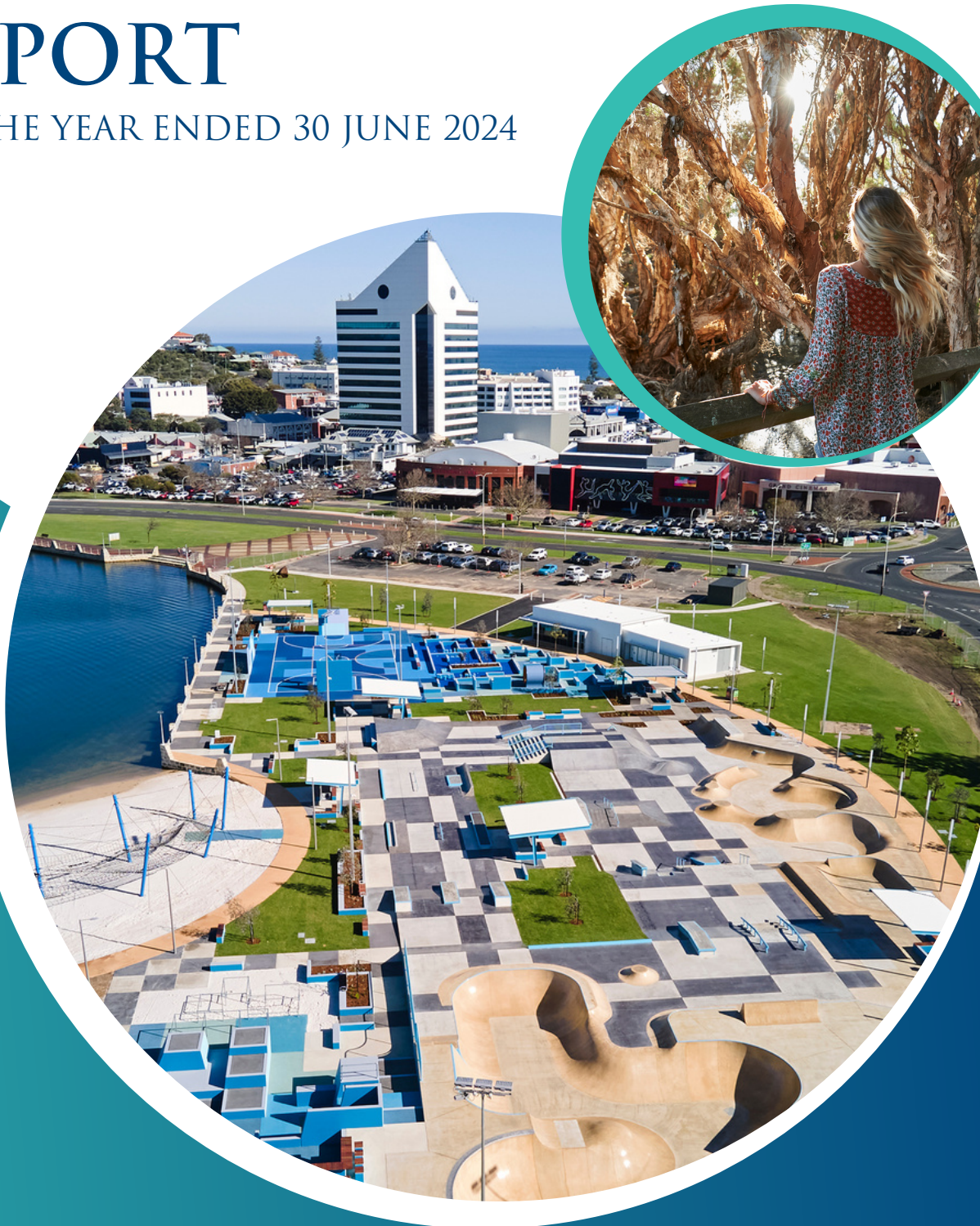




ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2024



**CITY OF BUNBURY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

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The City of Bunbury conducts the operations of a local government with the following community vision:

Welcoming and full of opportunities

Principal place of business:

4 Stephen Street
Bunbury WA 6230

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**CITY OF BUNBURY
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The accompanying financial report of the City of Bunbury has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2024 and the financial position as at 30 June 2024.

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

Signed on the 19 day of November 2024

Alan Ferris
Chief Executive Officer

CITY OF BUNBURY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
Revenue				
Rates	26	46,316,206	46,208,047	43,007,394
Grants and Subsidies	2(a)	4,089,950	1,717,666	3,518,591
Contributions, Reimbursements and Donations	2(a)	1,221,032	495,747	1,268,515
Fees and Charges	2(a)	15,682,134	14,864,899	13,988,202
Interest Revenue	2(a)	2,576,053	1,952,000	1,997,323
Other Revenue	2(a)	383,017	443,600	639,640
		<u>70,268,392</u>	<u>65,681,959</u>	<u>64,419,665</u>
Expenses				
Employee Costs	2(b)	(35,123,323)	(34,803,845)	(32,036,058)
Consultants		(2,678,134)	(4,226,765)	(2,596,584)
Materials and Contracts		(18,651,795)	(17,658,125)	(15,444,742)
Utility Charges		(2,822,832)	(2,764,871)	(2,749,036)
Depreciation on Non-Current Assets		(15,234,735)	(13,774,012)	(14,481,576)
Insurance Expenses		(773,607)	(787,335)	(726,784)
Interest Expenses	2(b)	(510,936)	(516,426)	(585,666)
Other Expenditure	2(b)	(3,792,031)	(2,753,121)	(6,665,878)
		<u>(79,587,393)</u>	<u>(77,284,500)</u>	<u>(75,286,324)</u>
		(9,319,001)	(11,602,541)	(10,866,659)
Capital Grants, Subsidies and Contributions	2(a)	13,934,564	16,661,409	2,847,136
Fair Value adjustments to Financial Assets at				
Fair Value through Profit or Loss	4(b)	3,363	-	7,372
Share of Profit/(Loss) of Associates and Joint Ventures				
accounted for using the Equity Method	21(b)	242,000	-	2,662,508
Disposal of Lease Liability		-	-	4,995
Profit on Asset Disposals		138,080	605,205	267,322
Loss on Asset Disposals		<u>(3,956,531)</u>	<u>-</u>	<u>(1,459,097)</u>
Net Result for the Period	25(b)	1,042,475	5,664,073	(6,536,423)
Other Comprehensive Income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in Asset Revaluation Surplus	16	90,444,149	-	4,908,145
Total Other Comprehensive Income for the Period		<u>90,444,149</u>	<u>-</u>	<u>4,908,145</u>
Total Comprehensive Income for the Period		<u>91,486,624</u>	<u>5,664,073</u>	<u>(1,628,278)</u>

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

CITY OF BUNBURY
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024

	NOTE	2024 \$	2023 \$
CURRENT ASSETS			
Cash and Cash Equivalents - Unrestricted	3	10,911,277	12,351,941
Cash and Cash Equivalents - Restricted	3	23,567,196	23,668,073
Trade and Other Receivables	5	7,572,941	3,986,390
Inventories	6	135,898	148,840
Other Current Assets	7	1,551,311	985,560
Other Financial Assets	4(a)	36,816	66,732
TOTAL CURRENT ASSETS		43,775,439	41,207,536
NON-CURRENT ASSETS			
Trade and Other Receivables	5	825,678	751,616
Other Financial Assets	4(b)	255,145	288,598
Investment in Associates	21(b)	3,626,230	3,384,230
Property, Plant and Equipment	8	250,039,792	240,780,070
Infrastructure	9	315,045,346	227,894,271
Right of Use Assets	11	976,199	400,016
TOTAL NON-CURRENT ASSETS		570,768,390	473,498,801
TOTAL ASSETS		614,543,829	514,706,337
CURRENT LIABILITIES			
Trade and Other Payables	12	10,037,988	7,303,934
Other Liabilities	13	1,199,825	2,150,946
Lease Liabilities	11(b)	248,418	91,194
Borrowings	14	2,585,983	2,345,114
Employee Related Provisions	15	5,312,864	5,268,671
TOTAL CURRENT LIABILITIES		19,385,078	17,159,859
NON-CURRENT LIABILITIES			
Trade and Other Payables	12	410,966	401,519
Lease Liabilities	11(b)	750,573	315,736
Borrowings	14	13,861,053	8,265,036
Employee Related Provisions	15	670,459	585,111
TOTAL NON-CURRENT LIABILITIES		15,693,051	9,567,402
TOTAL LIABILITIES		35,078,129	26,727,261
NET ASSETS		579,465,700	487,979,076
EQUITY			
Retained Surplus		190,350,695	188,238,887
Reserves - Cash Backed	29	20,447,794	21,517,127
Revaluation Surplus	16	368,667,211	278,223,062
TOTAL EQUITY		579,465,700	487,979,076

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

**CITY OF BUNBURY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2022		190,843,873	25,448,564	273,314,917	489,607,354
Comprehensive Income for the Period					
Net Result for the Period		(6,536,423)	-	-	(6,536,423)
Other Comprehensive Income for the Period	16	-	-	4,908,145	4,908,145
Total Comprehensive Income for the Period		<u>(6,536,423)</u>	<u>-</u>	<u>4,908,145</u>	<u>(1,628,278)</u>
Transfers from/(to) Reserves	29	3,931,437	(3,931,437)	-	-
Balance as at 30 June 2023		<u>188,238,887</u>	<u>21,517,127</u>	<u>278,223,062</u>	<u>487,979,076</u>
Comprehensive Income for the Period					
Net Result for the Period		1,042,475	-	-	1,042,475
Other Comprehensive Income for the Period	16	-	-	90,444,149	90,444,149
Total Comprehensive Income for the Period		<u>1,042,475</u>	<u>-</u>	<u>90,444,149</u>	<u>91,486,624</u>
Transfers from/(to) Reserves	29	1,069,333	(1,069,333)	-	-
Balance as at 30 June 2024		<u><u>190,350,695</u></u>	<u><u>20,447,794</u></u>	<u><u>368,667,211</u></u>	<u><u>579,465,700</u></u>

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

**CITY OF BUNBURY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024**

	NOTE	2024 Actual \$	2023 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		45,962,277	42,761,963
Grants and Subsidies		874,271	4,519,500
Contributions, Reimbursements and Donations		1,221,032	1,268,515
Fees and Charges		15,889,559	14,141,215
Interest Revenue		2,576,053	1,997,323
Other Revenue		383,017	639,640
		<u>66,906,209</u>	<u>65,328,156</u>
Payments			
Employee Costs		(34,885,317)	(31,657,679)
Consultants		(2,678,134)	(2,596,584)
Materials and Contracts		(16,783,291)	(16,047,766)
Utility Charges		(2,822,832)	(2,749,036)
Interest Expenses		(506,771)	(594,698)
Insurance Expenses		(773,607)	(726,784)
Goods and Services Tax (GST)		(80,535)	(151,073)
Other Expenditure		(3,782,584)	(6,655,517)
		<u>(62,313,071)</u>	<u>(61,179,137)</u>
Net Cash Provided By (Used In) Operating Activities	17(b)	<u>4,593,138</u>	<u>4,149,019</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for the Purchase of Property, Plant and Equipment	8	(16,531,392)	(3,176,824)
Payment for Construction of Infrastructure	9	(8,642,727)	(5,329,182)
Capital Grants, Subsidies and Contributions		12,965,659	2,847,136
Proceeds from Self-Supporting Loans		66,732	(30,481)
Proceeds from Sale of Fixed Assets		371,851	376,268
		<u>371,851</u>	<u>376,268</u>
Net Cash Provided By (Used In) Investing Activities		<u>(11,769,877)</u>	<u>(5,313,083)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Borrowings	28(a)	(2,345,114)	(2,662,941)
Payments for principal portion of lease liabilities	28(d)	(201,688)	(123,364)
Proceeds from New Borrowings	28(b)	8,182,000	144,000
		<u>8,182,000</u>	<u>144,000</u>
Net Cash Provided By (Used In) Financing Activities		<u>5,635,198</u>	<u>(2,642,305)</u>
Net Increase (Decrease) In Cash Held		(1,541,541)	(3,806,369)
Cash at Beginning of Year		36,020,014	39,826,383
Cash and Cash Equivalents at the End of the Year	17(a)	<u><u>34,478,473</u></u>	<u><u>36,020,014</u></u>

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

CITY OF BUNBURY
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
OPERATING ACTIVITIES				
Revenue from Operating Activities				
Rates	26	46,260,016	46,151,966	42,954,988
Specified Area Rates	26	56,190	56,081	52,406
Operating Grants and Subsidies		4,089,950	1,717,666	3,518,591
Contributions, Reimbursements and Donations		1,221,032	495,747	1,268,515
Fees and Charges		15,682,134	14,864,899	13,988,202
Interest Revenue		2,576,053	1,952,000	1,997,323
Other Revenue		383,017	443,600	639,640
Share of Net Profit of Associates and Joint Ventures accounted for using the Equity Method	21(b)	242,000	-	2,662,508
Profit on Disposal of Assets		138,080	605,205	267,322
Disposal of Lease Liability		-	-	4,995
		70,648,472	66,287,164	67,354,490
Expenses from Operating Activities				
Employee Costs		(35,123,323)	(34,803,845)	(32,036,058)
Consultants		(2,678,134)	(4,226,765)	(2,596,584)
Materials and Contracts		(18,651,795)	(17,658,125)	(15,444,742)
Utility Charges		(2,822,832)	(2,764,871)	(2,749,036)
Depreciation on Non-Current Assets		(15,234,735)	(13,774,012)	(14,481,576)
Insurance Expenses		(773,607)	(787,335)	(726,784)
Interest Expenses		(510,936)	(516,426)	(585,666)
Other Expenses		(3,792,031)	(2,753,121)	(6,665,878)
Loss on Disposal of Assets		(3,956,531)	-	(1,459,097)
		(83,543,924)	(77,284,500)	(76,745,421)
Non-Cash Amounts Excluded from Operating Activities	27(a)	18,828,556	13,230,907	12,900,448
Amount Attributable to Operating Activities		5,933,104	2,233,571	3,509,517
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital Grants, Subsidies and Contributions		13,934,564	16,661,409	2,847,136
Fair Value Adjustment to Financial Assets at Fair Value through Profit or Loss	4(b)	3,363	-	7,372
Proceeds from Disposal of Assets		371,851	852,182	376,268
Proceeds from Self-Supporting Loans		66,732	66,732	(30,481)
		14,376,510	17,580,323	3,200,295
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(16,531,392)	(24,567,892)	(3,176,824)
Purchase Infrastructure Assets	9(a)	(8,642,727)	(12,077,492)	(5,329,182)
		(25,174,119)	(36,645,384)	(8,506,006)
Amount Attributable to Investing Activities		(10,797,609)	(19,065,061)	(5,305,711)

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

CITY OF BUNBURY
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2024

	NOTE	2024 Actual \$	2024 Budget \$	2023 Actual \$
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from Borrowings	28(b)	8,182,000	8,182,000	144,000
Transfers from Reserves (Restricted Assets)	29	14,176,936	19,798,865	15,451,539
		<u>22,358,936</u>	<u>27,980,865</u>	<u>15,595,539</u>
Outflows from financing activities				
Repayment of Borrowings	28(a)	(2,345,114)	(2,345,115)	(2,662,941)
Payments for principal portion of lease liabilities	28(d)	(201,688)	(203,434)	(123,364)
Movement in Unspent Loans	28(c)	(1,919,577)	-	-
Transfers to Reserves (Restricted Assets)	29	(13,107,603)	(12,924,658)	(11,520,102)
		<u>(17,573,982)</u>	<u>(15,473,207)</u>	<u>(14,306,407)</u>
Amount Attributable to Financing Activities		4,784,954	12,507,658	1,289,132
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year		4,900,126	4,484,016	5,407,188
Amount attributable to operating activities		5,933,104	2,233,571	3,509,517
Amount attributable to investing activities		(10,797,609)	(19,065,061)	(5,305,711)
Amount attributable to financing activities		4,784,954	12,507,658	1,289,132
SURPLUS/(DEFICIT) AFTER IMPOSITION OF GENERAL RATES	27(d)	<u><u>4,820,575</u></u>	<u><u>160,184</u></u>	<u><u>4,900,126</u></u>

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

1. BASIS OF PREPARATION

The financial report of the City of Bunbury which is a Class 1 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

LOCAL GOVERNMENT ACT 1995 REQUIREMENTS

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

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

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

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

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

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

- Fair value measurement of assets carried at reportable value including:
 - Property, plant and equipment - Note 8
 - Infrastructure - Note 9

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (cont.)

- Expected credit losses on financial assets - Note 4
- Assets held for sale
- Impairment losses of non-financial assets - Note 8 and 9
- Investment property
- Estimated useful life of intangible assets
- Measurement of employee benefits - Note 15
- Measurement of provisions

Fair value hierarchy information can be found in Note 24.

THE LOCAL GOVERNMENT REPORTING ENTITY

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 30 of the financial report.

INITIAL APPLICATION OF ACCOUNTING STANDARDS

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

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

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

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

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

- AASB 2014-10 *Amendments to Australian Accounting Standards - Sale or Contribution to Assets between an Investor and its Associate or Joint Venture*

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-Current.*

- AASB 2021-7c *Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*

- AASB 2022-5 *Amendments to Australian Accounting Standards - Lease Liability in Sale and Leaseback*

- AASB 2022-6 *Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants*

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

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

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

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

This amendment may result in additional disclosures in the case of applicable finance arrangements.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with Customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of Goods and Services	When Obligations Typically Satisfied	Payment Terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants and subsidies	Grant contracts with customers - with and without agreements and subsidies.	Over time or no obligations. Dependant upon arrangement.	Fixed term transfer for funds based on agreed milestones and reporting or not applicable. Dependant upon arrangement.	Contract obligation if project not complete or not applicable. Dependant upon arrangement.	Output method based on project milestone and/or completion date matched to performance obligations, or when asset is controlled. Dependant upon arrangement.
Capital Grants	Construction or acquisition of recognisable non-financial assets.	Over time.	Fixed term transfer for funds based on agreed milestones and reporting.	Contract obligation if project not complete.	Output method based on project milestone and/or completion date matched to performance obligations.
Fees and Charges	Charges made for council provided services, facility hire, fines, sale of goods, and licences.	Single point in time and over time. Dependant upon fee.	In full, in advance, or on normal credit trading terms. Dependant upon fee.	Dependant upon good or service provided.	Output method based on provision of service or completion of works.
Other Revenue	Other revenue that cannot be classified into the above categories.	Single point in time and over time. Dependant upon fee.	In full, in advance, or on normal credit trading terms. Dependant upon fee.	Dependant upon good or service provided.	Output method based on provision of service or completion of works.

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES (continued)

(a) Revenue (continued)

Revenue Recognition

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

For the year ended 30 June 2024

Nature	Contracts with Customers \$	Capital Grant/ Contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	-	-	46,316,206	-	46,316,206
Grants, subsidies and contributions	2,188,624	-	-	3,122,358	5,310,982
Fees and Charges	7,865,879	-	7,816,255	-	15,682,134
Interest revenue	-	-	603,266	1,972,787	2,576,053
Other Revenue	361,299	-	-	21,718	383,017
Capital Grants, subsidies and contributions	-	13,934,564	-	-	13,934,564
Total	10,415,802	13,934,564	54,735,727	5,116,863	84,202,956

For the year ended 30 June 2023

Nature	Contracts with Customers \$	Capital Grant/ Contributions \$	Statutory Requirements \$	Other \$	Total \$
Rates	-	-	43,007,394	-	43,007,394
Grants, subsidies and contributions	1,088,462	-	-	3,698,644	4,787,106
Fees and Charges	7,090,826	-	6,897,376	-	13,988,202
Interest revenue	-	-	432,123	1,565,200	1,997,323
Other Revenue	456,247	-	165,000	18,393	639,640
Capital Grants, subsidies and contributions	-	2,847,136	-	-	2,847,136
Total	8,635,535	2,847,136	50,501,893	5,282,237	67,266,801

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUES AND EXPENSES (continued)

(a) Revenue (continued)

	NOTE	2024 \$	2023 \$
Interest Revenue			
Interest on Reserve Account Funds		293,993	271,443
Other interest Revenue		2,282,060	1,725,880
		<u>2,576,053</u>	<u>1,997,323</u>
Fees and Charges related to rates receivable			
Charges on instalment plan		105,693	101,640

The 2024 original budget estimate in relation to:
Charges on instalment plan was \$100,000

(b) Expenses

	NOTE	2024 \$	2023 \$
Auditors Remuneration			
- Audit of the Annual Financial Report		91,850	83,500
		<u>91,850</u>	<u>83,500</u>
Employee Costs			
Employee Benefit Costs		33,906,273	30,812,975
Other Employee costs		1,217,050	1,223,083
		<u>35,123,323</u>	<u>32,036,058</u>
Finance Costs			
Borrowings	28(a)	461,971	565,515
Borrowings - self-supporting	28(a)	7,609	2,497
Lease Liabilities	28(d)	41,356	17,654
		<u>510,936</u>	<u>585,666</u>
Other Expenditure			
Contributions, Donations and Sponsorships		2,680,453	5,346,045
Miscellaneous (refunds, subscriptions, recoupables)		412,195	527,287
Elected Members		602,909	626,178
Write Offs		11,178	69,031
Taxation and Levies		75,849	86,976
Other Expenses		9,447	10,361
		<u>3,792,031</u>	<u>6,665,878</u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

3. CASH AND CASH EQUIVALENTS

	NOTE	2024 \$	2023 \$
Cash at bank and on hand		9,880,418	7,718,096
Term deposits		24,598,055	28,301,918
Total cash and cash equivalents	17(a)	<u>34,478,473</u>	<u>36,020,014</u>
Held as			
Unrestricted cash and cash equivalents		10,911,277	12,351,941
Restricted cash and cash equivalents	17(a)	<u>23,567,196</u>	<u>23,668,073</u>
		<u>34,478,473</u>	<u>36,020,014</u>

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

4. OTHER FINANCIAL ASSETS

	2024	2023
	\$	\$
(a) Current assets		
Financial assets at amortised cost	36,816	66,732
	<u>36,816</u>	<u>66,732</u>
Other financial assets at amortised cost		
Self supporting loans receivable	36,816	66,732
	<u>36,816</u>	<u>66,732</u>
(b) Non-current assets		
Financial assets at amortised cost	88,803	125,619
Financial assets at fair value through profit and loss	166,342	162,979
	<u>255,145</u>	<u>288,598</u>
Financial assets at amortised cost		
Self supporting loans receivable	88,803	125,619
	<u>88,803</u>	<u>125,619</u>
Financial Assets at fair value through profit and loss		
Units in Local Government House Trust - Opening balance	162,979	155,607
Movement attributable to fair value	3,363	7,372
Units in Local Government House Trust - Closing balance	<u>166,342</u>	<u>162,979</u>

Loans receivable from clubs / institutions have the same terms and conditions as the related borrowing disclosed in Note 28(a) as self supporting loans. Fair value of financial assets at fair value through profit and loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 26(i)) due to the observable market rates.

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

Financial assets at fair value through profit 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 elected to recognise fair value gains and losses through profit or loss.

Impairment and risk

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

5. TRADE AND OTHER RECEIVABLES

	2024	2023
	\$	\$
Current		
Rates Receivables	2,214,805	1,934,938
Sundry Debtors	4,928,330	1,694,867
GST Receivable	399,171	318,636
Infringements	30,635	37,949
BHRC Debtor	231,000	231,000
Allowance for credit losses of trade and other receivables (BHRC)	(231,000)	(231,000)
	<u>7,572,941</u>	<u>3,986,390</u>
Non-Current		
Pensioner Rates and ESL Deferred	825,678	751,616
	<u>825,678</u>	<u>751,616</u>

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

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

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

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

6. INVENTORIES

	2024	2023
	\$	\$
Current		
Construction Materials	87,643	104,329
Bunbury Visitor Information Centre Stock Held for Sale	3,834	6,660
Bunbury Wildlife Park Stock Held for Sale	20,296	15,232
South West Sports Centre Stock Held for Sale	24,125	22,619
	135,898	148,840
	135,898	148,840

The following movements in inventories occurred during the year:

Balance at beginning of year	148,840	140,010
Inventories expensed during the year	465,859	(382,282)
Additions to inventory	(478,801)	391,112
Balance at end of year	135,898	148,840
	135,898	148,840

MATERIAL ACCOUNTING POLICIES

General

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

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

7. OTHER ASSETS

	2024	2023
	\$	\$
Other Assets - Current		
Prepayments	722,661	820,810
Contract assets	716,565	-
Accrued income	112,085	164,750
	1,551,311	985,560
	1,551,311	985,560

MATERIAL ACCOUNTING POLICIES

Other current assets

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

Contract Assets

Contract assets primarily relate to the City's right to consideration for work completed but not billed at the end of the reporting period.

Impairment of assets associated with contracts with customers are detailed in Note 2(b).

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land \$	Buildings \$	Plant and Vehicles \$	Equipment \$	Furniture and Fittings \$	Arts and Culture \$	Capital WIP Movement \$	TOTAL \$
Balance at 1 July 2022	112,998,300	118,748,152	5,506,171	2,228,413	62,447	2,325,047	104,080	241,972,610
Additions	48,306	446,455	726,286	534,143	37,825	21,885	1,361,924	3,176,824
Works in Progress Movement	-	15,059	-	-	-	-	(15,059)	-
Internal Re-classifications	-	-	120,702	-	-	-	-	120,702
Disposals	(44,470)	(187,335)	(83,834)	-	-	-	-	(315,639)
Depreciation (expense)	-	(2,627,486)	(810,356)	(728,577)	(8,008)	-	-	(4,174,427)
Balance at 30 June 2023	113,002,136	116,394,845	5,458,969	2,033,979	92,264	2,346,932	1,450,945	240,780,070
Comprises, as at 30 June 2023								
Gross balance amount	113,002,136	193,631,128	8,456,731	6,810,566	137,173	2,350,723	1,450,945	325,839,402
Accumulated depreciation	-	(77,236,283)	(2,997,762)	(4,776,587)	(44,909)	(3,791)	-	(85,059,332)
Balance at 30 June 2023	113,002,136	116,394,845	5,458,969	2,033,979	92,264	2,346,932	1,450,945	240,780,070
Balance at 1 July 2023	113,002,136	116,394,845	5,458,969	2,033,979	92,264	2,346,932	1,450,945	240,780,070
Additions	-	784,249	1,720,455	212,738	11,021	31,100	13,771,829	16,531,392
Works in Progress Movement	479,384	17,831	-	-	-	-	(497,215)	-
Internal Re-classifications	-	-	54,125	-	-	-	-	54,125
Disposals	-	(2,882,059)	(257,429)	-	-	-	-	(3,139,488)
Depreciation (expense)	-	(2,565,213)	(936,135)	(672,300)	(12,659)	-	-	(4,186,307)
Balance at 30 June 2024	113,481,520	111,749,653	6,039,985	1,574,417	90,626	2,378,032	14,725,559	250,039,792
Comprises, as at 30 June 2024								
Gross carrying amount	113,481,520	186,505,208	9,810,344	7,023,304	148,194	2,381,823	14,725,559	334,075,952
Accumulated depreciation	-	(74,755,555)	(3,770,359)	(5,448,887)	(57,568)	(3,791)	-	(84,036,160)
Balance at 30 June 2024	113,481,520	111,749,653	6,039,985	1,574,417	90,626	2,378,032	14,725,559	250,039,792

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

8. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value as determined at the last valuation date					
Land	2	Sales comparison (market) approach using recent observable market data for similar properties	Independent registered valuer	June 2021	Price per hectare
Buildings; non-specialised	3	Improvements to land valued using cost approach using depreciated replacement cost and Market approach using recent observable market data for similar properties	Independent registered valuer	June 2021	Improvements to land using construction costs (level 2) and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Buildings; specialised	3	Improvements to land valued using cost approach using depreciated replacement cost and Market approach using recent observable market data for similar properties	Independent registered valuer	June 2021	Improvements to land using construction costs (level 2) and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs

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

During the period there were no changes in the valuation techniques used 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	Not applicable	Cost	N/A	Not applicable
Equipment	Not applicable	Cost	N/A	Not applicable
Furniture and Fittings	Not applicable	Cost	N/A	Not applicable
Arts and Culture	Not applicable	Cost	N/A	Not applicable

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

9. INFRASTRUCTURE

(a) Movement in Balances

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

	Roads \$	Paths \$	Stormwater \$	Open Space \$	Marine \$	Structures \$	Bridges \$	Other Infrastructure \$	Capital WIP Movement \$	TOTAL \$
Balance at 1 July 2022	73,922,628	26,165,985	65,264,755	19,325,296	14,761,279	16,703,754	5,368,555	7,808,255	479,300	229,799,807
Additions	1,791,705	1,227,578	499,285	888,324	-	379,970	80,475	314,797	147,048	5,329,182
Works in Progress Movement	137,919	55,262	8,485	29,165	-	-	81,607	166,862	(479,300)	-
Disposals	(156,891)	(700,809)	(242,211)	(58,145)	-	(57,241)	-	(37,107)	-	(1,252,404)
Reclassifications	-	-	-	-	-	(365,705)	377,549	(132,546)	-	(120,702)
Reval increments/(decrements) transferred to reval surplus	350,967	(684,008)	678,430	(853,816)	3,228,278	291,952	(18,909)	1,325,038	-	4,317,932
Depreciation (expense)	(3,980,606)	(1,367,380)	(1,229,247)	(1,187,336)	(776,665)	(403,882)	(120,319)	(1,114,109)	-	(10,179,544)
Balance 30 June 2023	72,065,722	24,696,628	64,979,497	18,143,488	17,212,892	16,548,848	5,768,958	8,331,190	147,048	227,894,271
Comprises, at 30 June 2023										
Gross balance amount	223,610,689	48,464,463	109,629,299	30,281,230	35,261,789	22,073,024	8,459,726	9,482,406	147,048	487,409,674
Accumulated depreciation	(151,544,967)	(23,767,835)	(44,649,802)	(12,137,742)	(18,048,897)	(5,524,176)	(2,690,768)	(1,151,216)	-	(259,515,403)
Balance 30 June 2023	72,065,722	24,696,628	64,979,497	18,143,488	17,212,892	16,548,848	5,768,958	8,331,190	147,048	227,894,271
Balance at 1 July 2023	72,065,722	24,696,628	64,979,497	18,143,488	17,212,892	16,548,848	5,768,958	8,331,190	147,048	227,894,271
Additions	3,015,939	1,278,057	729,557	941,006	-	516,978	-	422,353	1,738,837	8,642,727
Works in Progress Movement	126,927	-	-	-	-	13,646	-	-	(140,573)	-
Disposals	(139,505)	(207,908)	(201,269)	(110,088)	(169,887)	(18,638)	(159,897)	(43,622)	-	(1,050,814)
Reclassifications	-	-	(54,125)	-	-	-	-	-	-	(54,125)
Reval increments/(decrements) transferred to reval surplus	(474,503)	914,585	90,336,337 ⁽¹⁾	(383,648)	(22,952)	51,879	-	22,451	-	90,444,149
Depreciation (expense)	(3,673,494)	(1,328,364)	(2,519,175)	(1,113,246)	(760,815)	(642,096)	(114,683)	(678,989)	-	(10,830,862)
Balance at 30 June 2024	70,921,086	25,352,998	153,270,822	17,477,512	16,259,238	16,470,617	5,494,378	8,053,383	1,745,312	315,045,346
Comprises, at 30 June 2024										
Gross balance amount	224,071,249	48,749,414	244,542,523	30,026,650	33,711,790	25,612,263	8,297,645	16,982,053	1,745,312	633,738,899
Accumulated depreciation	(153,150,163)	(23,396,416)	(91,271,701)	(12,549,138)	(17,452,552)	(9,141,646)	(2,803,267)	(8,928,670)	-	(318,693,553)
Balance at 30 June 2024	70,921,086	25,352,998	153,270,822	17,477,512	16,259,238	16,470,617	5,494,378	8,053,383	1,745,312	315,045,346

(1) Increase in Stormwater revaluation due to the update of unit rates.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

9. INFRASTRUCTURE (continued)
(b) Carrying Amount Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs Used
(i) Fair value - as determined at the last valuation date					
Roads	3	Cost approach using depreciated replacement cost	Management valuation	June 2024	Construction costs and current condition, residual values and remaining useful life assessments inputs
Paths	3	Cost approach using depreciated replacement cost	Management valuation	June 2024	Construction costs and current condition, residual values and remaining useful life assessments inputs
Stormwater	3	Cost approach using depreciated replacement cost	Management valuation	June 2024	Construction costs and current condition, residual values and remaining useful life assessments inputs
Open Space	3	Cost approach using depreciated replacement cost	Management valuation	June 2024	Construction costs and current condition, residual values and remaining useful life assessments inputs
Marine	3	Cost approach using depreciated replacement cost	Management valuation	June 2024	Construction costs and current condition, residual values and remaining useful life assessments inputs
Structures	3	Cost approach using depreciated replacement cost	Management valuation	June 2024	Construction costs and current condition, residual values and remaining useful life assessments inputs
Bridges	3	Cost approach using depreciated replacement cost	Management valuation	June 2024	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other Infrastructure	3	Cost approach using depreciated replacement cost	Management valuation	June 2024	Construction costs and current condition, residual values and remaining useful life assessments inputs

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

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

10. FIXED ASSETS

(a) Depreciation Rates

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

<i>Asset Class</i>	<i>Useful Life</i>
Buildings	10 to 80 years
Furniture and Fittings	7 to 13 years
Equipment	4 to 60 years
Plant and Vehicles	4 to 30 years
Arts and Culture	4 to 100 years
Roads	20 to 75 years
Road Formation	Not Depreciated
Stormwater	10 to 100 years
Open Space	10 to 100 years
Pathways	10 to 50 years
Bridges	20 to 75 years
Marine	8 to 80 years
Structures	10 to 100 years
Other Infrastructure	5 to 100 years
Right of Use	Based on remaining lease term

Revision of useful lives

The City did not revise any useful lives for Property, Plant and Equipment during the 2023/24 financial year.

(b) Temporary Idle or retired from use assets

	<u>2024</u>	<u>2023</u>
	\$	\$
The City does not currently hold any idle or retired assets from use.	-	-

(c) Fully Depreciated Assets in Use

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

Plant and Vehicles	1,166,165	1,121,665
Equipment	2,530,217	2,515,579
Furniture and Fittings	13,401	13,401
Arts and Culture	3,791	3,791
	<u>3,713,574</u>	<u>3,654,436</u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

10. FIXED ASSETS (continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

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

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

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

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

Measurement after recognition

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

Reportable Value

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

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

Revaluation

Land and buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls and measured at reportable value, are only required to be revalued every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on land vested in the City.

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

Revaluation (continued)

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

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit and loss for the same class of asset.

Depreciation

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

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

Depreciation on revaluation

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

- i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment

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

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

Gains or losses on disposal

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

11. LEASES

(a) Right-of-Use Assets

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

	Right-of-use assets - plant and equipment	Right-of-use assets Total
	\$	\$
Balance at 1 July 2022	47,601	47,601
Additions	480,020	480,020
Depreciation	(127,605)	(127,605)
Balance at 30 June 2023	400,016	400,016
Additions	793,749	793,749
Depreciation	(217,566)	(217,566)
Balance at 30 June 2024	976,199	976,199
Gross balance amount as at 30 June 2024	1,273,769	1,273,769
Accumulated depreciation at 30 June 2024	(297,570)	(297,570)
Balance at 30 June 2024	976,199	976,199

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

	2024 Actual \$	2023 Actual \$
NOTE		
Depreciation on right-of-use assets	(217,566)	(127,605)
Interest expense on lease liabilities	(41,356)	(17,654)
Short-term lease payments recognised as expense	(37,336)	(59,954)
Total amount recognised in the statement of comprehensive income	(296,258)	(205,213)
Total cash outflow from leases	(243,044)	(141,019)

(b) Lease Liabilities

Current	248,418	91,194
Non-Current	750,573	315,736
	28(d) 998,991	406,930

The City has three leases relating to plant and equipment. The lease term for these leases are between 5 - 6 years. The plant and equipment leases have fixed lease payments. The measurement of lease liabilities does not include any future cash outflows associated with leases not yet commenced to which the City is committed.

MATERIAL ACCOUNTING POLICIES

Leases

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

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

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

Details of individual lease liabilities required by regulations are provided at Note 28(d).

Right-of-use assets - measurement

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

Right-of-use assets - depreciation

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

12. TRADE AND OTHER PAYABLES

	NOTE	2024 \$	2023 \$
Current			
Sundry Creditors		6,064,399	3,616,352
Accrued Interest on Loans		30,466	26,301
Accrued Salaries and Wages		1,123,014	1,014,549
Deposits and Prepayments		570,228	596,962
Income Received in Advance		233,673	193,706
Prepaid Rates		2,016,208	1,856,064
		<u>10,037,988</u>	<u>7,303,934</u>
Non-Current			
College Grove Subdivision Profit Share	21(a)	410,966	401,519
		<u>410,966</u>	<u>401,519</u>

MATERIAL ACCOUNTING POLICIES

Financial liabilities

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

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

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

13. OTHER LIABILITIES

	2024	2023
	\$	\$
Current		
Contract liabilities	338,683	320,899
Capital grant / contributions liabilities	861,142	1,830,047
	<u>1,199,825</u>	<u>2,150,946</u>

Reconciliation of changes in contract liabilities

Opening Balance	320,899	723,424
Additions	50,000	168,179
Revenue from contracts with customers included as a contract liabilities at the start of the period	(32,216)	(570,704)
	<u>338,683</u>	<u>320,899</u>

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

Reconciliation of changes in capital grant/contribution liabilities

Opening Balance	1,830,047	1,205,674
Additions	2,754,648	1,990,003
Revenue from capital grant/contributions held at a liability at the start of the period	(3,723,553)	(1,365,630)
	<u>861,142</u>	<u>1,830,047</u>

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year	861,142	1,830,047
------------------	----------------	------------------

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

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant / contribution liabilities

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

Fair values of non-current capital grant / contribution liabilities not expected to be extinguished within 12 months, are based on discounted cash flows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

14. BORROWINGS

	NOTE	2024 \$	2023 \$
Secured			
Current		2,585,983	2,345,114
Non-current		13,861,053	8,265,036
Total secured borrowings	28(a)	<u>16,447,036</u>	<u>10,610,150</u>

Secured liabilities and assets pledged as security

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

MATERIAL ACCOUNTING POLICIES	Risk
<p>Borrowing costs The City has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.</p> <p>Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.</p>	<p>Information regarding exposure to risk can be found at Note 22.</p> <p>Details of individual borrowings required by regulations are provided at Note 28(a).</p>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

15. EMPLOYEE RELATED PROVISIONS

	2024	2023
	\$	\$
Current provisions		
Employee benefit provisions		
Annual Leave	2,659,456	2,399,974
Long Service Leave	2,485,473	2,669,497
Other Employee Leave Provision	167,935	199,200
	5,312,864	5,268,671
Non-current provisions		
Employee benefit provisions		
Long Service Leave	670,459	585,111
	670,459	585,111
	5,983,323	5,853,782

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

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

	2024	2023
	\$	\$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	4,684,216	4,640,022
More than 12 months from the reporting date	1,299,107	1,213,760
	5,983,323	5,853,782
Expected reimbursements from other WA local governments	(224,867)	(164,581)

MATERIAL ACCOUNTING POLICIES

Employee benefits

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

Short-term employee benefits

Provision is made for the 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

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

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

The 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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

16. REVALUATION SURPLUS

Revaluation surpluses have arisen on revaluation of the following classes of non-current assets:

	2024	2023
	\$	\$
(i) Land		
Opening Balance	103,654,230	103,654,230
Revaluation Increment	-	-
Revaluation Decrement	-	-
	<u>103,654,230</u>	<u>103,654,230</u>
(ii) Buildings		
Opening Balance	78,593,299	78,593,299
Revaluation Increment	-	-
Revaluation Decrement	-	-
	<u>78,593,299</u>	<u>78,593,299</u>
(iii) Equipment		
Opening Balance	378,880	378,880
Revaluation Increment	-	-
Revaluation Decrement	-	-
	<u>378,880</u>	<u>378,880</u>
(iv) Furniture and Fittings		
Opening Balance	144,435	144,435
Revaluation Increment	-	-
Revaluation Decrement	-	-
	<u>144,435</u>	<u>144,435</u>
(v) Arts and Culture		
Opening Balance	754,849	754,849
Revaluation Increment	-	-
Revaluation Decrement	-	-
	<u>754,849</u>	<u>754,849</u>
(vi) Roads		
Opening Balance	8,608,008	8,257,041
Revaluation Increment	-	350,967
Revaluation Decrement	(474,503)	-
	<u>8,133,505</u>	<u>8,608,008</u>
(vii) Paths		
Opening Balance	10,639,680	11,323,688
Revaluation Increment	914,585	-
Revaluation Decrement	-	(684,008)
	<u>11,554,265</u>	<u>10,639,680</u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

16. REVALUATION SURPLUS (continued)

	2024	2023
	\$	\$
(viii) Stormwater		
Opening Balance	38,809,464	38,131,034
Revaluation Increment	90,336,337	678,430
Revaluation Decrement	-	-
	129,145,801	38,809,464
(ix) Open Space		
Opening Balance	3,160,752	4,014,568
Revaluation Increment	-	-
Revaluation Decrement	(383,648)	(853,816)
	2,777,104	3,160,752
(x) Marine		
Opening Balance	15,467,848	12,239,570
Revaluation Increment	-	3,228,278
Revaluation Decrement	(22,952)	-
	15,444,896	15,467,848
(xi) Bridges		
Opening Balance	1,949,205	1,968,114
Revaluation Increment	-	-
Revaluation Decrement	-	(18,909)
	1,949,205	1,949,205
(xii) Structures		
Opening Balance	13,478,487	13,186,535
Revaluation Increment	51,879	291,952
Revaluation Decrement	-	-
	13,530,366	13,478,487
(xiii) Other Infrastructure		
Opening Balance	1,993,712	668,674
Revaluation Increment	22,451	1,325,038
Revaluation Decrement	-	-
	2,016,163	1,993,712
(xiv) Investment in Associates		
Opening Balance	590,213	-
Revaluation Increment	-	590,213
Revaluation Decrement	-	-
	590,213	590,213
TOTAL ASSET REVALUATION SURPLUS	368,667,211	278,223,062
Revaluation Surplus Summary		
Total Opening Balance	278,223,062	273,314,917
Revaluation Increment	91,325,252	6,464,878
Revaluation Decrement	(881,103)	(1,556,733)
TOTAL ASSET REVALUATION SURPLUS	368,667,211	278,223,062

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

18. CONTINGENT LIABILITIES

Contaminated Sites

In compliance with the *Contaminated Sites Act 2003*, the City has listed sites to be possible sources of contamination. Details of those sites are:

- | | | |
|-----------------|-------------------------------|----------------------------------|
| * Nuytsia Ave | * Spencer St Road Reserve | * Spencer/Minninup Road Reserve |
| * Jaycee Park | * Queens Gardens | * Bunbury Cemetery |
| * Stanley Rd | * Stirling Street Arts Centre | * Pioneer Park Cemetery |
| * Big Swamp POS | * Marlston Hill | * Trinity Rise |
| * Turkey Point | * Picton Rd Laneway | * Prosser/Alexander Road Reserve |
| * Rawling Rd | * Donaldson Park | |

Until the City conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the City is unable to estimate the potentials costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

19. CAPITAL COMMITMENTS

The City of Bunbury has the following capital expenditure commitments contracted for as at 30 June 2024 which have not been recognised as a liability in the Statement of Financial Position:

	2024	2023
	\$	\$
Contracted for:		
Hands Oval redevelopment	6,037,865	16,757,062
Replace Forrest Park Pavilion	803,812	34,750
Replace corporate vehicles	322,162	-
Waterfront Public Art Installation	150,000	-
Bunbury Airport apron expansion	143,056	-
Bunbury Airport compass swining bay	108,080	-
World Class SW Regional Gallery - Stage 1	93,250	-
Replace boardwalks, lookouts, access stairs	77,097	-
Renew foreshore marine walls	76,296	-
Withers Regional renewal	41,625	1,633,402
Replace corporate heavy plant	-	816,299
Boulters Heights redevelopment	-	395,971
Replace administration chiller unit	-	277,655
Replace playground equipment	-	235,041
Renew Ned Myles pavilion	-	148,480
Replace waste vehicles and plant	-	63,810
Replace parking infrastructure and upgrade Smart Parking	-	51,850
Replace South West Sports Centre plant and machinery	-	48,700
Implement Greening Bunbury Plan	-	38,830
Construct Hay Park North Pavilion	-	36,775
Renew/refurbish community, corporate, sport & leisure buildings	-	31,100
	<u>7,853,243</u>	<u>20,569,725</u>
Payable:		
- not later than one year	7,853,243	15,499,725
- later than one year but not later than two years	-	5,070,000
	<u>7,853,243</u>	<u>20,569,725</u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

20. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.	2024 Actual \$	2024 Budget \$	2023 Actual \$
Mayor's annual allowance	93,380	93,380	91,997
Mayor's meeting attendance fees	49,435	49,435	48,704
Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Mayor's travel and accommodation expenses	1,705	4,000	134
	<u>148,020</u>	<u>150,315</u>	<u>144,335</u>
Deputy Mayor's annual allowance	22,717	23,345	22,999
Deputy Mayor's meeting attendance fees	32,960	32,960	32,470
Deputy Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Deputy Mayor's travel and accommodation expenses	920	4,000	2,064
	<u>60,097</u>	<u>63,805</u>	<u>61,033</u>
All other council member's meeting attendance fees	306,741	318,614	343,640
All other council member's allowance for ICT expenses	32,629	33,834	37,042
All other council member's travel and accommodation expenses	7,570	44,000	432
	<u>555,057</u>	<u>610,568</u>	<u>586,482</u>

(b) Key Management Personnel (KMP) Compensation

The total remuneration paid to KMP of the City during the year are as follows:	2024 \$	2023 \$
Short-term employee benefits	1,474,729	1,110,896
Post-employment benefits	144,514	110,730
Employee - other long-term benefits	53,161	62,259
Employee - termination benefits	21,000	-
Council member costs	555,057	586,482
	<u>2,248,461</u>	<u>1,870,367</u>

Short-term employee benefits

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

Post-employment benefits

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

Other long-term benefits

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

Termination benefits

These amounts represent termination benefits paid to KMP (Note: may or may not be applicable in any given year).

Council member costs

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

20. RELATED PARTY TRANSACTIONS (continued)

Transactions with Related Parties

Transactions between related parties and the City are on normal commercial terms and conditions, no more favourable than those available to other parties, unless otherwise stated.

No outstanding balances or provisions for doubtful debts or guarantees exist in relation to related parties at year end.

In addition to KMP compensation above, the following transactions occurred with related parties:	2024	2023
	\$	\$
Associated Entities / Individuals:		
Sale of goods and services ¹	101,683	66,432
Purchase of goods and services ²	(900,506)	(866,264)
Contributions	(1,303,000)	(3,849,333)
Joint Venture Entities:		
Management Fees	893	138
Amounts Outstanding from Related Parties:		
Trade and other receivables	231,000	231,000
Amounts Payable to Related Parties:		
Trade and other payables	(76,544)	(76,597)

Note:

(1) Sale of goods and services

This is mainly being for the accounting and payroll services provided to the Bunbury-Harvey Regional Council.

(2) Purchase of goods and services

This mainly includes normal commercial transactions for the disposal of waste received by the Bunbury-Harvey Regional Council.

Related Parties

The City's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the City

Any 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.

iii. Joint venture entities accounts for under the equity method

The City has two joint venture arrangements, one with Bunbury-Harvey Regional Council and one with the Department of Primary Industries and Regional Development. For details of interest held in joint venture arrangements, refer Note 21.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

21. JOINT ARRANGEMENTS & INVESTMENT IN ASSOCIATES

(a) Joint Venture - Land Development Agreements

Under the original Joint Venture Agreement, the City and the Department of Primary Industries and Regional Development entered into a joint venture for the development, subdivision and sale of certain land in College Grove, Bunbury. The original Joint Venture Agreement operated for approximately ten (10) years with the City having a 36.33% equity and the Department of Primary Industries and Regional Development having a 63.67% equity in the subdivision.

A second Joint Venture Agreement between Landcorp, the City and the Minister on behalf of the State was subsequently entered into for the development, subdivision and sale of additional land in College Grove, Bunbury. The second Joint Venture Agreement covered an area of land primarily being the southern portion of the area of land covered by the original Joint Venture Agreement.

It was intended by the parties that the original Joint Venture Agreement would be terminated when the second Joint Venture Agreement was entered into but this did not occur because some land covered by the original Joint Venture Agreement had not been disposed of by the time the second Joint Venture Agreement was entered into by the parties.

Due to part of the land comprised in the second Joint Venture Agreement being ceded as Regional Open Space, as part of the proclamation of the Greater Bunbury Region Scheme and commitments made by the State Government that it would not undertake further development in College Grove, the development potential of the land comprised in the second Joint Venture Agreement was reduced. The State Government provided in lieu of the reduced area of the College Grove Subdivision, alternate land for development.

In an agreement dated 31 October 2013, the parties agreed to terminate the second Joint Venture Agreement so as to remove Landcorp from any further involvement, with the intent that the State Government and the City will continue to work together to achieve the remaining outcomes under the original Joint Venture Agreement and the second Joint Venture Agreement by entering into a new amended Joint Venture Agreement. The amended Joint Venture Agreement also terminates the original Joint Venture Agreement and compensates the City for its equity in the second Joint Venture by the transfer of freehold land to the City.

Under the amended College Grove Joint Venture Agreement the City of Bunbury has a one third (33.33%) equity in the subdivision and the Department of Primary Industries and Regional Development two thirds (66.67%) equity in the subdivision. The City of Bunbury is the appointed manager of the subdivision. The funds originally held in the College Grove Land subdivision Reserve Account represented proceeds from sales to date less development costs and have now been transferred to the amended College Grove Joint Venture Reserve to provide for the funding of future stages of the subdivision on behalf of the joint venture partners, eliminating the need to utilise borrowed funds.

After development costs and management fees are deducted from surplus income, profit on the subdivision will be distributed to the joint venture partners in proportion to their equities. No dividends were declared during 2023/24.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

21. JOINT ARRANGEMENTS & INVESTMENT IN ASSOCIATES (continued)

(a) Joint Ventures - Land Development Agreements (continued)

At 30 June 2024 the undistributed profits of the subdivision, which are held in Amended College Grove Joint Venture Reserve amount to:

		2024	2023
	NOTE	\$	\$
Dept of Primary Industries & Regional Development	66.67%	410,966 *	401,519 *
City of Bunbury	33.33%	214,221	209,498
		<u>625,187</u>	<u>611,017</u>

* Included as a non-creditor - Refer Note 12

The assets and liabilities associated with this joint venture are:

<i>Current Assets</i>			
Investments		625,187	611,017
Total Assets		<u>625,187</u>	<u>611,017</u>
<i>Current Liabilities</i>			
Total Liabilities		<u>-</u>	<u>-</u>

The income and expenses associated with this joint venture are:

Statement of Comprehensive Income

Other Revenue		32,927	18,429
Other Expenditure		(18,757)	(2,888)
Net Result for the Period		<u>14,170</u>	<u>15,541</u>

Other Comprehensive Income

Items that will not be reclassified subsequently to profit or loss

Changes in Asset Revaluation Surplus		-	-
Total Other Comprehensive Income for the Period		<u>-</u>	<u>-</u>
Total Comprehensive Income for the Period		<u>14,170</u>	<u>15,541</u>

(b) Investment in Associate - Bunbury Harvey Regional Council

The City of Bunbury has a share in the Net Assets in the Bunbury Harvey Regional Council (BHRC) as a member council together with the Shire of Harvey and has a commitment to fund the BHRC under the Regional Council Constitution Agreement. The BHRC provides services in waste management, resource recovery and environmental management and was established in accordance with the Local Government Act 1995.

In accordance with AASB128 the City's investment has been accounted for using the equity method. The value of this investment is based on the City's share of 50% Net Assets as disclosed in the Financial Statements of the BHRC for 2023/24. The City's equity share (i.e. ownership interest) is based on the City's estimated interest in BHRC and is subject to final negotiation with the Shire of Harvey during 2024/25.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

21. JOINT ARRANGEMENTS & INVESTMENT IN ASSOCIATES (continued)

(b) Investment in Associate - Bunbury Harvey Regional Council (continued)

	2024	2023
	\$	\$
Summarised Statement of Comprehensive Income		
Revenue	7,677,445	12,766,785
Interest Revenue	88,350	84,414
Finance Charge	(956)	(580)
Depreciation	<u>(482,945)</u>	<u>(596,787)</u>
Profit/(Loss) from continuing operations	483,999	5,325,016
Profit/(Loss) for the period	483,999	5,325,016
Changes in asset revaluations surplus	-	<u>1,180,426</u>
Total comprehensive income for the period	483,999	6,505,442
Summarised statement of financial position		
Cash and cash equivalents	5,190,506	3,438,772
Other current assets	<u>776,912</u>	<u>541,106</u>
Total Current Assets	5,967,418	3,979,878
Non-current Assets	<u>4,842,400</u>	<u>5,459,522</u>
Total Assets	10,809,818	9,439,400
Current financial liabilities	15,133	13,946
Other Current Liabilities	<u>3,497,321</u>	<u>2,629,897</u>
Total Current Liabilities	3,512,454	2,643,843
Non-current liabilities	<u>44,904</u>	<u>27,096</u>
Total Liabilities	3,557,358	2,670,939
Net Assets	7,252,460	6,768,461
Reconciliation to carrying amounts		
Opening net assets 1 July	6,768,461	263,019
Profit/(Loss) for the period	483,999	5,325,016
Other Comprehensive income	-	<u>1,180,426</u>
Closing net assets 30 June	7,252,460	6,768,461
Carrying amount at 1 July	3,384,230	131,509
- Share of associates net profit(loss) for the period	242,000	2,662,508
- Share of associates other comprehensive income arising during the period	<u>-</u>	<u>590,213</u>
Carrying amount at 30 June	3,626,230	3,384,230

MATERIAL ACCOUNTING POLICIES

Investments in associates

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

Investments in associates are accounted for using the equity method. The equity method of accounting is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the 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.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

22. FINANCIAL RISK MANAGEMENT

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

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

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

(a) Interest rate risk

Cash and cash equivalents

The City's main interest rate risk arises from cash and cash equivalents with variable interest rates, which exposes the City of cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, and term deposits held disclosed as financial assets at amortised cost are reflected in the following table.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

22. FINANCIAL RISK MANAGEMENT (continued)

(a) Interest rate risk (continued)

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2024					
Cash and cash equivalents	4.65%	34,478,473	24,598,055	9,880,418	-
2023					
Cash and cash equivalents	4.52%	36,020,014	28,301,918	7,718,096	-

Sensitivity

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

	2024 \$	2023 \$
Impact of a 1% movement in interest rates on profit and loss and equity ⁽¹⁾	344,785	360,200

Notes:

⁽¹⁾ Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rate could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings.

Details of interest rates applicable to each borrowing may be found at Note 28(a).

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

22. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

Trade and Other Receivables

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

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2023 or 1 July 2024 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment of rates, and accordingly adjustments are made to the expected credit loss rate based on these factors.

The loss allowance as at 30 June 2024 and 30 June 2023 for rates receivable was determined as follows:

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2024					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,356,962	569,018	306,653	807,850	3,040,483
Loss allowance	-	-	-	-	-
30 June 2023					
Rates receivable					
Expected credit loss	0.00%	0.00%	0.00%	0.00%	
Gross carrying amount	1,233,955	480,126	281,268	691,205	2,686,554
Loss allowance	-	-	-	-	-

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

22. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

Trade and Other Receivables (continued)

The loss allowance as at 30 June 2024 and 30 June 2023 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2024					
Sundry receivables and infringements					
Expected credit loss	4.59%	0.00%	0.00%	0.00%	
Gross carrying amount	5,036,831	50,041	50,041	53,052	5,189,965
Loss allowance	231,000	-	-	-	231,000
30 June 2023					
Sundry receivables and infringements					
Expected credit loss	15.94%	0.00%	0.00%	0.00%	
Gross carrying amount	1,448,983	40,768	187,235	286,830	1,963,816
Loss allowance	231,000	-	-	-	231,000

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

22. FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk (continued)

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

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

Contract Assets

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

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk - that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 17(c).

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total Contractual cash flows \$	Carrying values \$
2024 Payables	10,037,988	410,966	-	10,448,954	10,448,954
Borrowings	3,328,613	11,819,943	4,652,881	19,801,437	16,447,036
Lease Liabilities	288,474	807,211	-	1,095,685	998,991
	13,655,075	13,038,120	4,652,881	31,346,076	27,894,981
2023 Payables	7,303,933	401,519	-	7,705,452	7,705,452
Borrowings	2,808,403	7,957,934	1,588,822	12,355,159	10,610,150
Lease Liabilities	106,755	338,059	-	444,814	406,929
	10,219,091	8,697,512	1,588,822	20,505,425	18,722,531

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

23. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no material events after 30 June 2024 that require inclusion in the notes to the Financial Statements.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

24. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest earnings

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

24. OTHER SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Fair value hierarchy (continued)

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

i) Fair value hierarchy (continued)

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

j) Impairment of assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:

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

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

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

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

25. FUNCTION AND ACTIVITY

a) Service objectives and descriptions

City operations as disclosed in these financial statements encompass the following service orientated activities/programs.

GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
LAW, ORDER AND PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	Elderly person's activities and support, community services planning, disabled persons, youth services, aboriginal issues, Meal on Wheels centre, other welfare and voluntary persons.
COMMUNITY AMENITIES	To provide services required by the community.	Refuse collection services, including recycling, greenwaste and hardwaste. Administration of the Town Planning Scheme, public amenities and urban stormwater drainage works. Protection of the environment, coastline and waterways. Environmental planning.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.	Maintenance of halls, recreation and cultural facilities, including sportsgrounds, parks, gardens, reserves, playgrounds and foreshore amenities. Maintenance of boat ramps and jetties. Townscape works. Operation of the Libraries, South West Sports Centre, Bunbury Wildlife Park, Bunbury Regional Art Gallery, Bunbury Regional Entertainment Centre, Bunbury Museum and Heritage Centre and other cultural activities.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, drainage, footpaths, bridges and traffic signs. Maintenance of pump stations and road verges, strategic planning for transport and traffic flows, street lighting and street cleaning, airport operation; parking control and car park maintenance.
ECONOMIC SERVICES	To help promote the City and its economic well-being.	Tourism and area promotion, operation of the Visitor Centre, International relationship expenses, City marketing and economic development, implementation of building control, operation of plant nursery.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

25. FUNCTION AND ACTIVITY (continued)

b) Income and expenses

	2024	2023
	Actual	Actual
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
General Purpose Funding	49,232,625	45,320,622
Governance	2,173	1,759
Law, Order and Public Safety	153,518	176,802
Health	491,567	455,917
Education and Welfare	3,729	3,313
Community Amenities	8,271,055	9,810,945
Recreation and Culture	5,573,413	4,929,315
Transport	303,889	237,367
Economic Services	284,183	263,688
Other Property and Services	1,024,701	1,375,028
	<u>65,340,853</u>	<u>62,574,756</u>
Grants, subsidies and contributions and capital grants, subsidies and contributions		
General Purpose Funding	2,276,146	2,595,043
Governance	8,182	7,045
Law, Order and Public Safety	330,504	257,111
Health	1,417	1,925
Education and Welfare	1,020	-
Community Amenities	379,333	257,033
Recreation and Culture	11,251,852	1,655,196
Transport	3,995,463	2,138,337
Economic Services	107,447	88,000
Other Property and Services	894,182	634,552
	<u>19,245,546</u>	<u>7,634,242</u>
Total Income	<u>84,586,399</u>	<u>70,208,998</u>
Expenses		
General Purpose Funding	(736,807)	(847,625)
Governance	(4,991,667)	(3,956,853)
Law, Order and Public Safety	(2,140,216)	(1,988,454)
Health	(1,542,904)	(1,317,310)
Education and Welfare	(1,300,455)	(844,100)
Community Amenities	(13,842,766)	(14,325,810)
Recreation and Culture	(34,048,229)	(26,519,922)
Transport	(10,415,252)	(10,180,621)
Economic Services	(4,109,413)	(3,366,288)
Other Property and Services	(10,416,215)	(13,398,438)
Total Expenses	<u>(83,543,924)</u>	<u>(76,745,421)</u>
Net result for the period	<u>1,042,475</u>	<u>(6,536,423)</u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

25. FUNCTION AND ACTIVITY (continued)

(c) Total Assets	2024	2023
	Actual	Actual
	\$	\$
General Purpose Funding	3,080,180	2,688,054
Governance	12,140,622	12,185,996
Law, Order and Public Safety	6,390,423	6,353,968
Health	2,919,423	2,981,821
Education and Welfare	3,239,753	3,334,305
Community Amenities	165,385,374	76,469,584
Recreation and Culture	227,569,545	212,839,575
Transport	140,076,865	140,074,378
Economic Services	12,127,043	12,218,912
Other Property and Services	21,958,378	22,447,830
Unallocated	19,656,223	23,111,914
	614,543,829	514,706,337

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

26. RATING INFORMATION

RATE TYPE	Rate in \$ (cents)	Number of Properties	2023/24 Actual Rateable Value* (\$)	2023/24 Actual Rate Revenue (\$)	2023/24 Actual Interim Rates (\$)	2023/24 Actual Back Rates (\$)	2023/24 Actual Total Revenue (\$)	2023/24 Budget Rate Revenue (\$)	2023/24 Budget Interims (\$)	2023/24 Budget Back Rates (\$)	2023/24 Budget Total Revenue (\$)	2022/23 Actual Total Revenue (\$)
General rate												
Gross rental valuations												
General	10.6900	14,316	400,042,731	42,764,568	234,620	-	42,999,188	42,767,348	126,095	-	42,893,443	39,880,572
Sub - Total		14,316	400,042,731	42,764,568	234,620	-	42,999,188	42,767,348	126,095	-	42,893,443	39,880,572
	Minimum \$											
Minimum payment	1,423	2,393	24,842,290	3,405,239	-	-	3,405,239	3,402,393	-	-	3,402,393	3,214,610
Sub - Total		2,393	24,842,290	3,405,239	-	-	3,405,239	3,402,393	-	-	3,402,393	3,214,610
Total general rates and minimum payments		16,709	424,885,021	46,169,807	234,620	-	46,404,427	46,169,741	126,095	-	46,295,836	43,095,182
Specified Area Rates												
Gross Rental Valuations												
Pelican Point Grand Canal	1.3660	169	4,105,500	56,082	108	-	56,190	56,081	-	-	56,081	52,406
Total Amount raised from rates (excluding general rates)							56,190				56,081	52,406
Concessions							(144,411)				(143,870)	(140,194)
TOTAL RATES							46,316,206				46,208,047	43,007,394
Rate instalment interest							278,176				240,000	237,631
Rate overdue interest							298,050				175,000	180,530

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

* Rateable value at time of raising of rate.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

27. DETERMINATION OF SURPLUS OR DEFICIT

		2024	2024	2023
		(30 June 2024	Budget	(30 June 2023
	NOTE	Carried	Carried	Carried Forward)
		Forward)	Forward)	Carried Forward)
		\$	\$	\$
(a) Non-Cash Amounts Excluded from Operating Activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to Operating Activities				
Less: Profit on Asset Disposals		(138,080)	(605,205)	(267,322)
Less: Fair Value Adjustments to financial assets at fair value through profit and loss	4(b)	(3,363)	-	(7,372)
Less: Share of net profit of associates and joint ventures accounted for using the equity method	12	9,447	-	10,361
Add: Disposal of lease		-	-	(4,995)
Add: Loss on Disposal of Assets		3,956,531	-	1,459,097
Add: Share of net profit of associates and joint ventures accounted for using the equity method	21(b)	(242,000)	-	(2,662,508)
Add: Depreciation on Assets		15,234,735	13,774,012	14,481,576
Non-cash movements in non-current assets and liabilities				
Deferred Pensioner Rates	5	(74,062)	-	(98,759)
Employee Benefit Provisions	15	85,348	62,100	(9,630)
Non-Cash Amounts Excluded from Operating Activities		18,828,556	13,230,907	12,900,448
(b) Surplus / (Deficit) After Imposition of General Rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to Net Current Assets				
Less: Reserves/Unspent loans - Restricted Cash	28(c)/29	(22,367,371)	(14,832,211)	(21,517,127)
Less: Financial Assets at Amortised Cost				
- Self-Supporting Loans	4(a)	(36,816)	(47,468)	(66,732)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	14	2,585,983	2,293,800	2,345,114
- Current portion lease liabilities	11(b)	248,418	-	91,194
Total Adjustments to Net Current Assets		(19,569,786)	(12,585,879)	(19,147,551)
Net Current Assets Used in the Statement of Financial Activity				
Total Current Assets		43,775,439	29,895,213	41,207,536
Less: Total Current Liabilities		(19,385,078)	(17,149,150)	(17,159,859)
Less: Total Adjustments to Net Current Assets		(19,569,786)	(12,585,879)	(19,147,551)
Surplus of deficit after imposition of general rates		4,820,575	160,184	4,900,126

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

28. BORROWINGS AND LEASE LIABILITIES

(a) Loan Principal and Interest Repayments

Particulars	Institution	Interest Rate %	Principal 01-Jul-23 \$	New Loans \$	Principal Repayments		Principal 30-Jun-24		Interest Repayments	
					Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Community Amenities										
369 Urban Stormwater Drainage	WATC ⁽¹⁾	3.46	363,059	-	178,416	178,416	184,643	184,643	13,224	13,224
379 Public Amenities	WATC ⁽¹⁾	2.91	86,989	-	20,814	20,814	66,175	66,175	2,953	2,954
Sub Total			450,048	-	199,230	199,230	250,818	250,818	16,177	16,178
Recreation and Culture										
362 Bunbury Entertainment Centre Expansion	WATC ⁽¹⁾	4.36	521,479	-	521,479	521,479	-	-	17,310	19,682
365 Hay Park South Multi Sports Pavilion	WATC ⁽¹⁾	3.46	290,904	-	142,957	142,957	147,947	147,947	10,595	10,595
367 Glen Iris Skate Park	WATC ⁽¹⁾	4.36	30,725	-	30,725	30,726	-	-	1,020	1,160
372 Hay Park Sports Pavilion	WATC ⁽¹⁾	2.68	106,899	-	34,689	34,689	72,210	72,210	3,320	3,320
373 Bunbury Museum & Heritage	WATC ⁽¹⁾	2.91	127,438	-	30,493	30,493	96,945	96,945	4,327	4,327
380 Bunbury Bowling Club*	WATC ⁽¹⁾	2.55	30,332	-	8,394	8,394	21,938	21,938	909	909
382 Stirling Street Arts Centre	WATC ⁽¹⁾	2.43	565,846	-	88,706	88,706	477,140	477,140	17,013	17,013
385 Bunbury and Districts Hockey Club*	WATC ⁽¹⁾	1.99	31,200	-	31,200	31,200	-	-	578	578
388 Hay Park North Pavilion	WATC ⁽¹⁾	5.29	873,204	-	80,362	80,362	792,842	792,842	45,152	45,148
389 Youth Precinct	WATC ⁽¹⁾	5.29	2,757,488	-	253,773	253,773	2,503,715	2,503,715	142,585	142,572
390 Athletics Track Surface	WATC ⁽¹⁾	4.96	244,946	-	57,423	57,423	187,523	187,523	11,436	11,449
391 Bunbury and Districts Hockey Club*	WATC ⁽¹⁾	3.90	130,819	-	27,138	27,138	103,681	103,681	5,697	5,710
392 Forrest Park Pavilion	WATC ⁽¹⁾	4.80	-	2,470,000	-	-	2,470,000	2,470,000	616	-
393 Hands Oval Upgrade	WATC ⁽¹⁾	4.80	-	4,712,000	-	-	4,712,000	4,712,000	1,174	-
Sub Total			5,711,280	7,182,000	1,307,339	1,307,340	11,585,941	11,585,941	261,732	262,463
Sub Total			6,161,328	7,182,000	1,506,569	1,506,570	11,836,759	11,836,759	277,909	278,641

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

28. BORROWINGS AND LEASE LIABILITIES (continued)

(a) Loan Principal and Interest Repayments (continued)

Particulars	Institution	Interest Rate %	Principal 01-Jul-23 \$	New Loans \$	Principal Repayments		Principal 30-Jun-24		Interest Repayments	
					Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Transport										
368 Path and Road Construction	WATC ⁽¹⁾	3.46	228,339	-	112,211	112,211	116,128	116,128	8,317	8,317
370 Airport Upgrades	WATC ⁽¹⁾	3.46	55,715	-	27,380	27,380	28,335	28,335	2,029	2,029
378 Roadworks and Path Construction	WATC ⁽¹⁾	2.91	339,256	-	81,175	81,175	258,081	258,081	11,519	11,519
383 Road Construction	WATC ⁽¹⁾	2.43	314,358	-	49,281	49,281	265,077	265,077	9,452	9,452
387 Marine Walls	WATC ⁽¹⁾	2.03	535,377	-	73,465	73,465	461,912	461,912	10,509	10,509
394 Road & Path Construction	WATC ⁽¹⁾	4.50	-	1,000,000	-	-	1,000,000	1,000,000	248	-
Sub Total			1,473,045	1,000,000	343,512	343,512	2,129,533	2,129,533	42,074	41,826
Other Property and Services										
319 Civic Administration Building	CBA ⁽²⁾	6.48	1,356,610	-	191,489	191,489	1,165,121	1,165,121	85,112	85,112
381 Depot Construction	WATC ⁽¹⁾	3.21	1,619,167	-	303,544	303,544	1,315,623	1,315,623	60,320	60,320
Sub Total			2,975,777	-	495,033	495,033	2,480,744	2,480,744	145,432	145,432
TOTAL			10,610,150	8,182,000	2,345,114	2,345,115	16,447,036	16,447,036	465,415	465,899

⁽¹⁾ WA Treasury Corporation

⁽²⁾ Commonwealth Bank of Australia

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

<u>Total Interest 2023/24</u>	
Actual	465,415
Accrued	4,165
	<u><u>469,580</u></u>

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

28. BORROWINGS AND LEASE LIABILITIES (continued)

(b) New Borrowings 2023/24

Particulars / Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate * %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Recreation and Culture										
392 Forrest Park Pavilion	2,470,000	2,470,000	WATC	Debenture	10	766,448	4.80	2,184,289	2,470,000	285,711
393 Hands Oval Upgrade	4,712,000	4,712,000	WATC	Debenture	10	1,462,147	4.80	3,078,134	4,712,000	1,633,866
394 Road & Path Construction	1,000,000	1,000,000	WATC	Debenture	5	147,909	4.50	1,000,000	1,000,000	-
	8,182,000	8,182,000						6,262,423	8,182,000	1,919,577

* Inclusive of Government Guarantee Fee - currently 0.70% pa

(c) Unspent Borrowings

Particulars / Purpose	Institution	Date Borrowed	Unspent Balance 1 July 2023 \$	Borrowed During Year \$	Expended During Year \$	Unspent Balance 30 June 2024 \$
392 Forrest Park Pavilion	WATC	18/06/2024	-	2,470,000	(2,184,289)	285,711
393 Hands Oval Upgrade	WATC	18/06/2024	-	4,712,000	(3,078,134)	1,633,866
			-	7,182,000	(5,262,423)	1,919,577

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

28. BORROWINGS AND LEASE LIABILITIES (continued)

(d) Lease Liabilities

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	Actual Lease Principal 1 July 2023 \$	New Leases \$	Principal Repayments		Principal 30-Jun-24		Interest Repayments	
							Actual \$	Budgeted \$	Actual \$	Budgeted \$	Actual \$	Budgeted \$
Recreation and Culture												
Gym Equipment	E6TEC64058	Maia Financial	4.52%	48 mths	-	357,490	62,227	63,974	295,263	293,516	11,421	19,152
Gym Equipment	E6TEC64059	Maia Financial	4.56%	72 mths	-	436,259	48,267	48,266	387,992	387,993	14,374	14,374
Transport												
Smart Parking	E6N0163811	Maia Financial	4.26%	60 mths	406,930	-	91,194	91,194	315,736	315,736	15,561	15,561
TOTAL					406,930	793,749	201,688	203,434	998,991	997,245	41,356	49,087

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

29. RESERVES - CASH BACKED

	2024	2024	2023
	Actual	Budget	Actual
	\$	\$	\$
Airport			
<i>Purpose: To receipt funds from airport leases for the future provision of asset management and expansion projects at the airport</i>			
Opening Balance	349,200	346,329	311,416
Amount Set Aside / Transfer to Reserve	244,431	237,500	240,472
Amount Used / Transfer from Reserve	(277,653)	(298,838)	(202,688)
	315,978	284,991	349,200
Asset Management and Renewal			
<i>Purpose: To provide funding for future asset management and renewal programs and projects</i>			
Opening Balance	4,098,161	4,088,712	5,385,279
Amount Set Aside / Transfer to Reserve	1,400,789	1,237,461	1,242,794
Amount Used / Transfer from Reserve	(2,071,972)	(3,493,242)	(2,529,912)
	3,426,978	1,832,931	4,098,161
Bunbury Museum and Heritage Centre			
<i>Purpose: To provide funding for the Bunbury Museum and Heritage Centre</i>			
Opening Balance	14,107	15,130	12,665
Amount Set Aside / Transfer to Reserve	7,380	-	1,442
Amount Used / Transfer from Reserve	-	-	-
	21,487	15,130	14,107
Canal Management			
<i>Purpose: To receipt specific area rating from the Pelican Point Canal Development to provide for the ongoing management and maintenance of the canal residential and commercial area</i>			
Opening Balance	685,482	668,595	645,389
Amount Set Aside / Transfer to Reserve	85,615	56,060	69,291
Amount Used / Transfer from Reserve	(13,980)	(10,000)	(29,198)
	757,117	714,655	685,482
City Arts Collection			
<i>Purpose: For the purchase and upgrade of City Art Collections</i>			
Opening Balance	30,046	30,046	45,046
Amount Set Aside / Transfer to Reserve	2,015	-	-
Amount Used / Transfer from Reserve	-	-	(15,000)
	32,061	30,046	30,046
City Growth and Major Development			
<i>Purpose: To provide funds for the development and implementation of strategic projects</i>			
Opening Balance	3,339,755	3,370,252	3,607,520
Amount Set Aside / Transfer to Reserve	747,961	897,961	417,201
Amount Used / Transfer from Reserve	(1,024,051)	(2,780,409)	(684,966)
	3,063,665	1,487,804	3,339,755

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

29. RESERVES - CASH BACKED (continued)

	2024 Actual \$	2024 Budget \$	2023 Actual \$
City of Bunbury General Parking			
<i>Purpose: To fund motor vehicle parking requirements within the City of Bunbury and promotion of the CBD</i>			
Opening Balance	5,340,196	5,316,181	8,232,541
Amount Set Aside / Transfer to Reserve	580,225	562,000	355,673
Amount Used / Transfer from Reserve	(646,608)	(1,966,085)	(3,248,018)
	5,273,813	3,912,096	5,340,196
College Grove Subdivision Amended Joint Venture			
<i>Purpose: To provide funding for the development of land relating to the amended College Grove joint venture</i>			
Opening Balance	611,017	615,476	595,476
Amount Set Aside / Transfer to Reserve	17,058	22,500	18,429
Amount Used / Transfer from Reserve	(2,888)	-	(2,888)
	625,187	637,976	611,017
Disaster Relief Fund - (City of Bunbury)			
<i>Purpose: To provide relief of personal hardship and distress arising from natural disasters</i>			
Opening Balance	100,000	100,000	100,000
Amount Set Aside / Transfer to Reserve	-	20,000	-
Amount Used / Transfer from Reserve	-	(20,000)	-
	100,000	100,000	100,000
Employee Entitlements and Insurance			
<i>Purpose: To provide future funds for employee related entitlements and insurance liabilities</i>			
Opening Balance	1,166,618	1,166,618	1,180,372
Amount Set Aside / Transfer to Reserve	37,000	-	-
Amount Used / Transfer from Reserve	(84,961)	-	(13,754)
	1,118,657	1,166,618	1,166,618
Environmental			
<i>Purpose: For the future provision of environmental management and associated projects</i>			
Opening Balance	9,359	9,359	9,359
Amount Set Aside / Transfer to Reserve	187,577	-	-
Amount Used / Transfer from Reserve	-	-	-
	196,936	9,359	9,359
Hay Park Regional Athletics Track			
<i>Purpose: To retain funds for the future replacement of the regional athletics track</i>			
Opening Balance	217,824	217,824	117,824
Amount Set Aside / Transfer to Reserve	100,000	100,000	100,000
Amount Used / Transfer from Reserve	-	-	-
	317,824	317,824	217,824

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

29. RESERVES - CASH BACKED (continued)

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Heritage Building Maintenance			
<i>Purpose: To provide funding for the maintenance of heritage buildings</i>			
Opening Balance	27,500	27,500	27,500
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
	27,500	27,500	27,500
Infrastructure Development			
<i>Purpose: To receipt funds specifically raised from the annual rates levied for the renewal and upgrade of existing infrastructure assets</i>			
Opening Balance	1,741,231	1,761,171	1,193,969
Amount Set Aside / Transfer to Reserve	1,502,355	1,502,355	1,502,335
Amount Used / Transfer from Reserve	(2,362,325)	(3,013,376)	(955,073)
	881,261	250,150	1,741,231
Land Subdivision and Development			
<i>Purpose: To provide funding for land subdivision development</i>			
Opening Balance	100,000	100,000	327,130
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	(28,668)	(100,000)	(227,130)
	71,332	-	100,000
Local Planning Policy Framework			
<i>Purpose: To provide funding for Local Planning Policy Framework</i>			
Opening Balance	267,874	267,874	217,874
Amount Set Aside / Transfer to Reserve	-	-	50,000
Amount Used / Transfer from Reserve	-	(150,000)	-
	267,874	117,874	267,874
Meat Inspection			
<i>Purpose: To make funds available to enable the monitoring of annual meat inspection income and expenditure to ensure as far as possible the service is carried out on a self-balancing basis</i>			
Opening Balance	400,224	373,328	413,957
Amount Set Aside / Transfer to Reserve	348,635	347,200	316,185
Amount Used / Transfer from Reserve	(377,684)	(376,249)	(329,918)
	371,175	344,279	400,224

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

29. RESERVES - CASH BACKED (continued)

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Planning and Development Act Developer Contributions			
<i>Purpose: To hold cash in lieu of open space contributions from property developers, to be used in accordance with Section 154(2) of the Planning and Development Act 2005</i>			
Opening Balance	293,805	284,387	120,387
Amount Set Aside / Transfer to Reserve	13,545	10,000	173,418
Amount Used / Transfer from Reserve	-	-	-
	307,350	294,387	293,805
Public Art			
<i>Purpose: To provide funding for the installation of artworks in public spaces</i>			
Opening Balance	187,433	187,433	162,433
Amount Set Aside / Transfer to Reserve	50,000	50,000	25,000
Amount Used / Transfer from Reserve	-	-	-
	237,433	237,433	187,433
Refuse Collection and Waste Minimisation			
<i>Purpose: To receipt any annual surplus from the City's waste collection/minimisation program to provide funding for the City's sanitation program</i>			
Opening Balance	1,901,510	2,124,418	2,030,336
Amount Set Aside / Transfer to Reserve	7,783,017	7,881,621	7,007,862
Amount Used / Transfer from Reserve	(7,234,160)	(7,460,666)	(7,136,688)
	2,450,367	2,545,373	1,901,510
Road Upgrade Contributions			
<i>Purpose: To receipt funds received from the City's subdivision conditions for the future provision of road improvements and traffic management measures to benefit road infrastructure</i>			
Opening Balance	190,578	190,578	190,578
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	-	-	-
	190,578	190,578	190,578
Town Planning Scheme Land Acquisition and Compensation			
<i>Purpose: For land acquisitions and compensation payable in respect to the implementation of the City's Town Planning Schemes</i>			
Opening Balance	132,505	132,505	132,505
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	(7,475)	-	-
	125,030	132,505	132,505

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

29. RESERVES - CASH BACKED (continued)

	2024 Actual \$	2024 Budget \$	2023 Actual \$
Withers			
<i>Purpose: To provide funding for the implementation of the Withers Action Plan</i>			
Opening Balance	312,702	312,702	389,008
Amount Set Aside / Transfer to Reserve	-	-	-
Amount Used / Transfer from Reserve	(44,511)	(130,000)	(76,306)
	268,191	182,702	312,702
TOTAL RESERVES	20,447,794	14,832,211	21,517,127
 Reserves Summary			
Total Opening Balance	21,517,127	21,706,418	25,448,564
Total Amount Set Aside / Transfer to Reserve	13,107,603	12,924,658	11,520,102
Total Amount Used / Transfer from Reserve	(14,176,936)	(19,798,865)	(15,451,539)
Net Transfers to / (from) Reserves	(1,069,333)	(6,874,207)	(3,931,437)
TOTAL RESERVES	20,447,794	14,832,211	21,517,127

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 to this financial report.

Reserve funds are anticipated to be utilised as forecast in the City's adopted Corporate Business Plan and Long Term Financial Plans.

CITY OF BUNBURY
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

30. TRUST FUNDS

(a) Cash Funds held in Trust

Funds held at balance date over which the City of Bunbury has no control and which are not included in the financial statements are as follows:

	Balance 1-Jul-23 \$	Amounts Received \$	Amounts Paid \$	Balance 30-Jun-24 \$
Glen Iris Structure Plan	1,667,938	77,651	-	1,745,589
Donations and Grants	2,473	-	-	2,473
Unclaimed Monies	66,624	4,587	(18,424)	52,787
Fees Collected	50,336	377,182	(354,446)	73,072
Miscellaneous	6,466	147	(147)	6,466
Artist Payments	5,795	52,333	(57,423)	705
Tuart Brook Local Structure Plan	168,694	7,852	-	176,546
Planning and Development Act s154	12,326	665	-	12,991
Mosquito Control (CLAG)	36,260	902	-	37,162
Setagaya Student Payments	-	15,050	(8,500)	6,550
SW Emergency Management	5,540	-	-	5,540
Security Camera Contributions	5,000	-	-	5,000
Brookfield Rail Agreement	99,233	18,875	-	118,108
	2,126,685	555,244	(438,940)	2,242,989

(b) Assets held in Trust

The City of Bunbury holds in trust various equipment, furniture and fittings for charitable purposes as listed in the Deed of Declaration of Charitable Trust: Bunbury Regional Art Gallery, dated 15th September 2014.



Auditor General

INDEPENDENT AUDITOR'S REPORT

2024

City of Bunbury

To the Council of the City of Bunbury

Opinion

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

- the statement of financial position as at 30 June 2024, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report is:

- based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the City for the year ended 30 June 2024 and its financial position at the end of that period
- in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

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

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

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2024, but not the financial report and my auditor's report.

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

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

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

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

The Chief Executive Officer (CEO) of the City is responsible for:

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

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

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

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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

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

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the City of Bunbury for the year ended 30 June 2024 included in the annual report on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the City to confirm the information contained in the website version.

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
20 November 2024