	27,060
Governance		9,577	5,923
Law, order & public safety		33,781	40,073
Education & welfare		3,709,296	2,866,088
Community amenities		2,303,967	2,139,629
Recreation & culture		11,976,083	9,492,023
Transport		1,103,964	1,072,744
		19,136,668	15,643,540

c) Statement of objective

The City is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

Governance

To manage the administrative functions of the Council.

Law, order and public safety

To increase the support for the protection of life and property within the City and reduce inconvenience through the enforcement of statutory powers and the provision of public order, safety and security services.

Health

To maintain and improve the health and well-being of the community.

Education and welfare

To facilitate the provision of a range of services and encourage their utilisation for the social well-being of the community.

Community amenities

To develop waste and environment management programs which recognise community needs.

Recreation and culture

To plan, construct, maintain and initiate a range of facilities and programs which enables the community to satisfy its need for information, personal development, recreation and leisure.

Transport

To provide facilities and services within the road reserve which promote safety, ease of access and improve the amenity of the locality.

General purpose funding

To minimise the costs of financing City operations through effective financial planning and management.

Economic services

To plan facilities and regulate land use consistent with community expectations and environmental considerations.

Other property and services

1. To provide a community information network that complements and supports the corporate and program objectives of the City.
2. To facilitate, develop and maintain City buildings and property.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

4. Operating revenues and expenses (continued)

d) Depreciation of assets (by program)

	\$
Governance	777,422
Law, order and public safety	93,199
Health	9,608
Education and welfare	409,655
Community amenities	988,726
Recreation and culture	12,812,010
Transport	29,317,810
Economic services	20,573
Other property and services	6,593,378
	<u>51,022,381</u>

e) Disposal of assets (by program)

	Sale Price \$	Net Book Value \$	Profit or (Loss) on Sales \$
Governance	11,945	13,451	(1,506)
Law, order and public safety	8,288	5	8,283
Health	-	6	(6)
Education and welfare	-	13,920	(13,920)
Community amenities	3,973,636	2,800,000	1,173,636
Recreation and culture	1,186	786,241	(785,055)
Transport	-	5	(5)
Other property and services	2,691,161	1,958,173	732,988
	<u>6,686,216</u>	<u>5,571,801</u>	<u>1,114,415</u>

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

5. Cash and cash equivalents

	Note	2021 \$	2020 \$
a) Cash on hand			
Unrestricted		70,525	29,835
		70,525	29,835
b) Short maturity investments			
Restricted		101,303,116	89,980,260
Unrestricted municipal		43,245,910	35,246,686
		144,549,026	125,226,946
Total cash and cash equivalents		144,619,551	125,256,781
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserves - cash/ investment backed	12a	84,898,889	82,218,244
Bonds and other payables	10a	13,472,937	7,762,016
Contract liabilities for contracts with customers	10b	1,548,884	337,846
Grants for transfers for recognisable non-financial assets	10b	1,382,406	594,245
		101,303,116	90,912,351

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, a municipal fund bank account, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less investments that are readily convertible to cash and are subject to an insignificant risk of changes in values.

Bonds and other payables

Bonds and other payables include cash in lieu of public open space (received prior to 10 April 2006) and bonds for verges, hall hire, performance bonds, street trees, unclaimed monies and levies payable to other organisations.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

6. Trade and other receivables

	2021 \$	2020 \$
a) Current		
Rates outstanding	4,213,002	4,510,027
Debtors: Libraries	24,019	30,373
Commercial waste	1,522,780	968,891
Fines and penalties	188,241	187,678
Sundry	1,099,084	500,987
Australian Taxation Office - GST	1,161,484	686,235
	8,208,610	6,884,191
Less: Allowance for impairment of receivables	(174,760)	(211,730)
	8,033,850	6,672,461
b) Non-current		
Rates outstanding - pensioners	1,785,260	1,672,480
Various debtors		
Rates Outstanding	4,358,483	1,636,420
Libraries	129,117	150,690
Commercial Waste	4,105	6,350
Fines & Penalties	631,435	506,465
Sundry	372,796	293,326
Underground Power	2,596,044	3,221,176
Deferred debtors	70,575	70,575
	9,947,815	7,557,482
Less: Allowance for impairment of receivables	(456,029)	(190,178)
	9,491,786	7,367,304
c) Other assets		
Interest due on investments not matured	100,437	290,770
Current prepayments	1,240,843	1,033,694
	1,341,280	1,324,464

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

6. Trade and other receivables (continued)

Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Trade receivables are recognised at original invoice amount less any expected credit loss for uncollectible amounts. The carrying amount of net trade receivables is equivalent to the fair value as invoiced less any impairment and risk exposure.

Trade receivables are held with the objective to collect the contractual cashflows and therefore measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value.

Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

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.

Classification and subsequent measurement Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Impact of COVID-19

As part of the City's COVID-19 response in 2020/21, Council committed to a one-off concession to ensure no ratepayer was asked to pay more than the previous year. The City also introduced rates smoothing in addition to its one, two and four installment options.

In accordance with the Local Government (COVID-19 Response) Order 2020, the City did not charge installment or overdue interest to ratepayers on overdue rates and service charges.

7. Inventories, contract and lease assets

a) Inventories

	2021 \$	2020 \$
Construction materials and fuel	305,134	309,583
Land for resale	-	2,407,308
Total	305,134	2,716,891

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.

7b) Contract assets

Receivables from contracts with customers.

	2021 \$	2020 \$
Current Contract assets	1,676,982	105,836
Total	1,676,982	105,836
Non-Current Contract assets	2,185	10,379
Total	2,185	10,379

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

7. Inventories, contract and lease assets (continued)

c) Leases

Right of use assets

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

	Right of use assets – land 2021 \$	Right of use assets – plant and equipment 2021 \$	Right of use assets – Total 2021 \$
Carrying amount at 30 June 2020	2,300	96,617	98,917
Additions	-	61,133	61,133
Depreciation (expense)	(100)	(40,327)	(40,427)
Carrying amount at 30 June 2021	2,200	117,423	119,623
Cash outflow from leases			
Interest expense on lease liabilities	-	6,873	6,873
Lease principal expense	100	39,732	39,832
Total cash outflow from leases	100	46,605	46,705

The right of use asset of Land relates to a parcel of land for use by the City for 50 years. The City does not have the option to purchase the leased land at the expiry of the lease period.

The City has various leases relating to plant and equipment. The lease term varies between 2 to 5 years. The City has not revalued the right of use assets relating to plant and equipment as the difference between the fair value and carrying amount is immaterial.

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

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

Right of use assets are subsequently measured under the revaluation model as they relate to asset classes that are also revalued.

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

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

Leases for right of use assets are secured over the asset being leased.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

8. Property, plant, equipment and infrastructure

a) Movement in carrying amounts of each class of property, plant and equipment

	2021 \$	2020 \$
Land		
- Independent valuation	413,601,517	416,565,920
Net book value at end of reporting period	413,601,517	416,565,920
Buildings		
- Independent valuation	306,602,685	300,962,768
Less accumulated depreciation	(18,110,931)	(11,969,145)
Net book value at end of reporting period	288,491,754	288,993,623
Plant and equipment		
- Cost	13,722,412	13,057,363
Less accumulated depreciation	(3,572,612)	(2,014,973)
Net book value at end of reporting period	10,149,800	11,042,390
Mobile vehicles and plant		
- Cost	29,403,704	26,685,148
Less accumulated depreciation	(8,932,350)	(5,060,750)
Net book value at end of reporting period	20,471,354	21,624,398
Furniture and office equipment		
- Cost	7,562,195	6,587,264
Less accumulated depreciation	(3,569,985)	(2,170,449)
Net book value at end of reporting period	3,992,210	4,416,815
Recreation equipment		
- Cost	4,690,468	4,246,771
Less accumulated depreciation	(1,527,043)	(868,414)
Net book value at end of reporting period	3,163,425	3,378,357
Assets under construction		
- Cost	8,046,483	7,493,501
Net book value at end of reporting period	8,046,483	7,493,501
Total property, plant and equipment		
- Independent valuation	720,204,202	717,528,688
- Management valuation	-	50,576,546
- Cost	63,425,262	7,493,501
Less accumulated depreciation	(35,712,921)	(22,083,731)
Net book value at end of reporting period	747,916,543	753,515,004

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

8. Property, plant, equipment and infrastructure (continued)

The fair value of property, plant and equipment is determined at least every five years in accordance with the regulatory framework, *Local Government (Financial Management) Regulation 17A (2)*.

Refer to Note 8(c) for the year in which each asset category was assessed and level of fair value hierarchy.

Additions since date of valuations are shown at cost. At the end of each reporting period the valuation is reviewed and where appropriate fair value is updated to reflect current market conditions

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

8. Property, plant, equipment and infrastructure (continued)

a) Movements in carrying amounts of property, plant and equipment

For the year ended 30 June 2021

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

	Balance at the beginning of the year	Additions	(Disposals) net	Gifted assets	Reclassifications	Depreciation (expense)	WIP Transfers	Carrying amount at the end of year
	\$	\$	\$	\$	\$	\$	\$	\$
Land	416,565,920	-	(2,964,403)	-	-	-	-	413,601,517
Total land	416,565,920	-	(2,964,403)	-	-	-	-	413,601,517
Buildings	288,993,623	364,905	(790,326)	65,000	-	(6,203,731)	6,062,284	288,491,755
Total buildings	288,993,623	364,905	(790,326)	65,000	-	(6,203,731)	6,062,284	288,491,755
Total land and buildings	705,559,543	364,905	(3,754,729)	65,000	-	(6,203,731)	6,062,284	702,093,272
Plant and equipment	11,042,390	709,459	(21,587)	-	(10,506)	(1,606,964)	37,007	10,149,799
Mobile vehicle and part	21,624,398	5,469,589	(1,787,947)	-	10,506	(4,845,192)	-	20,471,354
Furniture and office equipment	4,416,815	1,005,168	(4,652)	-	-	(1,501,581)	76,460	3,992,210
Recreation equipment	3,378,357	438,981	(2,888)	-	-	(664,572)	13,547	3,163,425
Assets under construction	7,493,501	6,742,280	-	-	-	-	(6,189,298)	8,046,483
Total property, plant and equipment	753,515,004	14,730,382	(5,571,803)	65,000	-	(14,822,040)	-	747,916,543

Note : Land includes land held in Tamala Park of \$19,528,517. This includes the site of the tip at Mindarie as well as land being developed for resale.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

8. Property, plant, equipment and infrastructure (continued)

b) Movements in carrying amounts of property, plant and equipment (continued)

For the year ended 30 June 2020

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

	Balance at the beginning of the year	Additions	(Disposals) net	Gifted assets	Change in accounting policy	Depreciation (expense)	Reclass/Transfers	Carrying amount at the end of year
	\$	\$	\$	\$	\$	\$	\$	\$
Land	417,655,020	-	(1,089,100)	-	-	-	-	416,565,920
Land vested in Council	6,000,000	-	-	-	(6,000,000)	-	-	-
Total land	423,655,020	-	(1,089,100)	-	(6,000,000)	-	-	416,565,920
Buildings	283,383,381	341,815	(1,425,371)	7,554,089	-	(6,215,811)	5,355,519	288,993,622
Total buildings	283,383,381	341,815	(1,425,371)	7,554,089	-	(6,215,811)	5,355,519	288,993,622
Total land and buildings	707,038,401	341,815	(2,514,471)	7,554,089	(6,000,000)	(6,215,811)	5,355,519	705,559,542
Plant and equipment	12,482,503	467,511	(100,181)	1,509	-	(2,016,719)	207,767	11,042,390
Mobile vehicle and plant	23,568,636	6,242,657	(2,642,204)	-	-	(5,544,690)	-	21,624,399
Furniture and office equipment	5,489,961	753,672	(39,249)	49,080	-	(1,836,649)	-	4,416,815
Recreation equipment	3,654,730	325,199	(67,986)	250,485	-	(804,087)	20,016	3,378,357
Assets under construction	6,633,612	6,443,191	-	-	-	-	(5,583,302)	7,493,501
Total property, plant and equipment	758,867,843	14,574,045	(5,364,091)	7,855,163	(6,000,000)	(16,417,956)	-	753,515,004

Certain prior period amounts have been reclassified between asset classes within Note 8b to conform to the current year presentation.

Note : Land includes land held in Tamala Park of \$19,692,145. This includes the site of the tip at Mindarie as well as land being developed for resale.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

8. Property, plant, equipment and infrastructure (continued)

c) Fair value measurements of property, plant and equipment

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
i. Fair value					
Land	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	June 2018	Price per hectare / market borrowing rate
Specialised buildings	3	Cost approach using replacement cost to calculate value, and then adjusted to take account of accumulated depreciation.	Independent registered valuers and Management Valuation	June 2018	Construction costs (Level 2) and current condition, residual values and remaining useful life assessment inputs (Level 3)
Non - specialised buildings	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology	Independent registered valuers	June 2018	Price per square metre / 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.

ii. Cost

Plant and equipment	3	Cost approach using replacement cost, adjusted to take account of accumulated depreciation.	Management valuation	June 2019	Price per item
Mobile fleet and plant	3	Cost approach using replacement cost, adjusted to take account of accumulated depreciation.	Management valuation	June 2019	Price per item
Furniture & office equipment	3	Cost approach using replacement cost, adjusted to take account of accumulated depreciation.	Management valuation	June 2019	Price per item
Recreation equipment	3	Cost approach using replacement cost, adjusted to take account of accumulated depreciation.	Management valuation	June 2019	Price per item
Assets under construction	2	Cost approach using cost of goods or service at acquisition	Actual cost	June 2021	Purchase costs and current stage of works

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment, mobile fleet and plant, recreation equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change was effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

8. Property, plant, equipment and infrastructure (continued)

d) Movement in carrying amounts of each class of infrastructure

	2021 \$	2020 \$
Roads		
- Independent valuation	1,128,003,852	1,118,765,869
Less accumulated depreciation	(21,986,447)	-
Net book value at end of reporting period	1,106,017,405	1,118,765,869
Drainage		
- Independent valuation	275,126,458	269,968,362
Less accumulated depreciation	(5,736,751)	-
Net book value at end of reporting period	269,389,707	269,968,362
Footpaths		
- Independent valuation	119,448,839	115,852,468
Less accumulated depreciation	(2,493,068)	-
Net book value at end of reporting period	116,955,771	115,852,468
Other engineering infrastructure		
- Management valuation	11,632,728	11,471,907
Less accumulated depreciation	(2,301,308)	(1,703,651)
Net book value at end of reporting period	9,331,420	9,768,256
Reserves		
- Cost	59,343,409	56,191,623
Less accumulated depreciation	-	-
Net book value at end of reporting period	59,343,409	56,191,623
Reticulation and other parks		
- Management valuation	75,574,979	70,591,139
Less accumulated depreciation	(13,360,595)	(9,425,893)
Net book value at end of reporting period	62,214,384	61,165,246
Lighting		
- Management valuation	25,301,927	22,299,285
Less accumulated depreciation	(3,572,777)	(2,489,170)
Net book value at end of reporting period	21,729,150	19,810,115
Assets under construction		
- Cost	16,606,951	8,431,832
Net book value at end of reporting period	16,606,951	8,431,832
Total Infrastructure		
- Valuation	1,635,088,783	1,608,949,030
- Cost	75,950,360	64,623,455
Less accumulated depreciation	(49,450,946)	(13,618,714)
Net book value at end of reporting period	1,661,588,197	1,659,953,771

The fair value of Infrastructure is determined at least every 5 years in accordance with the regulatory framework, *Local Government (Financial Management) Regulation 17A (2)*. Refer to Note 8(f) for the year in which each asset category was assessed and level of fair value hierarchy. Additions since date of valuations are shown at cost. At the end of each reporting period the valuation is reviewed and where appropriate fair value is updated to reflect current market conditions.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

8. Property, plant, equipment and infrastructure (continued)

e) Movements in carrying amounts of infrastructure

For the year ended 30 June 2021

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

	Balance at the beginning of the year	Additions	Reclass transfers	Gifted assets	Revaluation increments/ (decrements)	Depreciation (expense)	WIP Transfers	Carrying amount at the end of year
	\$	\$	\$	\$	\$	\$	\$	\$
Roads	1,118,765,869	-	-	-	-	(21,986,447)	9,237,983	1,106,017,405
Drainage	269,968,362	-	-	-	-	(5,736,751)	5,158,096	269,389,707
Footpaths	115,852,468	-	-	-	-	(2,493,068)	3,596,371	116,955,771
Other engineering infrastructure	9,768,256	-	-	-	-	(597,657)	160,821	9,331,420
Reserves	56,191,623	-	-	-	-	-	3,151,786	59,343,409
Reticulation and other parks	61,165,246	-	-	-	-	(3,934,702)	4,983,840	62,214,384
Lighting	19,810,115	-	-	-	-	(1,083,606)	3,002,641	21,729,150
Assets under construction	8,431,832	37,466,657	-	-	-	-	(29,291,538)	16,606,951
Total infrastructure	1,659,953,771	37,466,657	-	-	-	(35,832,231)	-	1,661,588,197

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

8. Property, plant, equipment and infrastructure (continued)

e) Movements in carrying amounts of infrastructure (continued)

For the year ended 30 June 2020

Movement in the carrying amounts of each class of infrastructure between the beginning and the end of the prior financial year.

	Balance at the beginning of the year	Additions	Reclass transfers	Gifted assets	Impairment (Losses)/ Reversals	Depreciation (Expense)	WIP/ Transfers	Carrying amount at the end of Year
	\$	\$	\$	\$	\$	\$	\$	\$
Roads	1,489,492,876	-	47,790,323	(470,935)	(415,340,223)	(19,538,862)	16,832,690	1,118,765,869
Drainage	434,049,644	-	-	(1,160,526)	(161,152,895)	(5,986,579)	4,218,718	269,968,362
Footpaths	94,429,560	-	27,257,095	(934,595)	(4,511,071)	(1,850,913)	1,462,392	115,852,468
Other engineering infrastructure	21,520,880	-	(11,457,255)	(2,430,674)	-	(702,823)	2,838,128	9,768,256
Reserves	53,817,775	-	-	(1,352,841)	-	-	3,726,689	56,191,623
Reticulation and other parks	143,065,915	-	(80,723,011)	-	-	(4,625,399)	3,447,741	61,165,246
Lighting	-	-	17,132,848	-	-	(1,014,629)	3,691,896	19,810,115
Assets under construction	9,601,582	35,048,504	-	-	-	-	(36,218,254)	8,431,832
Total infrastructure	2,245,978,232	35,048,504	-	(6,349,571)	(581,004,189)	(33,719,205)	-	1,659,953,771

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

8. Property, plant, equipment and infrastructure (continued)

f) Fair value measurements of infrastructure

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
Roads	3	Cost approach using current replacement cost	Independent valuation	June 2020	Construction costs (Level 2) and current condition, residual values and remaining useful life assessment inputs (Level 3)
Drainage	3	Cost approach using current replacement cost	Independent valuation	June 2020	Construction costs (Level 2) and current condition, residual values and remaining useful life assessment inputs (Level 3)
Footpaths	3	Cost approach using current replacement cost	Independent valuation	June 2020	Construction costs (Level 2) and current condition, residual values and remaining useful life assessment inputs (Level 3)
Other engineering infrastructure	3	Cost approach using current replacement cost	Management valuation	June 2017	Construction costs (Level 2) and current condition, residual values and remaining useful life assessment inputs (Level 3)
Reserves	3	Actual cost of acquisition	Actual cost	June 2021	Actual cost
Reticulation and other parks	3	Cost approach using current replacement cost	Management valuation	June 2017	Construction costs (Level 2) and current condition, residual values and remaining useful life assessment inputs (Level 3)
Lighting	3	Actual cost of acquisition	Management valuation	June 2019	Construction costs (Level 2) and current condition, residual values and remaining useful life assessment inputs (Level 3)
Assets under construction	2	Historical cost of acquisition	Actual cost	June 2021	Purchase costs and current stage of works

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.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

8. Property, plant, equipment and infrastructure (continued)

g) Infrastructure assets – revaluation decrement

The City of Stirling (“City”) is required to undertake a revaluation of their assets in accordance with the requirements of the *Local Government (Financial Management) Regulations 1996*. In the previous financial year the City had revalued Roads, Carparks, Drainage and footpath assets. The City engaged an external valuer to assist in the valuation of these assets. As shown in Note 8 (e) the total revaluation decrement in the prior financial year was \$581,004,189.

The City relies on the expertise and professional judgement of the valuers they engage in undertaking the valuations and note that valuations may be subject to significant change. During the 2019/2020 process, consideration was given to:

- Applicable standards
- Asset inventory and condition
- Asset componentisation

A significant change arose for the road and drainage assets due to a change in the estimation of unit rates for the calculations and change in the pattern of consumption applied to estimate the remaining useful life.

Whilst the 2020 valuation gave rise to a significant decrease in the value of the assets, the City considered the decrease to be a change in estimate in accordance with AASB 108. As a result of the uncertainties inherent in business activities, many items in financial statements cannot be measured with precision but can only be estimated.

Estimation involves judgements based on the latest available, reliable information.

Infrastructure assets in Local Government are ‘deemed’ to be ‘specialised’ assets with valuation based on level 3 inputs in accordance with AASB 13 which are unobservable inputs for the assets. Unobservable inputs require professional judgement.

With the City engaging and relying on the expertise of different Valuers who make judgements based on the available information, for each valuation, the City undertakes an internal process to obtain confidence in the process adopted and recommended by the Valuer. In all cases this was adequately provided and evidenced in the valuation reports.

Thus, the City was satisfied that the prior years valuation was acceptable at that time.

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.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

Australian Accounting Standards - Inconsistency

Land under roads from 1 July 2019

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

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with Local Government

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

Vested Improvements are recognised by the City based on information supplied. For assets acquired at no cost, cost is determined as fair value at the date of acquisition based on information supplied by external parties and consultants.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

8. Property, plant, equipment and infrastructure (continued)

Capitalisation threshold

Property, Plant and Equipment and Infrastructure assets with a value exceeding \$5,000 are capitalised on date of acquisition or in respect of internally constructed assets from the time asset is ready for use. Infrastructure Assets ready for use are capitalised annually, with depreciation commencing from first reporting period after capitalisation. The impact on depreciation as a result of capitalising infrastructure assets annually instead of periodically is not considered material.

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

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable, future economic benefits associated with the item will flow to the City and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in the Statement of Comprehensive Income in the period in which they are incurred.

Revaluation

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 asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in the Statement of Comprehensive Income.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets.

Property, Plant and Equipment, including buildings but excluding freehold land, are depreciated over their estimated useful lives on a straight line basis, using rates which are reviewed each reporting period. The carrying cost of infrastructure assets is depreciated on an annual basis to reflect their expected life.

Infrastructure Assets are depreciated on a basis that reflects their consumed economic benefit, which is reviewed each reporting period. Assets are depreciated from the date of acquisition or from the time an asset is held for use.

The expected useful lives are as follows:

Artwork	Not Depreciated
Artwork - public	50 years
Buildings	10 to 50 years
Furniture & equipment	3 to 10 years
Plant & equipment	6 to 20 years
Mobile vehicles & plant	1 to 10 years
Recreation equipment	5 to 10 years
Roads	20 years to infinite
Drainage	30 to 80 years
Footpaths	15 to 60 years
Other engineering infrastructure	15 to 100 years
Reticulation & other parks infrastructure	15 to 100 years
Lighting	20 years
Reserves	Not Depreciated

The asset's 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.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

8. Property, plant, equipment and infrastructure (continued)

Depreciation on Revaluation

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

(a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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.

When revalued assets are disposed of, amounts included in the revaluation surplus relating to that asset are transferred to retained surplus.

Impairment of assets

In accordance with Australian Accounting Standards the City's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the current replacement cost of the asset.

Gifted and previously unrecognised assets

Gifted and previously unrecognised assets are recognised by the City based on information supplied by third parties. For assets acquired at no cost, cost is determined as fair value at the date of acquisition based on information supplied by external parties and consultants.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

9. Intangible assets

Intangible assets

	2021 Actuals \$	2020 Actuals \$
Balance as at 30 June 2020	-	-
Additions	2,610,845	-
Amortisation	(327,682)	-
Work in progress	311,547	-
Balance as at 30 June 2021	<u>2,594,710</u>	<u>-</u>

Intangible asset amortisation

	2021 \$	2020 \$
By program		
Governance	309,267	-
Recreation and culture	18,415	-
	<u>327,682</u>	<u>-</u>
By class		
Amortisation of intangibles	327,682	-
	<u>327,682</u>	<u>-</u>

Significant accounting policies

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year. Amortisation is included in the Statement of Comprehensive Income.

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

Amortisation periods used for each class of intangible assets are:

Intangible asset	4 to 10 years
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Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

9. Intangible assets (continued)

Computer Software

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

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

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

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

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

10. Trade and other payables, lease and other liabilities

10 a) Trade and other payables

	2021 \$	2020 \$
Current		
Trade payables	8,383,572	4,102,610
Accrued creditors	15,149,695	15,908,304
Accrued wages & salaries	1,763,852	1,305,823
Income received in advance	2,146,345	1,736,350
Bonds and other payables	13,472,937	7,762,017
	40,916,401	30,815,104

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

Prepaid rates

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

10 b) Other liabilities

	2021 \$	2020 \$
Current		
Contract liabilities from contracts with customers	1,548,884	337,846
Liabilities from transfers for recognisable non financial assets	1,382,406	594,245
	2,931,290	932,091

Performance obligations for each type of liability are expected to be recognised as revenue in accordance with the following time bands:

	Contract liabilities \$	Liabilities from transfers for recognisable non financial assets \$
Less than 1 year	1,548,884	1,382,406
1 to 2 years	-	-

Contract liabilities

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

With respect to transfers for recognisable non-financial assets, contract liabilities represent performance obligations which are not yet satisfied.

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

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

10. Trade and other payables, lease and other liabilities (continued)

10 b) Other liabilities (continued)

Grant liabilities

Grant liabilities represent the the City's performance obligations to construct recognisable non-financial assets to identified specifications which are yet to be satisfied.

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

10 c) Lease liabilities

	2021 Current \$	2021 Non- Current \$	2021 Total \$	2020 Current \$	2020 Non- Current \$	2020 Total \$
Plant and Equipment	50,602	70,615	121,217	36,188	63,728	99,916
Land	100	2,200	2,300	100	2,200	2,300
	<u>50,702</u>	<u>72,815</u>	<u>123,517</u>	<u>36,288</u>	<u>65,928</u>	<u>102,216</u>

	Plant and equipment			Land - peppercorn lease			Total - plant & equipment and land		
	Lease liability Current \$	Lease liability Non-current \$	Lease liability Total \$	Lease liability Current \$	Lease liability Non-current \$	Lease liability Total \$	Lease liability Current \$	Lease liability Non-current \$	Lease liability Total \$
30.06.20 Balance as at end of year	36,188	63,728	99,916	100	2,200	2,300	36,288	65,928	102,216
New lease liability	3,544	57,589	61,133	-	-	-	3,544	57,589	61,133
Movement from non-current to current	50,602	(50,602)	-	100	(100)	-	50,702	(50,702)	-
Repayment	(46,605)	-	(46,605)	(100)	-	(100)	(46,705)	-	(46,705)
Lease interest	6,873	-	6,873	-	-	-	6,873	-	6,873
30.06.21 Balance as at end of year	50,602	70,715	121,317	100	2,100	2,200	50,702	72,815	123,517

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

11. Employee related provisions

	Provision for annual leave	Provision for long service leave	Total
Opening balance as at 1 July			
Current	6,959,711	9,412,454	16,372,165
Non-current	-	1,176,106	1,176,106
	6,959,711	10,588,560	17,548,271
Additional provisions	2,241,939	2,204,825	4,446,764
Amounts used	(972,885)	(805,355)	(1,778,240)
Balance as at 30 June	8,228,765	11,988,030	20,216,795
Comprises:			
Current	8,228,765	10,630,768	18,859,533
Non current	-	1,357,262	1,357,262
	8,228,765	11,988,030	20,216,795

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

Employee benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations.

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

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

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

11. Employee related provisions (continued)

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.

Provisions for sick leave or COVID-19 leave are not made in the accounts as they are non-vesting and are paid when incurred.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

12. Reserve Accounts

12 a) Restricted reserves - cash backed

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Workers compensation reserve			
Opening balance	2,369,655	2,508,583	2,647,511
Amount set aside / transfer to reserve	1,324,686	858,635	1,029,179
Amount used / transfer from reserve	(1,324,686)	(858,635)	(1,168,107)
Closing balance	<u>2,369,655</u>	<u>2,508,583</u>	<u>2,508,583</u>

The scope of this reserve is the payment of premium obligations and common law claims with respect to work related injuries for which the City as employer has a statutory or common law liability.

Plant replacement reserve

Opening balance	2,693,629	3,183,523	4,284,569
Amount set aside / transfer to reserve	3,403,840	4,292,577	4,399,061
Amount used / transfer from reserve	(3,701,450)	(3,701,450)	(5,500,107)
Closing balance	<u>2,396,019</u>	<u>3,774,650</u>	<u>3,183,523</u>

This Reserve account is designed to eliminate the need for substantial allocations from rates in any year. The principle behind the Reserve is that a proportionate payment will be made from the general fund annually that relates to utilisation (consumption) of existing plant and provides for plant replacement.

Previous employees long service leave provision reserve

Opening balance	660,585	672,186	660,586
Amount set aside / transfer to reserve	100,000	58,744	51,926
Amount used / transfer from reserve	(100,000)	(17,746)	(40,325)
Closing balance	<u>660,585</u>	<u>713,184</u>	<u>672,186</u>

The purpose of this Reserve is to provide for liabilities for long service leave payments that may need to be made to other local governments in respect of the transferred service entitlement of past employees of the City. Regulations provide that long service leave entitlements are transferable from Council to Council for an employee's uninterrupted service in local government.

Staff leave liability reserve

Opening balance	13,286,081	13,261,912	13,063,946
Amount set aside / transfer to reserve	168,239	64,425	197,966
Amount used / transfer from reserve	-	-	-
Closing balance	<u>13,454,320</u>	<u>13,326,337</u>	<u>13,261,912</u>

It is the function of this Reserve to cash-back the liability of the City for long service leave and annual leave for continuing employees. The liability is calculated based on legal and contractual entitlements. Current wage and salary rates are used in the calculation of provisions. The calculation of the provisions is audited annually and included in the accounts. Provisions for sick leave are not made in the accounts as they are paid as incurred. Provisions for sick leave or COVID-19 leave are not made in the accounts as they are non-vesting and are paid when incurred.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

12. Reserve Accounts (continued)

12 a) Restricted reserves - cash backed (continued)

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Road widening reserve			
Opening balance	138,748	138,496	136,429
Amount set aside / transfer to reserve	1,757	673	2,067
Amount used / transfer from reserve	-	-	-
Closing balance	140,505	139,169	138,496

The Road Widening Reserve was set up within the 2012/13 financial year to be used for compensation payments associated with the compulsory acquisition of land for road widening along Beaufort Street and Harborne Street.

Security service charge reserve

Opening balance	650,000	686,067	575,992
Amount set aside / transfer to reserve	520,000	765,338	686,067
Amount used / transfer from reserve	(730,000)	(686,067)	(575,992)
Closing balance	440,000	765,338	686,067

This reserve was created to accommodate excess funds from the charge levied for the Property Surveillance and Security services. In accordance with the provisions of Section 6.38 of the *Local Government Act 1995* any surplus generated from this charge is to be allocated to a Reserve and used for Security Services, or be repaid to owners.

Payment in lieu of parking reserve

Opening balance	2,893,519	2,887,652	2,839,598
Amount set aside / transfer to reserve	36,640	14,028	48,054
Amount used / transfer from reserve	-	-	-
Closing balance	2,930,159	2,901,680	2,887,652

These funds are provided by developers where it is impractical to provide the number of parking spaces generally required for a particular development/use. These are held until an opportunity arises where suitable parking may be provided. Care is taken to ensure that the funds are separately identified to enable them to be applied only to works within the specific areas from which the revenue was sourced.

Corporate projects reserve

Opening balance	2,278,105	2,402,745	1,113,669
Amount set aside / transfer to reserve	517,838	527,776	2,396,876
Amount used / transfer from reserve	(1,800,027)	(615,686)	(1,107,800)
Closing balance	995,916	2,314,835	2,402,745

Created in 2004/05 to accommodate future development needs of the City. The finalisation of the Strategic Community Plan, together with the long term works plan will assist in identifying appropriate uses for these funds.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

12. Reserve Accounts (continued)

12 a) Restricted reserves - cash backed (continued)

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Asset acquisition reserve			
Opening balance	2,892,728	2,887,466	2,844,364
Amount set aside / transfer to reserve	36,630	14,027	43,102
Amount used / transfer from reserve	(2,887,415)	(531,521)	-
Closing balance	41,943	2,369,972	2,887,466

Created in 2004/05 to accommodate anticipated revenues from land sales which are an integral part of the City's overall asset rationalisation program.

Edith Cowan Reserve lighting reserve

Opening balance	40,417	40,343	39,741
Amount set aside / transfer to reserve	512	196	602
Amount used / transfer from reserve	-	-	-
Closing balance	40,929	40,539	40,343

These funds were provided by the developer of the estate surrounding the Churchlands Reserve. Council resolved to place the funds in a financial reserve fund to pay for future maintenance and running costs associated with the lighting on this reserve.

Tamala Park reserve

Opening balance	4,149,362	3,478,180	2,441,187
Amount set aside / transfer to reserve	1,052,543	3,016,897	1,036,993
Amount used / transfer from reserve	(3,500,000)	-	-
Closing balance	1,701,905	6,495,077	3,478,180

The City will be receiving funds over the next few years for the sale of land developed at Tamala Park. It is proposed that the funds be used for income generating projects which in turn will help create a sustainable City.

Strategic waste development reserve

Opening balance	25,987,725	31,240,182	26,374,243
Amount set aside / transfer to reserve	329,078	3,467,292	6,057,677
Amount used / transfer from reserve	(6,724,983)	(446,113)	(1,191,738)
Closing balance	19,591,820	34,261,361	31,240,182

The reserve was created in 2015/16 by renaming the 3-Bin Replacement Reserve and is to be used to fund strategic waste related projects.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

12. Reserve Accounts (continued)

12 a) Restricted reserves - cash backed (continued)

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Public parking strategic reserve			
Opening balance	10,695,382	10,924,050	10,885,294
Amount set aside / transfer to reserve	135,434	53,068	164,951
Amount used / transfer from reserve	(6,146,000)	(4,292,475)	(126,195)
Closing balance	4,684,816	6,684,643	10,924,050

This reserve was created to fund the City's Paid Parking Strategy.

Investment income reserve

Opening balance	1,846,325	1,948,211	1,753,461
Amount set aside / transfer to reserve	23,380	620,109	194,750
Amount used / transfer from reserve	(1,400,000)	(39,161)	-
Closing balance	469,705	2,529,159	1,948,211

The Investment Income Reserve will hold rent from investment properties, dividends and distributions from other investments and interest earned on Capital Investment Reserve

Capital investment reserve

Opening balance	4,857,933	5,129,561	3,707,933
Amount set aside / transfer to reserve	61,515	-	1,430,000
Amount used / transfer from reserve	(1,500,000)	(269,040)	(8,372)
Closing balance	3,419,448	4,860,521	5,129,561

The Capital Investment Reserve will hold proceeds of any sale of investment property, funds allocated by Council for investment purposes, surplus funds from investment purposes and any other funds as determined by Council.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

12. Reserve Accounts (continued)

12 a) Restricted reserves - cash backed (continued)

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Tree reserve			
Opening balance	565,180	829,091	555,731
Amount set aside / transfer to reserve	7,157	238,336	273,360
Amount used / transfer from reserve	(100,000)	(49,271)	-
Closing balance	472,337	1,018,156	829,091

The Tree Reserve will hold any funds set aside under the City's Street and Reserve Trees policy.

Mirraboooka regional centre strategy reserve

Opening balance	1,908,000	-	-
Amount set aside / transfer to reserve	24,161	-	-
Amount used / transfer from reserve	-	-	-
Closing balance	1,932,161	-	-

The Mirrabooka Regional Centre Strategy Reserve will hold proceeds of any sale of land in the Mirrabooka Regional Centre Strategy Project Area until required to meet the expenditure on associated works and services.

Development contribution right of way improvement works reserve

Opening balance	-	-	-
Amount set aside / transfer to reserve	-	364,906	437,076
Amount used / transfer from reserve	-	(364,906)	(437,076)
Closing balance	-	-	-

This reserve was established in accordance with the *Local Government Act 1995* to account for the contribution and payment of any right of way improvement work undertaken by the City.

Cash in lieu of public open space

Opening balance	-	-	-
Amount set aside / transfer to reserve	-	195,689	-
Amount used / transfer from reserve	-	-	-
Closing balance	-	195,689	-

This reserve was established in accordance with the *Local Government Act 1995* and section 154 of the *Planning and Development Act* to account for the contribution and payment in lieu of public open space received after 12 September 2020

Total restricted reserve - cash backed

Opening balance	77,913,374	82,218,244	73,924,249
Amount set aside / transfer to reserve	7,743,410	14,552,716	18,449,707
Amount used / transfer from reserve	(29,914,561)	(11,872,071)	(10,155,712)
Closing balance	55,742,223	84,898,889	82,218,244

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

12. Reserve Accounts (continued)

12 b) Revaluation reserves - non cash backed

	2021 Actual \$	2020 Restated Actual \$
Plant & equipment revaluation reserve		
Opening balance	29,747	29,747
Amount set aside / transfer to reserve	-	-
Realisation on disposal of assets	(23,482)	-
Closing balance	6,265	29,747
Mobile vehicle & plant revaluation reserve		
Opening balance	146,179	200,455
Amount set aside / transfer to reserve	-	-
Realisation on disposal of assets	(51,345)	(54,275)
Closing balance	94,834	146,179
Furniture & office equipment revaluation reserve		
Opening balance	866,232	866,650
Amount set aside / transfer to reserve	-	-
Realisation on disposal of assets	-	(418)
Closing balance	866,232	866,232
Recreation equipment revaluation reserve		
Opening balance	13,690	13,690
Amount set aside / transfer to reserve	-	-
Amount used / transfer from reserve	-	-
Closing balance	13,690	13,690
Roads revaluation reserve		
Opening balance	614,245,131	1,029,585,354
Amount set aside / transfer to reserve	-	-
Changes on revaluation of assets	-	(415,340,223)
Closing balance	614,245,131	614,245,131
Drainage revaluation reserve		
Opening balance	149,834,575	310,987,470
Amount set aside / transfer to reserve	-	-
Changes on revaluation of assets	-	(161,152,895)
Closing balance	149,834,575	149,834,575

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

12. Reserve Accounts (continued)

12 b) Revaluation reserves - non cash backed (continued)

	2021 Actual \$	2020 Restated Actual \$
Footpath revaluation reserve		
Opening balance	62,891,588	67,402,659
Amount set aside / transfer to reserve	-	-
Changes on revaluation of assets	-	(4,511,071)
Closing balance	62,891,588	62,891,588
Other engineering infrastructure revaluation reserve		
Opening balance	13,130,779	13,130,779
Amount set aside / transfer to reserve	-	-
Amount used / transfer from reserve	-	-
Closing balance	13,130,779	13,130,779
Reserve revaluation reserve		
Opening balance	31,827,308	31,827,308
Amount set aside / transfer to reserve	-	-
Amount used / transfer from reserve	-	-
Closing balance	31,827,308	31,827,308
Other parks infrastructure revaluation reserve		
Opening balance	5,066,854	5,066,854
Amount set aside / transfer to reserve	-	-
Amount used / transfer from reserve	-	-
Closing balance	5,066,854	5,066,854
Reticulation revaluation reserve		
Opening balance	555,012	555,012
Amount set aside / transfer to reserve	-	-
Amount used / transfer from reserve	-	-
Closing balance	555,012	555,012
Land revaluation reserve		
Opening balance	398,225,040	405,284,657
Adjustment relating to adoption of AASB 16	-	(6,000,000)
Amount set aside / transfer to reserve	-	-
Amount used / transfer from reserve	(2,954,950)	(1,059,617)
Closing balance	395,270,090	398,225,040

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

12. Reserve Accounts (continued)

12 b) Revaluation reserves - non cash backed (continued)

	2021 Actual \$	2020 Restated Actual \$
Building revaluation reserve		
Opening balance	112,038,664	113,107,997
Amount set aside / transfer to reserve	-	-
Realisation on disposal of assets	-	(1,069,333)
Closing balance	112,038,664	112,038,664
Equity accounted investments		
Opening balance	8,494,284	11,570,885
Prior period correction	-	(170,557)
Restated opening balance	8,494,284	11,400,328
Amount set aside / transfer to reserve	-	-
Realisation on disposal of assets	(616,969)	(2,906,044)
Closing balance	7,877,315	8,494,284
Total revaluation reserves - non cash backed		
Opening balance	1,397,365,081	1,989,629,513
Prior period correction	-	(170,557)
Restated opening balance	1,397,365,081	1,989,458,956
Adjustment relating to adoption of AASB 16	-	(6,000,000)
Changes on revaluation of assets	-	(581,004,188)
Realisation on disposal of assets	(3,646,746)	(5,089,687)
Closing balance	1,393,718,335	1,397,365,081

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

13. Superannuation

The City makes compulsory contributions to Superannuation Plans on behalf of its employees. Amendments to the Local Government Regulations in 2006 enabled freedom of choice for superannuation under the requirements of the Commonwealth Government rules for superannuation schemes. This change allows employees to choose superannuation plans other than the WA Local Government Superannuation Plan (WALGSP) and also provides for the current WALGSP to be the default scheme should an employee not choose another scheme.

Contributions relating to superannuation plans are recognised as expenses in the Statement of Comprehensive Income. The amount of superannuation contributions made by the City during the reporting period was **\$10,264,286** (2020: \$9,894,088)

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

14. Trust funds

a) Trust funds allocated interest

Funds over which the City has no control and which are not included in the Financial Statements are as follows:

Purpose of trust fund	Opening balance 1 July 2020 \$	Receipts \$	Paid out \$	Reclass- ification \$	Interest Earned \$	Closing balance 30 June 2021 \$
Other bonds	513,228	-	-	-	2,399	515,627
Town planning scheme no. 18	729,780	* 3,538,400	-	-	2,920	4,271,100
Town planning scheme no. 25	580,594	-	* (2,491)	-	2,322	580,425
Town planning scheme no. 27	631,684	-	* (219,083)	-	2,527	415,128
Town planning scheme no. 28	816,099	-	-	-	3,265	819,364
Laneways	806,991	63,923	(193,648)	-	3,073	680,339
Other trusts & canteen	1,574,233	-	* (84,855)	(644,586)	8,080	852,872
Payment in lieu of public open space	12,617,947	-	-	(3,393,051)	48,016	9,272,912
	18,270,556	3,602,323	(500,077)	^ (4,037,637)	72,602	17,407,767

* Represents \$3,231,971 net transfer from the municipal fund

^ Represents \$4,037,637 transferred to Restricted Municipal fund in accordance with the amendments to Section 154 of the Planning and Development Act 2005

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

15. Commitments and contingencies

a) Capital expenditure commitments

At the reporting date, the City had capital expenditure commitments of \$17,225,728 for the purchase of property, plant and equipment and infrastructure which have not been provided for elsewhere in the financial statements. The majority of projects that have expenditure commitments are expected to be finalised in the 2021/2022 financial year.

b) Contingent liability - guarantee for Mindarie Regional Council

The Mindarie Regional Council (MRC) is a regional local government which undertakes waste processing activities on behalf of its constituent member councils, the Cities of Stirling, Perth, Joondalup, Wanneroo and Vincent, and the Towns of Victoria Park and Cambridge.

The MRC is party to a 20-year waste processing agreement with BioVision 2020 Pty Ltd (BioVision) which commenced in 2009. Under the agreement, BioVision processes 100,000 tonnes of waste per year for the MRC at the Resource Recovery Facility (RRF) in Neerabup, extracting the organic material from the largely unsorted waste stream for beneficial use.

The City, along with other member councils of the Mindarie Regional Council, has agreed to provide a financial guarantee to the operators of the resource recovery facility to be built at the Mindarie Regional Council site at Neerabup which covers obligations to make a termination payment to the facility operators if there is a Force Majeure event, a default event under the Resource Recovery Facility Agreement

Please refer to note 24 for subsequent events related to the guarantee payment provided by the City.

c) Contaminated site - Tamala Park landfill site

In February 2020, MRC received its first Mandatory Auditor's Report (MAR) as requested by the Department of Water and Environmental Regulation (DWER) in respect to the Tamala Park Waste Management Facility site.

Among other things, the purpose of the MAR is to confirm that earlier investigations adequately characterised the contamination status of the site and whether potentially significant risks to human health, the environment or environmental values exist on-site or off-site.

The MRC received a second iteration of the MAR in November 2021, which has further assessed the contamination status of the site. In reaching their conclusion, the independent auditor has evaluated the information contained in the investigative reports as generally complete, accurate and compliant with the

relevant guidelines. Also, the assessments were sufficient to define the potential extent and types of contamination.

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

Source site:

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

Affected site:

- Groundwater results indicate some contaminants above relevant drinking water established criteria but not criteria for non-potable uses. Elevated levels of some identified contaminants are also known to occur naturally in the local environment.
- No landfill gas detected outside the site boundary.

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

The MRC has commenced further work on implementing the recommendations of this most recent MAR, to determine the magnitude and extent of contamination including risks to human health, the environment and environmental values. Specifically, this work is focused upon assessing the adequacy of the landfill gas monitoring network, the potential for the subterranean migration of landfill gas, and the continued compilation and assessment of both gas and groundwater results to further inform future mitigation measures. Therefore, it is not possible to make a reasonable estimate as to the financial impact that may arise from any possible future remedial action at this time.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

16. Investments

Equity contributions in other unlisted entities

	2021 Actual	2020 Restated Actual	2020 Actual
	\$	\$	\$
Mindarie Regional Council	7,844,162	9,443,797	22,740,301
Tamala Park Regional Council	18,323,097	15,633,300	15,633,300
	26,167,259	25,077,097	38,373,601

Share of profit/(loss) of associate accounted for using the equity method

	2021 Actual	2020 Restated Actual	2020 Actual
	\$	\$	\$
Share of profit/(loss) of Mindarie Regional Council	(1,599,635)	(258,470)	(775,341)
Share of profit/(loss) of Tamala Park Regional Council	(190,857)	(53,465)	(53,465)
	(1,790,492)	(311,935)	(828,806)

a) Mindarie Regional Council

The City, along with 6 other Councils is a member of the Mindarie Regional Council.

The Mindarie Regional Council's objective is to establish and operate a long term refuse disposal site on Mindarie Super lot 118.

The City has contributed one third of the land and establishment costs of the refuse disposal facility and it uses the refuse disposal facility at Mindarie to deposit all non recyclable waste collected by the City's domestic and commercial waste services.

The City has received its share of lease fees, since the facility became operational. Capital contributions paid during establishment are represented in the accounts of the City as a Non Current Asset.

The City currently has a contingent liability in relation to the Mindarie Regional Council

Details of this contingent liability are provided in note 15(b).

	2021 Actual	2020 Restated Actual	2020 Actual
	\$	\$	\$
Carrying amount of equity accounted investments			
Balance at beginning of financial year	9,443,797	23,515,642	23,515,642
Change in accounting policy of associate	-	(13,813,375)	-
Restated balance at beginning of financial year	9,443,797	9,702,267	23,515,642
Share of profit/(loss)	(1,599,635)	(258,470)	(775,341)
Balance at end of the financial year	7,844,162	9,443,797	22,740,301

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

16. Investments (continued)

a) Mindarie Regional Council (continued)

Mindarie Regional Council financial position

	2021 Actual \$	2020 Restated Actual \$	2021 Actual \$
Current assets	42,526,862	40,659,608	40,659,608
Non current assets	90,593,148	103,135,423	64,690,790
Total assets	133,120,010	143,795,031	105,350,398
Current liabilities	(14,479,677)	(14,128,381)	(8,355,529)
Non current liabilities	(95,107,847)	(101,335,259)	(28,773,967)
Total liabilities	(109,587,524)	(115,463,640)	(37,129,496)
Net assets	23,532,486	28,331,391	68,220,902
Total equity Mindarie Regional Council (MRC)	23,532,486	28,331,391	68,220,902
City's share of equity (one third)	7,844,162	9,443,797	22,740,301
Movement in carrying value of investment	(1,599,635)	(13,296,504)	(775,341)

Statement of Comprehensive Income Summary

	2021 Actual \$	2020 Restated Actual \$	2021 Actual \$
Revenue	55,753,809	56,192,614	56,192,614
Expenses	(60,609,155)	(56,657,442)	(58,208,057)
Profit on disposal of assets	56,441	(290,936)	(290,936)
Impairment of assets	-	(19,645)	(19,645)
Net Result for the period	(4,798,905)	(775,409)	(2,326,024)
Other comprehensive income	-	-	-
Total comprehensive income MRC	(4,798,905)	(775,409)	(2,326,024)
City's share of total comprehensive income	(1,599,635)	(258,470)	(775,341)

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

16. Investments (continued)

b) Tamala Park Regional Council (TPRC)

The City, along with 6 other Councils is a member of the Tamala Parak Regional Council. Tamala Park Regional Council was established in 2006 under Section 3.61 of the *Local Government Act 1995*.

The Tamala Park Regional Council's activities centre around the development of part Lot 118 Mindarie. Lot 118 was initially purchased in 1981 to provide a refuse landfill site for member councils of the Mindarie Regional Council, this lot is now being developed with a purpose of creating a new urban land development and a new urban community.

The investment in the Tamala Park Regional Council has been recognised at the value of its equity contributions. The City has undertaken a revaluation of its investments to fair value according to *Local Government (Financial Management) Regulations 1996*.

Movement in carrying value of equity accounted investment

	2021 Actual \$	2020 Actual \$
Investment in TPRC at start of financial year	15,633,300	15,237,365
Share of profit/(loss)	(190,857)	(53,465)
Contributed equity	140,300	(2,342)
Capital contributions - net	5,740,354	1,451,742
Distributions received	(3,000,000)	(1,000,000)
Balance at end of the financial year	18,323,097	15,633,300

The City's share of the land held for re-sale in relation to Tamala Park has been recognised in Note 8.

Tamala Park Regional Council financial position

	2021 Actual \$	2020 Actual \$
Current assets	53,668,172	45,517,277
Non current assets	1,722,724	1,757,617
Total assets	55,390,896	47,274,894
Current liabilities	(420,373)	(345,026)
Non current liabilities	(1,231)	(29,968)
Total liabilities	(421,604)	(374,994)
Net assets	54,969,292	46,899,900
Total equity Tamala Park Regional Council	54,969,292	46,899,900
City's share of equity (one third)	18,323,097	15,633,300
Movement in carrying value of investment	2,689,797	395,935

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

Investments (continued)

b) Tamala Park Regional Council (continued)

Investment in associates

Statement of Comprehensive Income Summary

	2021 Actual \$	2020 Actual \$
Revenue	496,982	789,822
Expenses	(1,070,259)	(949,260)
Finance costs	(519)	(957)
Profit on disposal of assets	1,224	-
Net Result for the period	(572,572)	(160,395)
Other comprehensive income	-	-
Total comprehensive income TPRC	(572,572)	(160,395)
City's share of total comprehensive income	(190,857)	(53,465)

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the City's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the City and the associate are eliminated to the extent of the City's interest in the associate. When the City's share of losses in an associate equals or exceeds its interest in the associate, the City discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the City will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

17. Notes to the statement of cash flows

a) Reconciliation of cash

For the purpose of the Statement of Cash Flows, cash and cash equivalents includes cash on hand, cash at bank and investments in short term money market activity. All trust monies are excluded.

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

	2021 \$	2020 \$
Cash at bank	70,525	29,835
Short maturity investment	144,549,026	125,226,946
Total cash & cash equivalents	144,619,551	125,256,781

b) Taxation

Except for the Goods and Service and Fringe Benefits Tax, the activities of the City are exempt from taxation.

c) Reconciliation of net cash used in operating activities to change in net assets.

	2021 \$	Restated 2020 \$
Net result	10,206,309	3,311,161
Depreciation	51,022,381	50,171,316
Increase/(decrease) in impairment	30,623	(155,118)
Increase in employee entitlements	2,668,525	809,250
Increase/(decrease) in payables & provisions	6,109,273	(2,445,289)
Increase in income in advance	190,332	1,089,663
(Increase) in receivables	(3,516,492)	(1,099,460)
(Increase) in prepayments	(207,149)	(603,905)
Decrease in inventory	2,411,758	4,325
(Increase) in investments	(4,096,627)	(2,601,406)
Net (profit)/ loss on sale of non-current assets	(1,114,415)	855,867
Gifted and acquired assets	(65,000)	(1,505,592)
Increase in contract liabilities	1,953,586	-
(Increase) in contract assets	(1,562,952)	(49,608)
Increase in lease liabilities	43,485	99,916
(Increase)/decrease in ROU asset	(20,706)	-
Non-operating grants and subsidies	(19,808,685)	(10,299,346)
Net Cash from Operating Activities	44,244,246	37,581,774

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

17. Notes to the statement of cash flows (continued)

d) Credit standby arrangements

	2021 \$	2020 \$
Bank overdraft limit	500,000	500,000
Bank overdraft at reporting date	-	-
Total amount of credit unused	500,000	500,000

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

18. Rates and service charges

a) Rating information

	Rate in \$	Number of properties	Rateable value	COVID-19 concession \$	2021 Budget \$	2021 Actual \$	2020 Actual \$
General rates							111,627,988
Differential rates							
Residential	0.056122	55,314	1,313,883,855	(1,242,259)	72,495,531	71,192,074	-
Industrial	0.057837	1,787	219,603,841	(250,663)	12,450,565	12,671,314	-
Commercial	0.052442	1,604	315,403,038	(488,884)	16,051,482	16,484,330	-
Vacant	0.68241	1,065	3,022,180	(490,558)	1,571,765	2,853,908	-
Sub-total					102,569,343	103,201,626	111,627,988
Minimum payments	Minimum						
General minimum	853	40,716	502,416,797		34,730,748	34,605,333	27,897,535
Parkland villas (under 36m ²)	805	21			16,905	16,905	16,905
Strata titled storage units	553	56			30,968	14,927	-
Interim rates					257,108	603,318	982,452
Total general rates levied					137,605,072	138,442,109	140,524,880
Plus							
Late payment penalties					-	-	301,518
Arrears rates					-	-	27,060
Instalment charges & interest					-	-	377,573
General purpose grant					4,556,445	4,564,062	4,755,771
Other general purpose funding					2,703,999	1,668,566	3,222,754
Total general purpose funding shown on Income Statement					144,865,516	144,674,737	149,209,556

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

18. Rates and service charges (continued)

a) Rating information (continued)

The City of Stirling has in the past applied a single rate in the dollar to all property types and this can result in different outcomes for property owners when Landgate revaluations are applied, with some property owners paying more in rates while others pay less.

For the 2020/21 financial year, and in accordance with the provisions of Section 6.33 of the *Local Government Act 1995*, the City of Stirling have adopted a Differential Rates strategy with a different rate in the dollar applied to each of the four property categories. The key values of objectivity, fairness, equity and transparency have been applied when setting the rate in the dollar

b) Instalment option for rates

The following instalment options were available to ratepayers for the payment of rates and service charges.

Instalment options	Date due	Instalment plan admin charge \$	Instalment plan interest rate %
Option one			
Single full payment	26/08/2020	0	0%
Option two (i)			
First instalment	26/08/2020	0	0%
Second instalment	11/11/2020	0	0%
Option three (ii)			
First instalment	26/08/2020	0	0%
Second instalment	11/11/2020	0	0%
Third instalment	13/01/2021	0	0%
Fourth instalment	17/03/2021	0	0%
Option three (iii)			
First instalment	26/08/2020	0	0%
Weekly instalment (42 instalments)	*	0	0%
Fortnightly instalment (21 instalments)	*	0	0%
Monthly instalment (10 instalments)	*	0	0%

* Due dates for remaining instalments to be agreed between the City and the ratepayer

c) Concession and write offs

The total cost or reduction of revenue from the waiver or grant of concession was Nil.

The total amount of rates written off was Nil. The original budget was Nil.

d) Late payment interest

The City, in accordance with the provisions of *Section 6.45 of the Local Government Act 1995*, for the 2020/21 financial year, did not impose the administration fees and interest charges for payment of rates, ESL, domestic refuse charge, Property Surveillance and Security Service Charge, and private swimming pool inspection fees where the owner has elected to pay rates (and service charges) by way of an instalment option.

In accordance with the provisions of *Section 6.49 of the Local Government Act 1995*, the Chief Executive Officer, entered into special payment agreements with ratepayers during the 2020/21 financial year for the payment of rates, ESL, Domestic Refuse Charge, Property Surveillance and Security Service Charge and Private Swimming Pool Inspection Fees.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

18. Rates and service charges (continued)

e) Security service charges

The City provided a Security Patrol service with a mission "To reduce the incidence of preventable crime, anti-social behaviour and residents fear of crime within the boundaries of the City of Stirling through patrols and proactive security measures".

The charge per property was fixed at \$30.00 and the revenue raised was \$3,043,380. The original budget was \$2,994,630

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

19. Information about fees to Council members (continued)

	2021 Budget \$	2021 Actual \$	2020 Actual \$
Elected members remuneration			
Meeting fees	530,000	491,008	475,157
Mayors allowance	100,000	89,753	89,753
Deputy mayors allowance	30,000	22,438	22,438
Travelling expenses	30,000	13,142	14,140
Telecommunications allowance	55,000	52,500	52,500
	<u>745,000</u>	<u>668,841</u>	<u>653,988</u>

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

20. Related parties transactions

Key Management Personnel (KMP) compensation disclosure

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

	2021 Actual \$	2020 Actual \$
Short-term employee benefits	1,481,467	1,288,339
Post-employment benefits	118,176	99,520
Other long-term benefits	105,935	104,967
Termination benefits	-	-
	1,705,578	1,492,826

Short-term employee benefits

These amounts include all salary, paid leave and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 19.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits (including annual leave) accruing during the year.

Termination benefits

These amounts represent termination benefits paid to KMP.

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 was 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.

iv. Joint venture entities accounted for under the equity method

The City is involved in associated arrangements with Tamala Park Regional Council and Mindarie Regional Council.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

20. Related parties transactions (continued)

The City's main related parties are as follows:

a) Tamala Park Regional Council

The City along with 6 other Councils is a member of the Tamala Park Regional Council. The City will contribute one third of any funding required for capital or operating costs and will also be entitled to one third of revenue from the sale of lots of land.

The City's one-third interest in the Tamala Park Regional Council is accounted for in the financial statements using the equity accounting method and all transactions are accounted for on normal terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following related party transactions occurred with the Tamala Park Regional Council for the financial year ending 30 June 2021:

	2021 Actual \$	2020 Actual \$
Associated companies/individuals:		
Sale of goods and services	340,449	228,369
Purchase of goods and services	241,122	115,311
Associated entities:		
Distributions received	3,000,000	1,000,000

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

20. Related parties transactions (continued)

b) Mindarie Regional Council

The City along with six other Councils is a member of the Mindarie Regional Council.

The City's one-third interest in the Mindarie Regional Council is accounted for in the financial statements using the cost accounting method and all transactions are accounted for on normal terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following related party transactions occurred with the Mindarie Regional Council for the financial year ending 30 June 2021:

	2021 Actual \$	2020 Actual \$
Associated Companies/Individuals:		
Sale of Goods and Services	333,909	235,716
Purchase of Goods and Services	11,259,536	11,328,327
Amounts Payable to Related Parties:		
Trade and Other Payables	570,876	171,524

c) Local Government House Unit Trust

The City along with other Councils and Shires has units in the Local Government House Trust. There were no transactions between the Trust and City of Stirling in current financial year.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

21. Major land transaction Information

a) The development and subdivision of Tamala Park (Catalina Estate)

Tamala Park Regional Council

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

The City along with 6 other Councils is a member of the Tamala Park Regional Council. The City will contribute one third of any funding required for capital or operating costs and will also be entitled to one third of revenue from the sale of lots of land.

As at 30 June 2021 the value of the City's equity share of its investment in the Tamala Park Regional Council was \$18,323,097 (refer note 16).

Total of sales and expenditure of Catalina Estate land

	2021 Actual \$	Total to 30 June 2020 \$	Total \$
Income from sales	29,913,392	249,386,633	279,300,025
Expenditure	(9,850,609)	(137,731,875)	(147,582,484)
Surplus	20,062,783	111,654,758	131,717,541

City of Stirling equity share of sales and expenditure of Catalina Estate land

	2021 Actual \$	Total to 30 June 2020 \$	Total \$
Income from sales	9,971,131	83,128,878	93,100,009
Expenditure	(3,283,536)	(45,910,625)	(49,194,161)
Surplus	6,687,595	37,218,253	43,905,848

Estimated sales and cost of sales Catalina Estate 2021 to project completion

	2021 Actual \$	2022 Forecast \$	2023 Forecast \$	2024 to 2030 Forecast \$
Income from Sales	29,913,392	56,044,482	53,580,503	312,274,589
Total Expenditure	(9,850,609)	(31,418,968)	(31,401,052)	(132,823,457)
Surplus	20,062,783	24,625,514	22,179,451	179,451,132

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

21. Major Land Transaction Information (continued)

a) The development and subdivision of Tamala Park (Catalina Estate) (continued)

Tamala Park Regional Council financial position

	2021 Actual \$	2020 Actual \$
Current Assets	53,668,172	45,517,277
Non Current Assets	1,722,724	1,757,617
Total Assets	55,390,896	47,274,894
Current Liabilities	(420,373)	(345,026)
Non Current Liabilities	(1,231)	(29,968)
Total Liabilities	(421,604)	(374,994)
Net Assets	54,969,292	46,899,900
Total Equity Tamala Park Regional Council	54,969,292	46,899,900
City's Share of Equity (One Third)	18,323,097	15,633,300

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

22. Financial risk management

The City's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The City's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the City.

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 Council.

The City held the following financial instruments at the balance date:

	Carrying Value		Fair Value	
	2021 \$	2020 \$	2021 \$	2020 \$
Financial assets				
Cash & cash equivalents	144,619,551	125,256,781	144,619,551	125,256,781
Financial assets at fair value through profit and loss	184,517	178,053	184,517	178,053
Trade and other receivables	8,033,850	6,672,461	8,033,850	6,672,461
Contract assets	1,676,982	105,836	1,676,982	105,836
Other assets - interest due	100,437	290,770	100,437	290,770
Non-current debtors	9,491,786	7,367,304	9,491,786	7,367,304
	164,107,123	139,871,205	164,107,123	139,871,205
Financial liabilities				
Trade and other payables	40,916,401	30,815,104	40,916,401	30,815,104
Lease liabilities	123,517	102,216	123,517	102,216
	41,039,918	30,917,320	41,039,918	30,917,320

Fair value for cash and cash equivalents, receivables, payables and borrowings are estimated as the carrying value, which approximates to fair value.

a) Cash and cash equivalent

The City's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The Finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). The City has an investment policy which is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

Cash and investments are also subject to interest rate risk – the risk that movements in interest rates could affect returns.

The City manages these risks by diversifying its portfolio and only placing surplus cash with banking institutions with a high credit rating.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

22. Financial risk management (continued)

b) Receivables

Policy from 1 July 2019 till March 2020

The City's major receivables comprise of rates and annual charges and user charges and fees. 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 incentive programs.

c) Change in policy in response to COVID-19

As part of the City's COVID-19 response in 2020/21, Council committed to a one-off concession to ensure no ratepayer was asked to pay more than the previous year. When rates were set for 2021/2022, the average pre-COVID-19 rates were used as a comparison.

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. Council is also able to charge interest on overdue rates and annual charges at higher than market rates, which further encourages payment.

The City makes suitable provisions for doubtful receivables as required and carries out credit checks on most non-rate debtors. No provisions are made for Rates debtors as the City has provisions under Schedule 6.3 of the *Local Government Act 1995* to assist in managing rates or service charges which remain unpaid.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

A profile of the City's current receivables credit risk at balance date follows:

	2021 %	2020 %
Percentage of rates and annual charges		
Current	0.00%	0.00%
Overdue	100.00%	100.00%
The amount outstanding as at 30 June 2021 represented 0.3% of the total asset base.		
Percentage of other receivables		
Current	66.91%	59.83%
Overdue	33.09%	40.17%

The amount outstanding after impairment/ expected credit loss as at 30 June 2021 represented 0.41% of the total asset base.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

22. Financial risk management (continued)

d) Payables and borrowing

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. There is no risk associated with borrowing as this is a book figure representing un-presented cheques.

	Due within 1 year \$	Due between 1 & 5 years \$	Total contractual cash flows \$	Carrying values \$
2021				
Trade and other payables	40,916,401	-	40,916,401	40,916,401
Lease liabilities	50,702	72,815	123,517	123,517
	40,967,103	72,815	41,039,918	41,039,918
2020				
Trade and other payables	30,815,104	-	30,815,104	30,815,104
Lease liabilities	36,288	65,928	102,216	102,216
	30,851,392	65,928	30,917,320	30,917,320

e) Interest rate risk

The City is exposed to interest rate risk mainly through financial assets and liabilities. The following table details the City's exposure to interest rate risk as at reporting date.

2021	Av Int Rate %	Var Int Rate \$	Fixed interest rate maturity			Non int bearing \$	Total \$
			Less than 1 year \$	1 to 5 years \$	More than 5 Years \$		
Financial assets							
Cash	0.05	-	-	-	-	70,525	70,525
Cash and cash equivalents	0.24	-	144,549,026	-	-	-	144,549,026
Total		-	144,549,026	-	-	70,525	144,619,551

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

22. Financial risk management (continued)

e) Interest rate risk (continued)

2020	Av int rate %	Var int rate \$	Fixed interest rate maturity			Non int bearing \$	Total \$
			Less than 1 year \$	1 to 5 years \$	More than 5 years \$		
Financial assets							
Cash	0.66	-	-	-	-	29,835	29,835
Cash and cash equivalents	0.66	-	125,226,946	-	-	-	125,226,946
Total		-	125,226,946	-	-	29,835	125,256,781

The balance of the bank overdraft amount reflects the book position and includes cheques that have been drawn but have not yet been debited to the bank account. Funds are maintained in investment until required.

f) Sensitivity to interest rate risk

The City's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates, is considered negligible for all financial instruments.

Liquidity risk is managed through maintaining adequate cash reserves and borrowing facilities. This is achieved by continuously monitoring forecast and actual cash flows, maintaining an appropriate mix of financial institutions to invest with and setting limits in terms of borrowing and investments.

g) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the City. The Council has adopted the policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or other security where appropriate, as a means of mitigating the risk of financial loss from defaults. The City measures credit risk on a fair value basis.

The level of outstanding receivables is reported to 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 City does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

22. Financial risk management (continued)

h) Fair value of financial instruments

The City considers that the carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values.

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

23. Performance measurements

Financial information by ratio:

	2021	2020 Restated	2020	2019	2018	2017
Current ratio						
<u>Current assets minus restricted current assets</u>	1.2455	1.4503	1.6976	1.7853	2.7364	2.1982
Current liabilities minus liabilities associated with restricted assets						
Asset sustainability ratio						
<u>Capital renewal & replacement expenditure</u>	0.6254	0.6179	0.6179	0.6808	1.0025	3.4996
Depreciation expense						
Debt service cover ratio*						
<u>Annual operating surplus before interest & depreciation</u>	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Principal & interest						
*The City has no debt as at 30 June 2021						
Operating surplus ratio						
<u>Operating revenue minus operating expense</u>	(0.0620)	(0.0475)	(0.0475)	0.0021	0.0339	0.0839
Own source operating revenue						
Own source revenue ratio						
<u>Own source operating revenue</u>	0.8875	0.8944	0.9004	0.9846	1.0419	1.0995
Operating expense						
Asset consumption ratio						
<u>Depreciated replacement cost of assets</u>	0.7426	0.7581	0.7581	0.8611	0.8702	0.9953
Current replacement cost of depreciated assets						
Asset renewal funding ratio						
<u>NPV of planned capital renewals over 10 years</u>	0.8521	0.9083	0.9083	0.8831	0.8621	2.8755
NPV of required capital expenditure over 10 years						

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

24. Subsequent event

The City, along with other member councils of the Mindarie Regional Council, has agreed to provide a financial guarantee to the operators of the resource recovery facility to be built at the Mindarie Regional Council site at Neerabup.

The guarantee covers Mindarie Regional Council's obligations to make a termination payment to the facility operators if there is a Force Majeure event, a default event under the Resource Recovery Facility Agreement by the Mindarie Regional Council or where member Councils of Mindarie Regional Council fail to pay the applicable gate fees.

The financial guarantee is to provide comfort to the operator (and its Financiers) by providing a direct contractual relationship between each member council and the operator.

The MRC is party to a 20-year waste processing agreement with BioVision 2020 Pty Ltd (BioVision) which commenced in 2009. Under the agreement, BioVision processes 100,000 tonnes of waste per year for the MRC at the Resource Recovery Facility (RRF) in Neerabup, extracting the organic material from the largely unsorted waste stream for beneficial use.

With the introduction of the new State Waste Strategy, there is a clear change to the way in which organics will be separated and sorted at the household level through the use of a third bin for Food Organics and Garden Organics (FOGO).

The change to organics handling in Perth, now and into the future, means that the RRF is no longer the most suitable processing infrastructure and technology for this material stream. To this end, the MRC and BioVision have mutually agreed to terminate their processing agreement with effect from 31 August 2021.

MRC is required to compensate the operators for the cashflows they would have received assuming the RRF continued from the negotiated exit date until its contractual end date of June 2029, discounted for risks and time value of money.

As a result, this guarantee has been called upon and the City has since contributed its share of this guarantee of \$28,333,334 to the Mindarie Regional Council subsequent to the year end (refer to note 15).

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

25. Opening and closing funds

Determination of opening funds

	Note	2020 Actual \$	2019 Actual \$
Current assets			
Cash & cash equivalents		125,256,781	121,847,339
Trade & other receivables		6,672,461	9,139,099
Other assets		1,341,280	966,353
Inventories		2,716,891	2,225,935
Contract assets		105,836	-
Right of use assets		98,917	-
Total current assets		136,175,350	134,178,726
Current liabilities			
Payables & provisions		(48,155,648)	(49,123,509)
Total current liabilities		(48,155,648)	(49,123,509)
Net current assets		88,019,702	85,055,217
Budget adjustments (non-cash)			
Add: current annual leave	11	6,959,711	6,302,092
Add: current long service leave	11	9,412,454	9,148,193
Budget adjustments net		16,372,165	15,450,285
Less: restricted financial assets reserves	5b	(82,218,244)	(73,924,250)
Opening fund on Rate Setting Statement		22,173,623	26,581,252

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

25. Opening and closing funds (continued)

Determination of closing funds

	Note	2021 Actual \$	2020 Actual \$
Current assets			
Cash & cash equivalents	5,17a	144,619,551	125,256,781
Trade & other receivables	6a	8,033,850	6,672,461
Other assets	6c	1,341,281	1,324,464
Inventories	7a	305,134	2,716,891
Contract assets	7b	1,676,982	105,836
Right of use assets	7c	119,623	98,917
		156,096,420	136,175,350
Current liabilities			
Payables & provisions	10	(62,808,628)	(48,155,648)
		(62,808,628)	(48,155,648)
Total current liabilities			
		93,287,792	88,019,702
Net current assets			
Budget adjustments (non-cash)			
Add: current annual leave	11	8,228,765	6,959,711
Add: current long service leave	11	10,630,768	9,412,454
Budget adjustments net		18,859,533	16,372,165
Less: restricted financial assets reserves	5b	(84,898,889)	(82,218,244)
Closing funds on Rate Setting Statement		27,248,436	22,173,623

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

26. Prior period restatements and guarantee payments

a) Guarantee payment

Subsequent to balance sheet date, the City was called upon to pay \$28,333,334 being its share of \$85,000,000 to the Mindarie Regional Council in August 2021, in full and final settlement of its obligations under the Resource Recovery Facility agreement, which was terminated post year end. This will be reported in the 2021-22 financial statements. Refer to Notes 15b and 24 for further details.

b) Associate entity restatement

Mindarie Regional Council adopted AASB 1059 Service Concession Arrangements : Grantors (issued December 2014) on 1 July 2019 resulting in changes to its accounting policies. In accordance with transition provisions of AASB 1059, the Mindarie Regional Council adopted the new rules retrospectively and measuring service concession assets and related liabilities on 1 July 2020. The adoption of AASB 1059 by Mindarie Regional Council resulted in the restatement of its prior year comparatives

The prior year comparatives have accordingly been restated. The carrying value of the investment in MRC at 1 July 2019 decreased by \$13,813,375 while the City's share of MRC's profit/loss for 2019-20 increased by \$516,871. As a result the accumulated surplus as at 1 July 2019 was reduced by \$13,813,375 and the profit from associate impacting the City's profit in the income statement was increased by \$516,871 Refer details in Note 16.

c) Correction of prior period adjustments

The prior period comparatives were also restated to rectify the following:

- (i) the City's equity accounted investment revaluation reserve at 1 July 2019 was restated by \$170,558 (Note 12b) with a corresponding transfer to the accumulated surplus, to reflect the City's share of the revaluation reserve of its associate at 30 June 2020.
- (ii) the accounting of revaluation reserve on disposal of non-current assets. This resulted in an increase in the 2019-20 loss on asset disposal by \$1,257,229 and a decrease in the profit on asset disposal by \$926,414. In accordance with the City's accounting policy outlined in Note 8, the revaluation reserve totalling \$5,089,687 realised on disposal of non-current assets was transferred from the revaluation reserve to accumulated surplus.
- (iii) Comparative figures have also been adjusted to conform with changes in presentation with the current financial year.

Changes to Financial Statements	Original audited balance \$	Adjustment 26(b) and 26(c) \$	Adjusted balance \$
Statement changes in equity as at 1 July 2019			
Equity as at 1 July 2019			
Accumulated surplus	1,068,420,718	(14,826,092)	1,053,594,626
Reserves - cash-backed	73,924,249	-	73,924,249
Revaluation surplus	1,989,629,514	(170,558)	1,989,458,956
Restated equity as at 1 July 2019	3,131,974,481	(14,996,650)	3,116,977,831
Statement of comprehensive income for the year ended 30 June 2020			
By nature and type			
Share of profit/(loss) of associate	(828,806)	516,871	(311,935)
Profit on asset disposals	2,234,456	(926,414)	1,308,042
Loss on asset disposals	(906,681)	(1,257,229)	(2,163,910)
Net result	4,977,934	(1,666,771)	3,311,163
Other comprehensive income	(584,371,105)	3,366,917	(581,004,188)
Total comprehensive income	(579,393,171)	1,700,145	(577,693,026)

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

26. Prior period restatements and guarantee payments (continued)

Changes to Financial Statements	Original audited balance \$	Adjustment 26(b) and 26(c) \$	Adjusted balance \$
By program			
Share of profit and sales in equity accounted investment			
- Property and Services	(828,806)	516,871	(311,935)
Net profit/(loss) on asset disposals			
- Property & services	1,327,775	(2,183,643)	(855,868)
Net result	4,977,934	(1,666,771)	3,311,163
Other comprehensive income	(584,371,105)	3,366,917	(581,004,188)
Total comprehensive income	(579,393,171)	1,700,145	(577,693,026)
Statement of financial position as at 30 June 2020			
Investments	38,373,601	(13,296,504)	25,077,097
Accumulated surplus	1,064,699,126	(11,403,175)	1,053,295,951
Revaluation surplus	1,399,258,410	(1,893,329)	1,397,365,081
Rate setting statement for the year ended 30 June 2020			
Operating activities excluded			
Profit on disposal of assets	(2,234,456)	3,542,498	1,308,042
Loss on disposal of assets	906,681	(3,070,591)	(2,163,910)
Reversal of prior year revaluation upon disposal of assets	(1,257,229)	1,257,229	-
Movement in non-current assets and payables	(607,910)	(516,869)	(1,124,779)
Amount attributed to operating activities	(102,269,734)	1,212,265	(101,057,468)
Investing activities			
Share of profit in associate	1,000,000	516,869	1,516,869
(Profit) /Loss on disposals	1,327,776	(471,908)	855,868
Total capital expenditure	(51,130,377)	(1,257,229)	(52,387,606)
Amount attributed to investment activities	(35,269,136)	(1,212,267)	(36,481,403)
Note 4 - Operating revenues and expenses			
Note 4b - Share of profit/ (loss) of associate accounted for using the equity method			
Share of profit/(loss) of Mindarie Regional Council	-	258,470	(258,470)
Share of profit/(loss) of Tamala Park Regional Council	-	53,465	(53,465)
Equity share of investment	2,804,536	2,804,536	-
Note 4b - Profit/(loss) on land sales at Tamala Park			
Land development expenses	-	1,563,192	(1,563,192)
Proceeds for sale of land	-	(4,476,534)	4,476,534

Notes to and forming part of the financial statements (continued)

For the year ended 30 June 2021

26. Prior period restatements and guarantee payments (continued)

Changes to Financial Statements	Original audited balance \$	Adjustment 26(b) and 26(c) \$	Adjusted balance \$
Note 4b - net profit on sale on non-current assets			
Net profit on sale of non-current assets	1,327,775	471,907	855,868
Note 12 - Revaluation Reserves			
Equity accounted investment reserve			
- Opening balance	11,570,885	-	11,570,885
- Prior period correction	-	170,557	(170,557)
- Restated opening balance	11,570,887	-	11,400,328
- Amount set aside / transfer to reserve	2,882	(2,882)	-
- Realisation on disposal of assets	(1,186,155)	(1,719,889)	(2,906,044)
- Closing balance	10,387,611	(1,893,327)	8,494,284
Total revaluation reserves - non cash backed			
- Opening balance	1,989,629,513	-	1,989,629,513
- Prior period correction	-	(170,557)	(170,557)
- Restated opening balance	1,989,629,513	(170,557)	1,989,458,956
- Adjustment relating to adoption of AASB 16	(6,000,000)	-	(6,000,000)
- Amount set aside / transfer to reserve	2,882	(2,882)	-
- Realisation on disposal of assets	-	(5,089,687)	(5,089,687)
- Changes on revaluation of assets	(584,373,988)	3,369,800	(581,004,188)
- Closing balance	1,399,258,409	(1,893,328)	1,397,365,081
Note 16 - Investment in associates			
Carrying value at 30 June 2020	38,373,601	13,296,504	25,077,097
Share of profit/(loss) of associate accounted for using the equity method	(828,806)	516,871	(311,935)
Note 17c - Reconciliation of net cash used in operating activities to change in net assets			
Net result	4,977,934	(1,666,773)	3,311,161
(Increase) in investments	(2,084,536)	(516,870)	(2,601,406)
Net (Profit)/ loss on sale of non-current assets	(1,327,776)	2,183,643	855,867
Note 23 - Statutory ratios			
Current ratio	1.6976		1.4503
Own source revenue	0.9004		0.8944



Auditor General

INDEPENDENT AUDITOR'S REPORT 2021 City of Stirling

To the Councillors of the City of Stirling

Report on the audit of the annual financial report

Opinion

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

- the Statement of Financial Position at 30 June 2021, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, 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
- the Statement by the Chief Executive Officer.

In my opinion the financial report of the City of Stirling:

- is based on proper accounts and records
- fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2021 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 section below. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to my audit of the financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Associate entity restatement and guarantee payment

I draw attention to Note 26 of the financial report which: (a) discloses the 2020 financial impact of the initial application of accounting standards AASB 1059 from the associate entity; and (b) discloses a guarantee payment made by the City subsequent to reporting date. My opinion is not modified in respect of this matter.

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

The Chief Executive Officer (CEO) of the City is responsible for the preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards. The CEO is also responsible for 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 and 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 responsibility 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.

Report on other legal and regulatory requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate a significant adverse trend in the financial position of the City:
 - a. The Asset Sustainability Ratio as reported in Note 23 of the annual financial report has been below the Department of Local Government, Sport and Cultural Industries' standard for the past 3 years.
 - b. The Operating Surplus Ratio as reported in Note 23 of the annual financial report has progressively declined over the past 3 years and for the past 2 years has been below the Department of Local Government, Sport and Cultural Industries' standard.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the financial report were supported by verifiable information and reasonable assumptions.

Other information

The other information is the information in the entity's annual report for the year ended 30 June 2021, but not the financial report and my auditor's report. The CEO is responsible for the preparation and the Council for overseeing the other information.

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of Stirling for the year ended 30 June 2021 included 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 described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.



Caroline Spencer
Auditor General for Western Australia
Perth, Western Australia
23 December 2021



Indexes and glossary



GRI Content Index

GRI Standard	Disclosure	Page number(s)
GRI 101: Foundation 2021		
General Disclosures		
GRI2: General Disclosures 2021	Organisational profile	
	Disclosure 2-1 Organisational details (Name, Ownership legal form, location, country)	28
	Disclosure 2-2 Entities included in the organisation's sustainability reporting	City of Stirling
	Disclosure 2-3 Reporting period, frequency and contact point	7
	Disclosure 2-4 Restatements of information (errors from last year)	58, 153
	Disclosure 2-5 External assurance	Financial Statements
	Activities and workers	
	Disclosure 2-6 Activities, value chain and other business relationships	40 – 41, 76 - 77
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	Disclosure 2-11 Chair of the highest governance body	28
	Disclosure 2-12 Role of the highest governance body in overseeing the management of impacts	34 - 37
	Disclosure 2-13 Delegation of responsibility for managing impacts	36
	Disclosure 2-14 Role of the highest governance body in sustainability reporting	Council endorsement of Annual Report
	Disclosure 2-15 Conflicts of interest	37
	Disclosure 2-16 Communication of critical concerns	34 - 36
	Disclosure 2-17 Collective knowledge of the highest governance body	34 - 36
	Disclosure 2-18 Evaluation of the performance of the highest governance body	36
	Disclosure 2-19 Remuneration policies	57, 58
	Disclosure 2-20 Process to determine remuneration	58
	Disclosure 2-21 Annual total compensation ratio	Not reported this year
	Strategies, policies and practices	
	Disclosure 2-22 Statement on sustainable development strategy	14
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GRI Standard	Disclosure	Page number(s)
GRI 101: Foundation 2021		
General Disclosures		
GRI2: General Disclosures 2021	Stakeholder engagement	
	Disclosure 2-29 Approach to stakeholder engagement	40 – 41
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GRI 201: Economic Performance 2016	Economic Performance	
	201-1 Direct economic value generated and distributed	Financial Statements
	201-2 Financial implications and other risks and opportunities due to climate change	46 - 47
	201-3 Defined benefit plan obligations and other retirement plans	58
	201-4 Financial assistance received from government	47
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	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not applicable
	202-2 Proportion of senior management hired from the local community	Not applicable
GRI 203: Indirect Economic Impacts 2016	Indirect Economic Impacts	
	203-1 Infrastructure investments and services supported	114 - 132
	203-2 Significant indirect economic impacts	22 – 23, 46 - 47
GRI 204: Procurement Practices 2016	Procurement Practices	
	204-1 Proportion of spending on local suppliers	147
GRI 205: Anti-corruption 2016	Anti-corruption	
	205-1 Operations assessed for risks related to corruption	67 - 68
	205-2 Communication and training about anti-corruption policies and procedures	67 - 68
	205-3 Confirmed incidents of corruption and actions taken	None
GRI 206: Anti-competitive Behaviour 2016	Anti-competitive Behaviour	
	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	None
GRI 207: Tax 2019	Tax	
	207-1 Approach to tax	Not applicable
	207-2 Tax governance, control, and risk management	Not applicable
	207-3 Stakeholder engagement and management of concerns related to tax	Not applicable
	207-4 Country-by-country reporting	Not applicable

GRI Standard	Disclosure	Page number(s)
Material Topics		
300 series (Environmental topics)		
GRI 301: Materials 2016	Materials	
	301-1 Materials used by weight or volume	147-149
	301-2 Recycled input materials used	147-149
GRI 302: Energy 2016	301-3 Reclaimed products and their packaging materials	147-149
	Energy	
	302-1 Energy consumption within the organization	143-145
	302-2 Energy consumption outside of the organization	147
	302-3 Energy intensity	Not reported this year
GRI 303: Water and Effluents 2018	302-4 Reduction of energy consumption	144
	302-5 Reductions in energy requirements of products and services	Not reported this year
	Water	
	303-1 Interactions with water as a shared resource	141
	303-2 Management of water discharge-related impacts	Not reported this year
GRI 304: Biodiversity 2016	303-3 Water withdrawal	141
	303-4 Water discharge	Not reported this year
	303-5 Water consumption	140-142
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not reported this year
	304-2 Significant impacts of activities, products, and services on biodiversity	152 - 156
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	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	153
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	305-2 Energy indirect (Scope 2) GHG emissions	146
	305-3 Other indirect (Scope 3) GHG emissions	146-147
	305-4 GHG emissions intensity	Not reported this year
305-5 Reduction of GHG emissions	143, 146	
GRI 306: Waste 2020	305-6 Emissions of ozone-depleting substances (ODS)	Not reported this year
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not reported this year
	Waste	
	306-1 Waste generation and significant waste-related impacts	138-140
	306-2 Management of significant waste-related impacts	Not reported this year
GRI 307: Environmental Compliance 2016	306-3 Waste generated	138-140
	306-4 Waste diverted from disposal	138-140
	306-5 Waste directed to disposal	138-140
	Environmental Compliance	
	307-1 Non-compliance with environmental laws and regulations	None noted
GRI 308: Supplier Environmental Assessment 2016	Supplier Environmental Assessment	
	308-1 New suppliers that were screened using environmental criteria	147 - All tenders
	308-2 Negative environmental impacts in the supply chain and actions taken	147-149

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400 series (Social topics)		
GRI 401: Employment 2016	Employment	
	401-1 New employee hires and employee turnover	58
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	58, covered in agreements
	401-3 Parental leave	58, covered in agreements
GRI 402: Labor/Management Relations 2016	Labor/Management Relations	
	402-1 Minimum notice periods regarding operational changes	58, covered in agreements
GRI 403: Occupational Health and Safety 2018	Occupational Health and Safety	
	403-1 Occupational health and safety management system	60 - 61
	403-2 Hazard identification, risk assessment, and incident investigation	60 - 61
	403-3 Occupational health services	60 - 61
	403-4 Worker participation, consultation, and communication on occupational health and safety	60 - 61
	403-5 Worker training on occupational health and safety	60 - 61
	403-6 Promotion of worker health	59
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	60 - 61
	403-8 Workers covered by an occupational health and safety management system	58, covered in agreements
	403-9 Work-related injuries	61
	403-10 Work-related ill health	61
GRI 404: Training and Education 2016	Training and Education	
	404-1 Average hours of training per year per employee	58
	404-2 Programs for upgrading employee skills and transition assistance programs	58
	404-3 Percentage of employees receiving regular performance and career development reviews	58
GRI 405: Diversity and Equal Opportunity 2016	Diversity and Equal Opportunity	
	405-1 Diversity of governance bodies and employees	56
	405-2 Ratio of basic salary and remuneration of women to men	56 - 57
GRI 406: Non-discrimination 2016	Non-discrimination	
	406-1 Incidents of discrimination and corrective actions taken	56 – 58, covered in agreements
GRI 407: Freedom of Association and Collective Bargaining 2016	Freedom of Association and Collective Bargaining	
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	58, covered in agreements
GRI 408: Child Labour 2016	Child Labour	
	408-1 Operations and suppliers at significant risk for incidents of child labour	147 – Assessed in tenders
GRI 409: Forced or Compulsory Labour 2016	Forced or Compulsory Labour	
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	147 – Assessed in tenders
GRI 410: Security Practices 2016	Security Practices	
	410-1 Security personnel trained in human rights policies or procedures	Not reported this year

GRI Standard	Disclosure	Page number(s)
Material Topics		
GRI 411: Rights of Indigenous Peoples 2016	Rights of Indigenous Peoples	
	411-1 Incidents of violations involving rights of indigenous peoples	Not reported this year
GRI 412: Human Rights Assessment 2016	Human Rights Assessment	
	412-1 Operations that have been subject to human rights reviews or impact assessments	147 – Assessed in tenders
	412-2 Employee training on human rights policies or procedures	Not reported this year
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	147 – Assessed in tenders
GRI 413: Local Communities 2016	Local Communities	
	413-1 Operations with local community engagement, impact assessments, and development programs	170 - 171
	413-2 Operations with significant actual and potential negative impacts on local communities	Not applicable
GRI 414: Supplier Social Assessment 2016	Supplier Social Assessment	
	414-1 New suppliers that were screened using social criteria	147 – Assessed in tenders
	414-2 Negative social impacts in the supply chain and actions taken	147-149
GRI 415: Public Policy 2016	Public Policy	
	415-1 Political contributions	166 - 167
GRI 416: Customer Health and Safety 2016	Customer Health and Safety	
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GRI 417: Marketing and Labeling 2016	Marketing and Labeling	
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	417-2 Incidents of non-compliance concerning product and service information and labeling	Not applicable
	417-3 Incidents of non-compliance concerning marketing communications	Not applicable
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Glossary

Activation: planning for a diverse range of activities in a location or precinct ensuring the needs of all potential users are met as part of their daily life.

Biodiversity: the variety of all living things including plants, animals and micro-organisms, their genes and the ecosystems of which they are a part.

Capital works: scheduled infrastructure works generally encompassing capital works for road, drainage and building assets.

Census: an official survey of the population of a country.

Community Arts and Events Fund: created to support creative arts, events and cultural projects and provide opportunities for communities to celebrate our unique lifestyle and places.

The Community Creativity Fund: provides an opportunity to support local artists and cultural practitioners as well as many new and exciting projects.

Digital literacy: the skills required to live, learn, and work in a society by communicating and accessing information through digital technologies.

Diversity: understanding that each individual is unique and recognising our individual differences.

Environmental footprint: the measurement of the harmful effects of human activities on the environment.

Global Reporting Initiative: a leading not-for-profit organisation that has developed a comprehensive Sustainability Reporting Framework that is widely used around the world.

Kaleidoscope Initiative: a program aimed to help newcomers to the City of Stirling gain meaningful employment which then enables them to contribute their skills and experience to the local economy.

Landfill: sites for disposal of non-recyclable waste.

Local Planning Strategy: a guide for future decisions in relation to rezoning and funding for future services and infrastructure.

Ombudsman WA: An officer of the Western Australian Parliaments who investigates and resolves complaints relating to the decision making of government agencies, local government and universities.

Procurement: the act of obtaining or buying goods and services.

Stakeholder: individuals, groups or organisations interested in, impacted by or in a position to influence the City of Stirling's activities or objectives.

Stirling Business Centre: a co-working space where small businesses can operate from.

Streetscapes: the appearance or view of a street including footpaths, lighting, buildings and natural elements.

Sustainable: the ability to meet present-day needs without compromising the ability of future generations to meet their own needs.

Town Teams: groups formed by a local community to focus on the activation of a specific location.

Urban forest: a collection of trees that grow within a city, town or suburb.

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City facilities

Administration Centre

25 Cedric Street, Stirling
(08) 9205 8555

Animal Care Facility

15 Natalie Way, Balcatta
(08) 9205 7120

Hamersley Public Golf Course

102 Marmion Avenue, Karrinyup
(08) 9205 7440

Henderson Environment Centre

16 Groat Street, North Beach
(08) 9205 8555

Multicultural Centre

38 Ashbury Crescent, Mirrabooka
(08) 9205 7320

Mount Flora Museum

Elvire Street, Watermans Bay
(08) 9205 8555

Operations Centre

16 Natalie Way, Balcatta WA
(08) 9205 8555

Recycling Centre Balcatta

238 Balcatta Road, Balcatta WA
(08) 9205 8555

Stirling Community Centres

There are 16 community centres in the City of Stirling, which provide residents with a range of hire facilities, as well as several ongoing community educational and recreational programs.

Most community centres are home to autumn clubs or seniors' clubs that use the centres as their bases. These clubs encourage active ageing by offering a supportive environment to socialise.

Visit www.stirling.wa.gov.au/venuehire for more information.

Stirling Leisure Centres

Hamersley

Belvedere Road, Hamersley
(08) 9205 7600

Herb Graham – Mirrabooka

38 Ashbury Crescent, Mirrabooka
(08) 9205 7320

Karrinyup

2 Natalie Way, Karrinyup
(08) 9345 8555

Leisurepark – Balga

Princess Road, Balga
(08) 9205 7340

Scarborough

Scarborough Community Hub
173 Gildercliffe Street, Scarborough
(08) 9205 7490

Scarborough Beach Pool

171 The Esplanade, Scarborough
(08) 9205 7560

Terry Tzyack Aquatic Centre – Inglewood

62 Alexander Drive, Inglewood
(08) 9205 7720

Stirling Libraries

Dianella

Waverley Street, Dianella
(08) 9205 7740

Inglewood

Inglewood Town Square
895 Beaufort Street, Inglewood
(08) 9205 7700

Karrinyup

Davenport Street, Karrinyup
(08) 9205 7400

Mirrabooka

Mirrabooka Community Hub
21 Sudbury Road, Mirrabooka
(08) 9205 7300

Osborne

Osborne Community Hub
9 Royal Street, Tuart Hill
(08) 9205 7900

Scarborough

Scarborough Community Hub
173 Gildercliffe Street, Scarborough
(08) 9205 7420










S City of Stirling
City of Choice

Administration Centre 25 Cedric Street Stirling WA 6021

Telephone (08) 9205 8555

Enquiries www.stirling.wa.gov.au/enquiries

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