

The background of the cover is a collage of images related to Indigenous Australian culture and nature. It includes a close-up of a hand holding a circular piece of bark with a cluster of small, round, green objects (possibly seeds or berries) arranged in a circular pattern. Another image shows a woven basket filled with similar green objects. There are also images of yellow flowers and green foliage. The text "Annual Financial Statements 2024/2025" is overlaid on a dark blue circular shape in the lower right.

Annual **Financial Statements 2024/2025**

CITY OF KWINANA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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

A vibrant and inclusive community that leads with innovation and sustainability, where our unique identity and strong reputation makes Kwinana a place you're proud to call home.

Principal place of business:
Corner Gilmore Avenue and Sulphur Road
Kwinana WA 6167

**CITY OF KWINANA
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

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

Statement by CEO

The accompanying financial report of the City of Kwinana 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 2025 and the financial position as at 30 June 2025.

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

Signed on the 24th day of November 2025



CEO

Wayne Jack
Name of CEO



CITY OF KWINANA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

		2025	2025	2024
	Note	Actual	Budget	Actual
		\$	\$	Restated*
				\$
Revenue				
Rates	2(a),27	53,072,123	52,862,845	49,787,146
Grants, subsidies and contributions	2(a)	3,961,006	3,247,733	3,895,721
Fees and charges	2(a)	17,281,105	14,781,629	14,854,931
Interest revenue	2(a)	5,312,353	3,336,708	4,938,967
Other revenue	2(a)	1,541,559	1,209,234	3,113,879
		81,168,146	75,438,149	76,590,644
Expenses				
Employee costs	2(b)	(34,326,609)	(32,335,160)	(30,715,015)
Materials and contracts		(30,065,184)	(30,073,881)	(27,100,701)
Utility charges		(3,078,147)	(2,787,943)	(2,855,252)
Depreciation		(24,196,444)	(22,431,400)	(22,822,326)
Finance costs	2(b)	(483,835)	(806,656)	(597,672)
Insurance		(830,282)	(826,314)	(720,958)
Other expenditure	2(b)	(5,341,445)	(79,200)	(6,072,933)
		(98,321,946)	(89,340,554)	(90,884,857)
		(17,153,800)	(13,902,405)	(14,294,213)
Capital grants, subsidies and contributions	2(a)	14,596,848	11,347,884	13,906,294
Profit on asset disposals		189,126	196,291	578,823
Loss on asset disposals		(3,653,318)	(25,771)	(2,095,730)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(6,215)	0	2,942
		11,126,441	11,518,404	12,392,329
Net result for the period	26(b)	(6,027,359)	(2,384,001)	(1,901,884)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	18	7,242,000	0	60,813,162
Total other comprehensive income for the period	18	7,242,000	0	60,813,162
Total comprehensive income for the period		1,214,641	(2,384,001)	58,911,278

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

*Restated - Refer to Note 32 for details regarding restatement of prior period errors.



CITY OF KWINANA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 \$	2024 Restated* \$	2023 Restated*
CURRENT ASSETS				
Cash and cash equivalents	3	13,772,093	15,495,322	6,451,840
Trade and other receivables	5	7,007,628	3,422,326	3,861,200
Other financial assets	4(a)	79,401,056	62,720,739	69,729,213
Other assets	6	2,464,511	2,746,777	1,827,785
Non-current assets classified as held for sale	6	0	1,012,000	0
TOTAL CURRENT ASSETS		102,645,288	85,397,164	81,870,038
NON-CURRENT ASSETS				
Trade and other receivables	5	1,057,344	990,991	971,005
Other financial assets	4(b)	276,627	303,201	3,600,706
Property, plant and equipment	7	173,174,030	171,234,383	177,464,654
Infrastructure	8	682,968,951	685,265,396	622,775,707
Right-of-use assets	10(a)	87,385	126,239	267,889
Investment property	11	0	0	1,012,000
Intangible assets	12	0	0	276,532
TOTAL NON-CURRENT ASSETS		857,564,337	857,920,210	806,368,493
TOTAL ASSETS		960,209,625	943,317,374	888,238,531
CURRENT LIABILITIES				
Trade and other payables	13	13,922,795	11,200,280	25,977,250
Other liabilities	14	32,402,400	23,902,923	1,475,543
Lease liabilities	10(b)	39,323	103,810	146,163
Borrowings	15	1,814,789	2,340,024	2,208,899
Employee related provisions	16	5,737,631	5,287,124	4,813,269
Other provisions	17	187,320	0	0
TOTAL CURRENT LIABILITIES		54,104,258	42,834,161	34,621,124
NON-CURRENT LIABILITIES				
Other liabilities	14	37,938,913	31,791,387	41,010,766
Lease liabilities	10(b)	49,750	5,386	105,667
Borrowings	15	7,197,300	9,012,092	11,383,241
Employee related provisions	16	294,654	264,239	618,902
TOTAL NON-CURRENT LIABILITIES		45,480,617	41,073,104	53,118,576
TOTAL LIABILITIES		99,584,875	83,907,265	87,739,700
NET ASSETS		860,624,750	859,410,109	800,498,831
EQUITY				
Retained surplus		203,040,854	225,729,793	226,447,924
Reserve accounts	30	84,738,787	68,077,207	69,260,960
Revaluation surplus	18	572,845,109	565,603,109	504,789,947
TOTAL EQUITY		860,624,750	859,410,109	800,498,831

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

*Restated - Refer to Note 32 for details regarding restatement of prior period errors.



CITY OF KWINANA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Note	Retained surplus Restated*	Reserve accounts	Revaluation surplus	Total equity Restated*
		\$	\$	\$	\$
Balance as at 1 July 2023		228,482,200	69,260,960	504,789,947	802,533,107
Correction of error	32	(2,034,276)	0	0	(2,034,276)
Restated balance at the beginning of the financial year		226,447,924	69,260,960	504,789,947	800,498,831
Comprehensive income for the period					
Net result for the period		(1,901,884)	0	0	(1,901,884)
Other comprehensive income for the period	18	0	0	60,813,162	60,813,162
Total comprehensive income for the period		(1,901,884)	0	60,813,162	58,911,278
Transfers from reserve accounts	30	22,231,241	(22,231,241)	0	0
Transfers to reserve accounts	30	(21,047,488)	21,047,488	0	0
*Restated balance as at 30 June 2024		225,729,793	68,077,207	565,603,109	859,410,109
Comprehensive income for the period					
Net result for the period		(6,027,359)	0	0	(6,027,359)
Other comprehensive income for the period	18	0	0	7,242,000	7,242,000
Total comprehensive income for the period		(6,027,359)	0	7,242,000	1,214,641
Transfers from reserve accounts	30	8,580,095	(8,580,095)	0	0
Transfers to reserve accounts	30	(25,241,675)	25,241,675	0	0
Balance as at 30 June 2025		203,040,854	84,738,787	572,845,109	860,624,750

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

*Restated - Refer to Note 32 for details regarding restatement of prior period errors.



CITY OF KWINANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		50,702,461	49,457,309
Grants, subsidies and contributions		3,367,379	4,635,666
Fees and charges		17,260,120	14,898,246
Interest revenue		5,652,871	4,605,902
Goods and services tax received		3,666,344	4,069,095
Other revenue		1,541,559	1,413,137
		82,190,734	79,079,355
Payments			
Employee costs		(33,625,535)	(30,587,250)
Materials and contracts		(27,880,803)	(23,775,052)
Utility charges		(3,078,147)	(2,855,252)
Finance costs		(483,835)	(597,672)
Insurance paid		(830,282)	(720,958)
Goods and services tax paid		(4,036,987)	(4,050,637)
Other expenditure		(663,585)	(97,075)
		(70,599,174)	(62,683,896)
Net cash provided by operating activities	19(b)	11,591,560	16,395,459
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	7(a)	(3,558,127)	(2,915,046)
Payments for construction of infrastructure		(7,054,468)	(7,630,292)
Proceeds (Payments) for capital grants, subsidies and contributions		14,953,152	(2,169,107)
(Payments) Proceeds for financial assets at amortised cost		(16,679,658)	6,732,807
Proceeds from financial assets at amortised cost - self-supporting loans		19,700	19,061
Proceeds from financial assets at fair values through profit and loss		0	(1)
Proceeds from sale of property, plant & equipment		1,468,960	993,259
Net cash used in by investing activities		(10,850,441)	(4,969,319)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	29(a)	(2,340,027)	(2,240,024)
Payments for principal portion of lease liabilities	29(c)	(124,321)	(142,634)
Net cash used in financing activities		(2,464,348)	(2,382,658)
Net (decrease) increase in cash held		(1,723,229)	9,043,482
Cash at beginning of year		15,495,322	6,451,840
Cash and cash equivalents at the end of the year	19(a)	13,772,093	15,495,322

Non-cash investing and financing movements are disclosed at note 19(c)

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



CITY OF KWINANA
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2025

		2025	2025	2024
	Note	Actual	Budget	Actual
		\$	\$	Restated*
				\$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	27	52,746,138	52,687,845	49,547,986
Rates excluding general rates	27	325,985	175,000	239,160
Grants, subsidies and contributions		3,961,006	3,247,733	3,895,721
Fees and charges		17,281,105	14,781,629	14,854,931
Interest revenue		5,312,353	3,336,708	4,938,967
Other revenue		1,541,559	1,209,234	3,113,879
Profit on asset disposals		189,126	196,291	578,823
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	0	0	2,942
		81,357,272	75,634,440	77,172,409
Expenditure from operating activities				
Employee costs		(34,326,609)	(32,335,160)	(30,715,015)
Materials and contracts		(30,065,184)	(30,073,881)	(27,100,701)
Utility charges		(3,078,147)	(2,787,943)	(2,855,252)
Depreciation		(24,196,444)	(22,431,400)	(22,822,326)
Finance costs		(483,835)	(806,656)	(597,672)
Insurance		(830,282)	(826,314)	(720,958)
Other expenditure		(5,341,445)	(79,200)	(6,072,933)
Loss on asset disposals		(3,653,318)	(25,771)	(2,095,730)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(6,215)	0	0
		(101,981,479)	(89,366,325)	(92,980,587)
Non-cash amounts excluded from operating activities	28(a)	32,996,936	22,260,880	29,490,440
Amount attributable to operating activities		12,372,729	8,528,995	13,682,262
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		14,596,848	11,347,884	13,906,294
Proceeds from disposal of assets		1,468,960	687,750	993,259
Proceeds from financial assets at amortised cost - self-supporting loans	29(a)	19,700	19,700	19,061
		16,085,508	12,055,334	14,918,614
Outflows from investing activities				
Right of use assets received - non cash	10(a)	(104,198)	0	0
Acquisition of property, plant and equipment	7(a)	(3,558,127)	(15,403,602)	(2,915,046)
Acquisition of infrastructure	8(a)	(16,817,619)	(11,323,707)	(17,445,520)
Payments for intangible assets	12	0	(895,810)	0
		(20,479,944)	(27,623,119)	(20,360,566)
Non-cash amounts excluded from investing activities	28(b)	9,786,622	(1,899,633)	(6,684,269)
Amount attributable to investing activities		5,392,186	(17,467,418)	(12,126,221)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	29(a)	0	6,800,000	0
Proceeds from new leases - non cash	29(c)	104,198	0	0
Transfers from reserve accounts	30	8,580,095	10,995,573	22,231,241
		8,684,293	17,795,573	22,231,241
Outflows from financing activities				
Repayment of borrowings	29(a)	(2,340,027)	(2,658,422)	(2,240,024)
Payments for principal portion of lease liabilities	29(c)	(124,321)	(103,811)	(142,634)
Transfers to reserve accounts	30	(25,241,675)	(8,661,177)	(21,047,488)
		(27,706,023)	(11,423,410)	(23,430,146)
Non-cash amounts excluded from financing activities	28(c)	(104,198)	0	0
Amount attributable to financing activities		(19,125,928)	6,372,163	(1,198,905)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	28(d)	4,672,413	2,566,260	4,315,277
Amount attributable to operating activities		12,372,729	8,528,995	13,682,262
Amount attributable to investing activities		5,392,186	(17,467,418)	(12,126,221)
Amount attributable to financing activities		(19,125,928)	6,372,163	(1,198,905)
Surplus or deficit after imposition of general rates	28(d)	3,311,400	0	4,672,413

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

*Restated - Refer to Note 32 for details regarding restatement of prior period errors.

CITY OF KWINANA
FOR THE YEAR ENDED 30 JUNE 2025
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CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

1. BASIS OF PREPARATION

The financial report of the City of Kwinana 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 ;
- and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from AASB 116 Property, Plant and Equipment, which would have required the 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 amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

- Fair value measurement of assets carried at reportable value including:
 - Infrastructure - Note 8
 - Expected credit losses on financial assets - Note 5
 - Assets held for sale - Note 6
 - Investment property - Note 11
 - Estimated useful life of intangible assets - Note 12

Critical accounting estimates and judgements (continued)

- *Measurement of employee benefits - note 16*

Fair value hierarchy information can be found in Note 25

The local government reporting entity

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

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

Initial application of accounting standards

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

- AASB 2020-1 *Amendments to Australian Accounting Standards*
 - *Classification of Liabilities as Current or Non-current*
- AASB 2022-5 *Amendments to Australian Accounting Standards*
 - *Lease Liability in a Sale and Leaseback*
- AASB 2022-6 *Amendments to Australian Accounting Standards*
 - *Non-current Liabilities with Covenants*
- AASB 2023-3 *Amendments to Australian Accounting Standards*
 - *Disclosure of Non-current Liabilities with Covenants: Tier 2*
- AASB 2024-1 *Amendments to Australian Accounting Standards*
 - *Supplier Finance Arrangements: Tier 2 Disclosures*
- AASB 2023-1 *Amendments to Australian Accounting Standards*
 - *Supplier Finance Arrangements*

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

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

These amendment may result in changes to the fair value of certain non-financial assets on revaluation. The impact has not been quantified as it is not considered practicable to determine the amount of the difference in fair value attributable to the change in the standard.

New accounting standards for application in future years

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

- AASB 2014-10 *Amendments to Australian Accounting Standards*
 - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
- AASB 2024-4b *Amendments to Australian Accounting Standards*
 - *Effective Date of Amendments to AASB 10 and AASB 128 [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]*
- AASB 2022-9 *Amendments to Australian Accounting Standards*
 - *Insurance Contracts in the Public Sector*
- AASB 2023-5 *Amendments to Australian Accounting Standards*
 - *Lack of Exchangeability*
- AASB 18 (FP) *Presentation and Disclosure in Financial Statements*
 - *(Appendix D) [for for-profit entities]*
- AASB 18 (NFP/super) *Presentation and Disclosure in Financial Statements*
 - *(Appendix D) [for not-for-profit and superannuation entities]*
- AASB 2024-2 *Amendments to Australian Accounting Standards*
 - *Classification and Measurement of Financial Instruments*
- AASB 2024-3 *Amendments to Australian Accounting Standards*
 - *Annual Improvements Volume 11*

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

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	On payment and issue of the licence, registration or approval
Pool inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Output method based on regular weekly and fortnightly period as proportionate to collection service
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within terms	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance or by instalments	Refund as per terms and conditions	Output method over 12 months matched to access right
Fees and charges for other goods and services	Library fees and reinstatements and private works	Single point in time	Payment in full in advance	None	Output method based on provision of service or completion of works
Sale of stock	Café and resource centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	When event takes place
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	When claim is agreed

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

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue recognition

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.

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

For the year ended 30 June 2025

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	53,072,123	0	53,072,123
Grants, subsidies and contributions	2,359,174	0	0	1,601,832	3,961,006
Fees and charges	15,775,014	0	1,464,129	41,962	17,281,105
Interest revenue	0	0	523,797	4,788,556	5,312,353
Other revenue	0	0	0	1,541,559	1,541,559
Capital grants, subsidies and contributions	0	14,596,848	0	0	14,596,848
Total	18,134,188	14,596,848	55,060,049	7,973,909	95,764,994

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	49,787,146	0	49,787,146
Grants, subsidies and contributions	1,715,735	0	0	2,179,986	3,895,721
Fees and charges	13,725,863	0	1,042,269	86,799	14,854,931
Interest revenue	0	0	386,822	4,552,145	4,938,967
Other revenue	0	0	0	3,113,879	3,113,879
Capital grants, subsidies and contributions	0	3,056,924	0	10,849,370	13,906,294
Total	15,441,598	3,056,924	51,216,237	20,782,179	90,496,938

	Note	2025 Actual	2024 Actual
		\$	\$
Assets and services acquired below fair value			
Contributed assets		9,763,151	9,815,228
		9,763,151	9,815,228
Interest revenue			
Financial assets at amortised cost - self-supporting loans		6,882	7,659
Interest on reserve account		3,321,593	3,231,118
Trade and other receivables overdue interest		523,797	386,822
Other interest revenue		1,460,081	1,313,368
		5,312,353	4,938,967
The 2025 original budget estimate in relation to: Trade and other receivables overdue interest was \$400,000.			
Fees and charges relating to rates receivable			
Charges on instalment plan		216,616	214,243
The 2025 original budget estimate in relation to: Charges on instalment plan was \$220,000.			
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report		105,000	98,000
- Other services – grant acquittals		5,000	5,500
		110,000	103,500
Employee Costs			
Employee benefit costs		33,569,264	29,910,550
Other employee costs		757,345	804,465
		34,326,609	30,715,015
Finance costs			
Interest and financial charges paid/payable for financial liabilities not at fair value through profit or loss	29(a)	480,459	595,144
Lease liabilities	29(c)	3,376	2,528
		483,835	597,672
Other expenditure			
Adjustment to Banksia Park liability		4,724,884	5,975,858
Sundry expenses		616,561	97,075
		5,341,445	6,072,933

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

3. CASH AND CASH EQUIVALENTS

Note	2025	2024
	\$	\$
Cash at bank and on hand	13,772,093	15,495,322
Total cash and cash equivalents	13,772,093	15,495,322
Held as		
- Unrestricted cash and cash equivalents	2,271,233	7,147,748
- Restricted cash and cash equivalents	11,500,860	8,347,574
	13,772,093	15,495,322

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

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost		79,401,056	62,720,739
		79,401,056	62,720,739
Other financial assets at amortised cost			
Self-supporting loans receivable	28(d)	20,359	19,700
Term deposits		79,380,697	62,701,039
		79,401,056	62,720,739
Held as			
- Unrestricted other financial assets at amortised cost		20,359	19,700
- Restricted other financial assets at amortised cost	19(a)	79,380,697	62,701,039
		79,401,056	62,720,739

(b) Non-current assets

Financial assets at amortised cost		137,293	157,652
Financial assets at fair value through profit or loss		139,334	145,549
		276,627	303,201
Financial assets at amortised cost			
Self-supporting loans receivable		137,293	157,652
		137,293	157,652
Financial assets at fair value through profit or loss			
Financial assets at fair value through profit or loss - opening balance		145,549	142,607
Movement attributable to fair value increment/(decrement)		(6,215)	2,942
Units in Local Government House Trust - closing balance		139,334	145,549

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 a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 25 (i)) due to the observable market rates.

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

Financial assets at fair value through profit or loss

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

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

Impairment and risk

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

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

5. TRADE AND OTHER RECEIVABLES

	Note	2025	2024
		\$	\$
Current			
Rates and statutory receivables		5,101,018	2,249,793
Trade receivables		1,129,424	732,275
GST receivable		873,412	502,769
Allowance for credit losses of trade receivables	23(b)	(96,226)	(62,511)
		7,007,628	3,422,326
Non-current			
Rates and statutory receivables		1,057,344	990,991
		1,057,344	990,991

Disclosure of opening and closing balances related to contracts with customers

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

	Note	30 June 2025 Actual	30 June 2024 Actual	1 July 2023 Actual
		\$	\$	\$
Trade and other receivables from contracts with customers		1,129,424	732,275	1,531,338
Contract assets	6	409,369	342,650	431,287
Allowance for credit losses of trade receivables	5	(96,226)	(62,511)	(89,710)
Total trade and other receivables from contracts with customers		1,442,567	1,012,414	1,872,915

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.

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 23.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

6. OTHER ASSETS

	2025	2024
	\$	\$
Other assets - current		
Prepayments	906,943	619,961
Accrued income	1,148,199	1,784,166
Contract assets	409,369	342,650
	2,464,511	2,746,777
Non-current assets held for sale		
Investment Property	1,012,000	1,012,000
Less: disposals	(1,012,000)	0
	0	1,012,000

Non-current assets held for sale

The City of Kwinana has sold Unit 23 and Unit 24 Meares Avenue, Kwinana, for a consideration of \$915,212 in the 2024/2025 financial year.

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 period.

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

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable. Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 25(i).

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

7. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

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

	Assets not subject to operating lease		Total property				Plant and equipment		Total property, plant and equipment
Note	Land	Buildings	Land	Buildings	Work in progress	Total property	Furniture and equipment	Plant and equipment	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	48,808,001	122,516,091	48,808,001	122,516,091	22,157	171,346,249	453,108	5,665,297	177,464,654
Additions	0	1,459,837	0	1,459,837	348,875	1,808,712	35,818	1,070,516	2,915,046
Disposals	(260,000)	0	(260,000)	0	0	(260,000)	0	(416,688)	(676,688)
Depreciation	0	(7,280,746)	0	(7,280,746)	0	(7,280,746)	(119,749)	(1,068,134)	(8,468,629)
Balance at 30 June 2024	48,548,001	116,695,182	48,548,001	116,695,182	371,032	165,614,215	369,177	5,250,991	171,234,383
Comprises:									
Gross balance amount at 30 June 2024	48,548,001	124,095,473	48,548,001	124,095,473	371,032	173,014,506	2,726,322	8,611,761	184,352,589
Accumulated depreciation at 30 June 2024	0	(7,400,291)	0	(7,400,291)	0	(7,400,291)	(2,357,145)	(3,360,770)	(13,118,206)
Balance at 30 June 2024	7(b)	48,548,001	116,695,182	48,548,001	116,695,182	371,032	165,614,215	369,177	171,234,383
Additions		0	518,464	0	518,464	1,813,027	2,331,491	59,629	1,167,007
Disposals		0	0	0	0	0	0	(10,146)	(405,734)
Revaluation increments / (decrements) transferred to revaluation surplus		7,242,000	0	7,242,000	0	7,242,000	0	0	7,242,000
Depreciation			(7,374,095)	0	(7,374,095)	0	(7,374,095)	(111,993)	(958,512)
Balance at 30 June 2025		55,790,001	109,839,551	55,790,001	109,839,551	2,184,059	167,813,611	306,667	173,174,030
Comprises:									
Gross balance amount at 30 June 2025		55,790,001	124,613,937	55,790,001	124,613,937	2,184,059	182,587,997	2,170,935	8,839,403
Accumulated depreciation at 30 June 2025		0	(14,774,386)	0	(14,774,386)	0	(14,774,386)	(1,864,268)	(3,785,651)
Total	7(b)	55,790,001	109,839,551	55,790,001	109,839,551	2,184,059	167,813,611	306,667	173,174,030

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying amount measurements

Asset class	Note	Carrying amount 2025 \$	Carrying amount 2024 \$	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date								
Land and buildings								
Land - market value		7,677,001	6,898,001	2	Market approach using recent observable open market values as evidenced by sales transactions of similar property types	Independent registered valuer	June 2025	Price per square metre
Land - subject to usage restrictions		48,113,000	41,650,000	3	Market approach using recent observable open market values as evidenced by sales transactions of similar property types, adjusted for condition and comparability, at their current use as highest and best use.	Independent registered valuer	June 2025	Price per square metre adjusted for zoning restrictions
Total land	7(a)	55,790,001	48,548,001					
Buildings - specialised		11,400	15,200	2	Market approach using recent observable open market values as evidenced by sales transactions of similar property types	Independent registered valuer	June 2023	Price per square metre
Buildings - specialised		109,828,151	116,679,982	3	Market approach using recent observable open market values as evidenced by sales transactions of similar property types, adjusted for condition and comparability, at their current use as highest and best use.	Independent registered valuer	June 2023	Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.
Total buildings	7(a)	109,839,551	116,695,182					

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

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

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

8. INFRASTRUCTURE

(a) Movements in balances

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

	Infrastructure - roads \$	Infrastructure - footpaths \$	Infrastructure - drainage \$	Infrastructure - parks and ovals \$	Infrastructure - other \$	Infrastructure - carparks \$	Infrastructure - bus shelters \$	Infrastructure - street lights \$	Infrastructure - work in progress \$	Total infrastructure \$
Balance at 1 July 2023	379,077,356	40,908,863	123,619,769	62,942,055	1,215,236	9,438,239	761,740	5,139,750	1,706,975	624,809,983
Correction of error: Duplicate Assets	(710,871)	(16,207)	(1,307,198)	0	0	0	0	0	0	(2,034,276)
**Restated Balance at 1 July 2023	378,366,485	40,892,656	122,312,571	63,101,477	1,072,503	9,438,239	761,740	5,123,061	1,706,975	622,775,707
Additions*	7,437,593	2,277,467	3,257,392	3,616,154	0	154,461	69,370	16,689	616,394	17,445,520
(Disposals)	(672,030)	(161,583)	(350,054)	(583,772)	0	(3,924)	(46,417)	(15,698)	0	(1,833,478)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	60,468,319	344,843	0	0	0	0	60,813,162
Depreciation	(8,655,473)	(903,663)	(1,369,172)	(2,416,071)	(35,642)	(348,593)	(31,828)	(175,073)	0	(13,935,515)
Transfers	723,075	73,742	130,527	532,674	142,733	0	9,529	19,470	(1,631,750)	0
** Restated Balance at 30 June 2024	377,199,650	42,178,619	123,981,264	124,718,781	1,524,437	9,240,183	762,394	4,968,449	691,619	685,265,396
Comprises:										
Gross balance at 30 June 2024	394,292,218	43,960,667	126,667,461	124,718,781	1,524,437	9,920,340	821,837	5,315,944	691,619	707,913,304
Accumulated depreciation at 30 June 2024	(17,092,568)	(1,782,048)	(2,686,197)	0	0	(680,157)	(59,443)	(347,495)	0	(22,647,908)
** Restated Balance at 30 June 2024	377,199,650	42,178,619	123,981,264	124,718,781	1,524,437	9,240,183	762,394	4,968,449	691,619	685,265,396
Additions*	7,455,849	1,656,343	3,240,112	1,863,206	0	312,962	5,828	31,127	2,252,192	16,817,619
(Disposals)	(2,331,988)	(68,658)	(635,482)	(388,721)	0	(65,373)	0	(15,050)	0	(3,505,272)
Depreciation	(8,837,538)	(959,205)	(1,415,315)	(3,719,683)	(101,233)	(367,791)	(32,879)	(175,148)	0	(15,608,792)
Transfers	88,686	63,945	74,826	226,039	0	249,422	0	10,311	(713,229)	0
Balance at 30 June 2025	373,574,659	42,871,044	125,245,405	122,699,622	1,423,204	9,369,403	735,343	4,819,689	2,230,582	682,968,951
Comprises:										
Gross balance at 30 June 2025	399,199,020	45,607,999	129,314,467	126,395,020	1,524,437	10,405,989	827,666	5,340,739	2,230,582	720,845,919
Accumulated depreciation at 30 June 2025	(25,624,361)	(2,736,955)	(4,069,062)	(3,695,398)	(101,233)	(1,036,586)	(92,323)	(521,050)	0	(37,876,968)
Balance at 30 June 2025	373,574,659	42,871,044	125,245,405	122,699,622	1,423,204	9,369,403	735,343	4,819,689	2,230,582	682,968,951

* Asset additions included non-cash additions. Refer to note 19(c).

** Restated refer Note 32 for details regarding restatement of prior period errors.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

8. 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					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Management Valuation	June 2024	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - other	3	Cost approach using depreciated replacement cost	Management Valuation	June 2024	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - carparks	3	Cost approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - bus shelters	3	Cost approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - street lights	3	Cost approach using depreciated replacement cost	Management Valuation	June 2022	Construction costs and current condition, non-depreciable components 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 to determine the fair value of infrastructure using level 3 inputs.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

9. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset class	Useful life
Land - freehold land	Indefinite
Buildings - specialised	3 to 100 years
Furniture and equipment	1 to 15 years
Plant and equipment	3 to 20 years
Land and buildings subject to operating lease	Based on the remaining lease
Infrastructure - Roads	12 to 100 years
Infrastructure - Footpaths	10 to 100 years
Infrastructure - Drainage	5 to 100 years
Infrastructure - Carparks	5 to 40 years
Infrastructure - Bus Shelters	20 to 25 Years
Infrastructure - Street Lights	15 to 40 Years
Infrastructure - Parks & Ovals	3 to 105 Years
Infrastructure - Other	5 to 62 Years
Right-of-use (plant and equipment)	Based on the remaining lease term

(b) Fully depreciated assets in use

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

	2025	2024
	\$	\$
Furniture and equipment	1,533,763	2,065,142
Plant and equipment	1,089,913	1,440,043
Infrastructure - roads	23,939,647	23,988,289
	26,563,323	27,493,474

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

9. 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 *Local Government (Financial Management) Regulation 17A(5)*. These assets are expensed immediately.

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

Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the 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 or loss for the same class of asset.

Depreciation

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

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

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; or
- (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 KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

10. LEASES

(a) Right-of-use assets

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

	Note	Right-of-use assets - plant and equipment	Total right-of-use assets
		\$	\$
Balance at 1 July 2023		267,889	267,889
Depreciation		(141,650)	(141,650)
Balance at 30 June 2024		126,239	126,239
Gross balance amount at 30 June 2024		562,757	562,757
Accumulated depreciation at 30 June 2024		(436,518)	(436,518)
Balance at 30 June 2024		126,239	126,239
Additions *		104,198	104,198
Depreciation		(143,052)	(143,052)
Balance at 30 June 2025		87,385	87,385
Gross balance amount at 30 June 2025**		160,116	160,116
Accumulated depreciation at 30 June 2025**		(72,731)	(72,731)
Balance at 30 June 2025		87,385	87,385

* Right of use asset additions are non-cash additions. Refer to note 19(c).

** Assets at cost and accumulated depreciation of \$506,839 was disposed in 2025 financial year.

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

		2025 Actual	2024 Actual
		\$	\$
Depreciation on right-of-use assets		(143,052)	(141,650)
Finance charge on lease liabilities	29(c)	(3,376)	(2,528)
Short-term lease payments recognised as expense		(2,141)	(4,282)
Low-value asset lease payments recognised as expense		(18,293)	(88,653)
Total amount recognised in the statement of comprehensive income		(166,862)	(237,113)
Total cash outflow from leases		(127,697)	(145,162)

(b) Lease liabilities

Current		39,323	103,810
Non-current		49,750	5,386
	29(c)	89,073	109,196

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

MATERIAL ACCOUNTING POLICIES

Leases

At inception of a contract, the 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 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 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 29(c).

Right-of-use assets - measurement

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

Refer to Note 9 under revaluation for details on the material accounting policies applying to vested improvements.

Right-of-use assets - depreciation

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

**CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

10. LEASES (Continued)

(c) Lessor - property, plant and equipment subject to lease

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

Less than 1 year
1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

2025 Actual	2024 Actual
\$	\$
739,815	1,040,361
698,366	749,192
718,230	708,025
738,690	728,178
759,764	748,937
781,470	770,319
4,436,335	4,745,012
1,562,800	1,513,846

Amounts recognised in profit or loss for property, plant and equipment subject to lease

Rental income

The City leases buildings to external parties and aged persons with rentals payable monthly. These leases are classified as operating leases as they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The aged persons units are not considered investment property as they are leased for use in the supply of services property as the primary purpose is provision of community housing.

Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Although the City is exposed to changes in the residual value at the end of the current leases, the City group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

MATERIAL ACCOUNTING POLICIES

The City as lessor

Upon entering into each contract as a lessor, the City assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the City applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

11. INVESTMENT PROPERTY

Non-current assets - at reportable value

Carrying balance at 1 July
 Capitalised as held for sale on disposal
 Closing balance at 30 June

Amounts recognised in profit or loss for investment properties

Rental income
 Direct operating expenses from property that generated rental income

MATERIAL ACCOUNTING POLICIES

Investment properties

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

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

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

2025 Actual	2024 Actual
\$	\$
0	1,012,000
0	(1,012,000)
0	0
0	2,670
0	(41,724)

Revaluation

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

Fair value of investment properties

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

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

12. INTANGIBLE ASSETS

Intangible assets

Non-current

Computer software development
Less: Accumulated amortisation

2025	2024
Actual	Actual
\$	\$
354,528	354,528
(354,528)	(354,528)
0	0
0	276,532
0	(276,532)
0	0
0	0

Movements in balances of computer software during the financial year are shown as follows:

Balance at 1 July

Amortisation

Balance at 30 June

TOTAL INTANGIBLE ASSETS

Amortisation

The estimated useful life of intangible assets is 5 years for the current and prior years.

MATERIAL ACCOUNTING POLICIES

Computer software

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

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

Computer software (continued)

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

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

Amortisation

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

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

Amortisation is included within depreciation in the Statement of Comprehensive Income.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

13. TRADE AND OTHER PAYABLES

Current

	2025	2024
	\$	\$
Sundry creditors	1,068,078	4,898,779
Prepaid rates	1,818,180	1,270,264
Accrued payroll liabilities	804,859	584,707
Bonds and deposits held	5,947,230	2,687,484
Accrued expenses	4,233,150	1,745,890
Accrued interest on long term borrowings	48,175	13,156
Other payables	3,123	0
	13,922,795	11,200,280

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 KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

14. OTHER LIABILITIES

Current

Contract liabilities - Operating grant	728,768	491,112
Capital grant/contributions liabilities	7,288,130	3,615,787
Contract liabilities - Other	195,540	283,922
Unit contribution - Banksia Park *	24,189,962	19,512,102
	32,402,400	23,902,923

Non-current

Capital grant/contributions liabilities	37,938,913	31,791,387
	37,938,913	31,791,387

*** Unit contribution for Banksia Park includes the net of :**

Lease liability for the units	28,660,717	24,255,833
Deferred management fees receivable	(4,470,755)	(4,743,731)
	24,189,962	19,512,102

Reconciliation of changes in contract liabilities

Opening balance	775,034	435,200
Additions	924,308	775,034
Revenue from contracts with customers included as a contract liability at the start of the period	(775,034)	(435,200)
	924,308	775,034

Reconciliation of changes in capital grant/contribution liabilities

Opening balance	35,407,174	42,051,109
Additions (Refunds)	11,743,714	(5,168,392)
Revenue from capital grant/contributions held as a liability at the start of the period	(1,923,845)	(1,475,543)
	45,227,043	35,407,174

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year	7,543,937	3,615,787
1 to 2 years	20,751,529	3,520,900
2 to 3 years	10,471,272	28,020,628
3 to 4 years	6,460,305	249,859
	45,227,043	35,407,174

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the City's obligations to construct recognisable non-financial assets to identified specifications to be controlled 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.

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

CITY OF KWINANA
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30 JUNE 2025

15. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Bank loans		1,814,789	7,197,300	9,012,089	2,340,024	9,012,092	11,352,116
Total secured borrowings	29(a)	1,814,789	7,197,300	9,012,089	2,340,024	9,012,092	11,352,116

Secured liabilities and assets pledged as security

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

The City of Kwinana has complied with the financial covenants of its borrowing facilities during the 2025 and 2024 years.

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

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

Risk

Details of individual borrowings required by regulations are provided at Note 29(a). Information regarding exposure to risk can be found at Note 23.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

16. EMPLOYEE RELATED PROVISIONS

Employee related provisions

	2025	2024
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	2,255,921	1,967,277
Long service leave	2,177,319	2,146,143
Other employee leave provisions	577,792	504,155
	5,011,032	4,617,575
Employee related other provisions		
Employment on-costs	726,599	669,549
	726,599	669,549
Total current employee related provisions	5,737,631	5,287,124
Non-current provisions		
Employee benefit provisions		
Long service leave	294,654	264,239
	294,654	264,239
Total non-current employee related provisions	294,654	264,239
Total employee related provisions	6,032,285	5,551,363

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

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

	Note	2025	2024
		\$	\$
Amounts are expected to be settled on the following basis:			
Less than 12 months after the reporting date		3,795,334	3,728,731
More than 12 months from reporting date		2,236,951	1,822,632
		6,032,285	5,551,363
Expected reimbursements of employee related provisions from other WA local governments	5	(291,393)	(20,545)

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 KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

17. OTHER PROVISIONS

	<div> <div>Provision for compulsory land acquisition</div> <div>\$</div> </div>
Current provisions	187,320
Balance at 30 June 2025	187,320
Comprises	
Current	187,320
	187,320

Other provisions

The City is the acquiring authority under Part 9 and 10 of the Land Administration Act 1997 and was responsible for the compulsory acquisition of Lot 9001, 548 Lyon Road, Wandi. Compensation claim has been settled by the City on 16 September 2025.

MATERIAL ACCOUNTING POLICIES

Provisions

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

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

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

18. REVALUATION SURPLUS

	2025 Opening balance	Total Movement on revaluation	2025 Closing balance	2024 Opening balance	Total Movement on revaluation	2024 Closing balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	48,068,145	7,242,000	55,310,145	48,068,145	0	48,068,145
Revaluation surplus - Buildings - not-specialised	64,334,061	0	64,334,061	64,334,061	0	64,334,061
Revaluation surplus - Furniture and equipment	257,497	0	257,497	257,497	0	257,497
Revaluation surplus - Plant and equipment	1,954,408	0	1,954,408	1,954,408	0	1,954,408
Revaluation surplus - Infrastructure - roads	250,471,296	0	250,471,296	250,471,296	0	250,471,296
Revaluation surplus - Infrastructure - footpaths	13,164,155	0	13,164,155	13,164,155	0	13,164,155
Revaluation surplus - Infrastructure - drainage	84,384,960	0	84,384,960	84,384,960	0	84,384,960
Revaluation surplus - Infrastructure - parks and ovals	90,188,104	0	90,188,104	29,719,785	60,468,319	90,188,104
Revaluation surplus - Infrastructure - other	1,638,994	0	1,638,994	1,294,151	344,843	1,638,994
Revaluation surplus - Infrastructure - carparks	9,178,766	0	9,178,766	9,178,766	0	9,178,766
Revaluation surplus - Infrastructure - bus shelters	644,180	0	644,180	644,180	0	644,180
Revaluation surplus - Infrastructure - street lights	1,318,543	0	1,318,543	1,318,543	0	1,318,543
	565,603,109	7,242,000	572,845,109	504,789,947	60,813,162	565,603,109

The movement in the revaluation surplus for land, infrastructure parks and ovals and infrastructure other relates to a revaluation.

Refer to Note 7(a) and 8(a).

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

19. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of cash

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

	Note	2025 Actual \$	2024 Actual \$
Cash and cash equivalents	3	13,772,093	15,495,322
Restrictions			
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:			
- Cash and cash equivalents	3	11,500,860	8,347,574
- Financial assets at amortised cost	4	79,380,697	62,701,039
		90,881,557	71,048,613
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	30	84,738,787	68,077,207
Contract liabilities	14	924,308	775,034
Capital grant liabilities	14	45,227,043	35,407,174
Deposits and bonds held	13	5,947,230	2,687,484
Less contract and other liabilities - reserved backed		(45,955,811)	(35,898,286)
Total restricted financial assets		90,881,557	71,048,613

(b) Reconciliation of net result to net cash provided by operating activities

Net result		(6,027,359)	(1,901,884)
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		6,215	(2,942)
Depreciation/amortisation		24,196,444	22,822,326
(Profit)/loss on sale of asset		3,464,192	1,516,907
Contributed assets	8(a)	(9,763,151)	(9,815,228)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(3,651,655)	418,888
(Increase)/decrease in other assets		282,266	(918,992)
Increase/(decrease) in trade and other payables		2,722,515	3,503,005
Increase/(decrease) in employee related provisions		480,922	119,192
Increase/(decrease) in other provisions		187,320	0
Increase/(decrease) in other liabilities		14,647,003	(1,514,920)
Capital grants, subsidies and contributions		(14,953,152)	2,169,107
Net cash provided by/(used in) operating activities		11,591,560	16,395,459

(c) Non-cash investing and financing activities

Acquisition of infrastructure below fair value	8(a)	9,763,151	9,815,228
Acquisition of right of use assets by means of a lease	10(a)	104,198	0

(d) Undrawn borrowing facilities

Credit standby arrangements

Bank overdraft limit			
Bank overdraft at balance date			
Credit card limit		100,000	100,000
Credit card balance at balance date		(41,356)	(46,854)
Total amount of credit unused		58,644	53,146

Loan facilities

Loan facilities - current		1,814,789	2,340,024
Loan facilities - non-current		7,197,300	9,012,092
Total facilities in use at balance date		9,012,089	11,352,116

Unused loan facilities at balance date		NIL	NIL
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CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

20. CONTINGENT LIABILITIES

The City did not have any contingent liabilities as at 30 June 2025.

The City is currently monitoring the following potentially contaminated sites under their Contaminated Sites Management Plan :

Peace Park -the site has been assessed as residual low risk.

Kwinana Golf Course - the site has been assessed as residual low risk.

Banksia Road (Reserve R24784) - the site has been assessed as residual low risk.

Council depot -the site has been assessed as residual low risk.

Millar Road Reserve -the site has been assessed as residual low risk.

Wells Park -the site has been assessed as residual low risk.

Seagulls Reserve -the site has been assessed as residual low risk.

Ratcliffe Road - Waste Stream -the site has been assessed as residual low risk.

The above sites have been reported to Department of Water and Environmental Regulation. As the obligation and cost to remediate the sites remain uncertain and is not expected to be material, the City has not recognised a liability as at 30 June 2025.

21. CAPITAL COMMITMENTS

	2025	2024
	\$	\$
Contracted for:		
- capital expenditure projects	10,587,685	223,325
- plant & equipment purchases	28,003	65,209
	10,615,688	288,534
Payable:		
- not later than one year	10,615,688	288,534

The capital expenditure projects outstanding at the end of the current and prior reporting period represent the construction of the new recreation centre, roads and public open space renewals and purchase of new vehicles.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

22. RELATED PARTY TRANSACTIONS

(a) Council member remuneration

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

Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Mayor's annual allowance	97,115	97,115	93,380
Mayor's meeting attendance fees	51,412	51,412	49,435
Mayor's other expenses	0	1,667	0
Mayor's annual allowance for ICT expenses	2,272	3,500	1,948
Mayor's travel and accommodation expenses	182	722	0
	150,981	154,416	144,763
Deputy Mayor's annual allowance	24,279	24,279	22,843
Deputy Mayor's meeting attendance fees	34,278	34,278	32,074
Deputy Mayor's other expenses	1,178	1,667	0
Deputy Mayor's annual allowance for ICT expenses	2,513	3,500	4,958
Deputy Mayor's travel and accommodation expenses	0	722	0
	62,248	64,446	59,875
All other council member's meeting attendance fees	239,945	239,946	221,506
All other council member's other expenses	4,595	11,669	0
All other council member's annual allowance for ICT expenses	17,146	24,500	23,521
All other council member's travel and accommodation expenses	632	5,054	0
	262,318	281,169	245,027
22(b)	475,547	500,031	449,665

(b) Key management personnel (KMP) compensation

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

Short-term employee benefits	1,044,724	1,036,664
Post-employment benefits	116,914	130,494
Employee - other long-term benefits	37,954	24,967
Council member costs	475,547	449,665
22(a)	1,675,139	1,641,790

Short-term employee benefits

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

Post-employment benefits

These amounts are the current-year's cost of the 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.

Council member costs

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

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

22. RELATED PARTY TRANSACTIONS (Continued)

(c) 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:

	2025 Actual	2024 Actual
	\$	\$
Sale of goods and services	64,420	61,283
Purchase of goods and services	1,500	3,981
Amounts outstanding from related parties:		
Trade and other receivables	0	4,051
Amounts payable to related parties:		
Trade and other payables	0	2,000

(d) 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 City, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the City

There were no such entities requiring disclosure during the current or previous year.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

23. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	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	Aging 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 to cash flow interest rate risk. Short term overdraft facilities also have variable interest rates however these are repaid within 12 months, reducing the risk level to minimal.

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

	Weighted average interest rate	Carrying amounts	Fixed interest rate	Variable interest rate	Non interest bearing
	%	\$	\$	\$	\$
2025					
Cash and cash equivalents	3.96%	13,772,093	0	13,767,538	4,555
Financial assets at amortised cost - term deposits	4.58%	79,380,697	79,380,697	0	0
2024					
Cash and cash equivalents	4.29%	15,495,322	0	15,491,717	3,605
Financial assets at amortised cost - term deposits	5.11%	62,701,039	62,701,039	0	0
Financial assets at amortised cost - Treasury bonds					

Sensitivity

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

	2025	2024
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	137,675	154,917

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 29(a).

CITY OF KWINANA
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FOR THE YEAR ENDED 30 JUNE 2025

23. 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.

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2024 or 1 July 2025 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2025 and 30 June 2024 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2025					
Trade receivables					
Expected credit loss	0.54%	19.61%	21.04%	28.88%	
Gross carrying amount	1,698,481	4,600	5,102	294,652	2,002,835
Loss allowance	9,157	902	1,073	85,094	96,226
30 June 2024					
Trade receivables					
Expected credit loss	0.12%	5.90%	1.29%	17.22%	
Gross carrying amount	731,564	20,748	142,885	339,846	1,235,043
Loss allowance	909	1,225	1,849	58,528	62,511

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NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

23. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

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

	Trade receivables		Other receivables		Contract assets	
	2025 Actual	2024 Actual	2025 Actual	2024 Actual	2025 Actual	2024 Actual
Opening loss allowance as at 1 July	\$ 62,511	\$ 89,710	\$ 0	\$ 0	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	0	0	0	0	0	0
Receivables written off during the year as uncollectible	33,715	0	0	0	0	0
Unused amount reversed	0	(27,199)	0	0	0	0
Closing loss allowance at 30 June	96,226	62,511	0	0	0	0

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 a period of greater than 120 days past due.

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

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.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

23. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The 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 19(d).

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 amounts, 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 amount
2025	\$	\$	\$	\$	\$
Trade and other payables	13,922,795	0	0	13,922,795	13,922,795
Borrowings	1,814,789	7,039,466	157,834	9,012,089	9,012,089
Contract liabilities	924,308	0	0	924,308	924,308
Other liabilities	31,478,092	37,938,913	0	69,417,005	69,417,005
Lease liabilities	39,323	49,750	0	89,073	89,073
	48,179,307	45,028,129	157,834	93,365,270	93,365,270
2024					
Trade and other payables	11,200,280	0	0	11,200,280	11,200,280
Borrowings	2,340,024	8,427,147	584,945	11,352,116	11,352,116
Contract liabilities	775,034	0	0	775,034	775,034
Other liabilities	23,127,889	31,791,387	0	54,919,276	54,919,276
Lease liabilities	103,810	5,386	0	109,196	109,196
	37,547,037	40,223,920	584,945	78,355,902	78,355,902

**CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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24. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No subsequent significant events have occurred.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

25. 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 report is presented.

e) Budget comparative figures

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

f) Superannuation

The 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 revenue

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

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

In accordance with Australian Accounting Standards the City's 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 9.

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

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

26. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

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

Objective	Description
Governance To provide a decision making process for the efficient allocation of scarce resources.	Members of Council & Governance (includes Audit & other costs associated with reporting to council). Administration, Financial and Information Technology Services are included.
General purpose funding To collect revenue to allow for the provision of services	Rates, general purpose government grants and interest revenue.
Law, order, public safety To provide services to help ensure a safer and environmentally conscious community.	Supervision of various local laws, fire prevention and animal control.
Health To provide an operational framework for environmental and community health.	Prevention and treatment of human illnesses, including inspection of premises/food control, immunisation and child health services.
Education and welfare To provide services to disadvantaged persons, the elderly, children and youth.	Provision, management and support of services for families, children and the aged and disabled within the community; including pre-school playgroups, day and after school care, assistance to schools, and senior citizens support groups.
Community amenities To provide services required by the community.	City planning and development, rubbish collection services, storm water drainage, the provision of public conveniences, bus shelters, roadside furniture and litter control.
Recreation and culture To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	Provision of facilities and support for organisations concerned with leisure time activities and sport, support for the performing and creative arts and the preservation of the national estate. This includes maintenance of halls, aquatic centre, recreation and community centres, parks, gardens, sports grounds and the operation of Libraries.
Transport To provide safe, effective and efficient transport services to the community.	Construction, maintenance and cleaning of streets, roads, bridges, drainage works, footpaths, parking facilities, traffic signs and the City depot, including plant purchase and maintenance.
Economic services To help promote the City and its economic wellbeing.	Tourism and area promotion, rural services and pest control and the implementation of building controls.
Other property and services To monitor and control the City's overhead operating accounts.	Private works, public works overheads, City plant operations, materials, salaries and wages. With the exception of private works, the above activities listed are mainly summaries of costs that are allocated to all works and services undertaken by the City.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

26. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2025	2024
	Actual	Actual
	\$	Restated*
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	2,751,309	2,573,093
General purpose funding	53,923,480	50,491,588
Law, order, public safety	213,279	229,645
Health	139,234	172,961
Education and welfare	2,291,612	2,259,336
Community amenities	2,183,953	3,087,137
Recreation and culture	5,543,951	4,576,119
Transport	90,085	0
Economic services	567,482	475,339
Other property and services	9,691,880	9,411,470
	77,396,265	73,276,688
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	1,601,833	2,179,986
Law, order, public safety	213,815	215,542
Health	61,134	37,249
Education and welfare	1,105,397	666,513
Community amenities	2,038,536	1,172,379
Recreation and culture	1,994,278	2,411,624
Transport	11,508,027	11,109,329
Other property and services	34,835	9,393
	18,557,855	17,802,015
Total income	95,954,120	91,078,703
Expenses		
Governance	(4,146,748)	(3,121,905)
General purpose funding	(1,254,832)	(997,679)
Law, order, public safety	(3,635,236)	(3,441,679)
Health	(1,293,200)	(1,179,089)
Education and welfare	(10,734,032)	(11,535,213)
Community amenities	(12,832,514)	(8,799,073)
Recreation and culture	(35,307,344)	(34,807,295)
Transport	(19,767,457)	(16,741,142)
Economic services	(642,797)	(680,133)
Other property and services	(12,367,319)	(11,677,379)
Total expenses	(101,981,479)	(92,980,587)
Net result for the period	(6,027,359)	(1,901,884)
(c) Assets		
Governance	110,759,486	92,849,124
Law, order, public safety	1,737,026	1,997,510
Health	37,090	65,060
Education and welfare	30,873,234	32,936,410
Community amenities	82,524,190	85,056,086
Recreation and culture	192,406,298	198,278,605
Transport	480,093,029	475,814,789
Economic services	57,035,479	51,422,343
Other property and services	4,339,048	4,897,447
Unallocated	404,745	0
Total assets	960,209,625	943,317,374

*Restated - Refer to Note 32 for details regarding restatement of prior period errors.

CITY OF KWINANA
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FOR THE YEAR ENDED 30 JUNE 2025

27. RATING INFORMATION

(a) General rates

RATE TYPE				2024/25 Actual rateable value*	2024/25 Actual rate revenue	2024/25 Actual interim rates	2024/25 Actual total revenue	2024/25 Budget rate revenue	2024/25 Budget interim rate	2024/25 Budget total revenue	2023/24 Actual total revenue
Rate description	Basis of valuation	Rate in \$	Number of properties	\$	\$	\$	\$	\$	\$	\$	\$
Improved Residential	Gross rental valuation	0.08846	16,301	312,744,524	27,665,381	485,327	28,150,708	27,269,833	750,000	28,019,833	25,961,815
Improved Commercial & Industrial	Gross rental valuation	0.10667	530	137,514,147	14,668,634	102,673	14,771,307	14,666,780	0	14,666,780	14,058,771
Vacant	Gross rental valuation	0.19415	595	11,267,373	2,187,560	(978,467)	1,209,093	2,206,715	0	2,206,715	2,030,925
General Industrial	Unimproved valuation	0.02029	3	124,000,000	2,515,960	0	2,515,960	2,515,960	0	2,515,960	2,414,280
Mining and Industrial	Unimproved valuation	0.00940	31	54,107,000	508,606	6,862	515,468	507,760	0	507,760	454,908
Rural	Unimproved valuation	0.00528	125	211,375,000	1,116,060	42,345	1,158,405	1,134,593	0	1,134,593	1,121,586
Total general rates			17,585	851,008,044	48,662,201	(341,260)	48,320,941	48,301,641	750,000	49,051,641	46,042,285
Minimum payment											
		\$									
Improved Residential	Gross rental valuation	1,222	2,048	25,536,864	2,502,656	11,420	2,514,076	2,505,100	0	2,505,100	2,406,217
Improved Commercial & Industrial	Gross rental valuation	1,592	64	614,289	101,888	401	102,289	101,888	0	101,888	96,514
Vacant	Gross rental valuation	1,222	788	3,849,465	962,936	736,147	1,699,083	993,486	0	993,486	969,921
General Industrial	Unimproved valuation	1,592	0	0	0	0	0	0	0	0	0
Mining and Industrial	Unimproved valuation	1,592	14	120,288	22,288	0	22,288	22,288	0	22,288	20,728
Rural	Unimproved valuation	1,222	10	1,050,700	12,220	75,241	87,461	13,442	0	13,442	12,321
Total minimum payments			2,924	31,171,606	3,601,988	823,209	4,425,197	3,636,204	0	3,636,204	3,505,701
Total general rates and minimum payments			20,509	882,179,650	52,264,189	481,949	52,746,138	51,937,845	750,000	52,687,845	49,547,986
Ex-gratia rates											
Dampier to Bunbury Natural Gas Pipeline Corridor			0	0	325,985	0	325,985	175,000	0	175,000	239,160
Total amount raised from rates (excluding general rates)			0	0	325,985	0	325,985	175,000	0	175,000	239,160
Total rates							53,072,123	52,112,845		52,862,845	49,787,146
(b) Rates related information											
Rates instalment interest							216,616			220,000	214,243
Rates overdue interest							307,202			180,000	172,578
Rates written off							9,567			0	0

*Rateable Value at time of raising of rate.

CITY OF KWINANA
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FOR THE YEAR ENDED 30 JUNE 2025

28. DETERMINATION OF SURPLUS OR DEFICIT

		2024/25 (30 June 2025 carried forward)	2024/25 Budget (30 June 2025 carried forward)	2023/24 (30 June 2024 carried forward)
Note		\$	\$	\$
(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				
		(189,126)	(196,291)	(578,823)
		237,657	0	265,762
		6,215	0	(2,942)
		3,653,318	25,771	2,095,730
9(a)	Add: Depreciation	24,196,444	22,431,400	22,822,326
	Add: Fair value adjustment to Banksia Park liabilities	4,404,884	0	5,975,858
	Movement in Banksia Park units deferred management fees	272,975	0	(1,186,677)
Non-cash movements in non-current assets and liabilities:				
	Pensioner deferred rates	(66,353)	0	(19,986)
	Employee benefit provisions	480,922	57,273	119,192
	Contract liabilities	0	(57,273)	0
	Non-cash amounts excluded from operating activities	32,996,936	22,260,880	29,490,440
(b) Non-cash amounts excluded from investing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to investing activities				
	Movement in non-current capital grant/contribution liability	6,147,526	28,790	(9,219,379)
10(a)	Right of use assets received - non cash	104,198	0	0
	Movement in current unspent capital grants associated with restricted cash	3,534,898	(1,928,423)	2,535,110
	Non-cash amounts excluded from investing activities	9,786,622	(1,899,633)	(6,684,269)
(c) Non-cash amounts excluded from financing activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to financing activities				
29(c)	Non cash proceeds from new leases	(104,198)	0	0
	Non-cash amounts excluded from financing activities	(104,198)	0	0
(d) Surplus or deficit after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
30	Less: Reserve accounts	(84,738,787)	(55,917,115)	(68,077,207)
4(a)	Less: Financial assets at amortised cost - self-supporting loans	(20,359)	0	(19,700)
Less: Financial assets at amortised cost				
Less: Current assets not expected to be received at end of year				
5	- Land held for resale	0	0	(1,012,000)
	- Unspent capital grants, subsidies and contributions liability	0	357,872	0
Add: Current liabilities not expected to be cleared at end of year				
15	- Current portion of borrowings	1,814,789	2,658,422	2,340,024
	- Current portion of unspent capital grants, subsidies and contributions held in reserve	7,019,043	170,000	3,484,145
	- Current portion of contract liability held in reserve	728,768	192,727	491,112
10(b)	- Current portion of lease liabilities	39,323	5,312	103,810
	- Banksia Park unit contribution	24,189,962	33,863,120	19,512,102
	- Employee benefit provisions	5,737,631	3,168,898	5,287,124
	Total adjustments to net current assets	(45,229,630)	(15,500,764)	(37,890,590)
Net current assets used in the Statement of financial activity				
	Total current assets	102,645,288	65,681,719	85,397,164
	Less: Total current liabilities	(54,104,258)	(50,180,955)	(42,834,161)
	Less: Total adjustments to net current assets	(45,229,630)	(15,500,764)	(37,890,590)
	Surplus or deficit after imposition of general rates	3,311,400	0	4,672,413

CITY OF KWINANA
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29. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at	New loans	Principal	Principal at 30	New loans	Principal	Principal at	Principal at 1	New loans	Principal	Principal at
		1 July 2023	during 2023-24	repayments during 2023-24	June 2024	during 2024-25	repayments during 2024-25	30 June 2025	July 2024	during 2024-25	repayments during 2024-25	30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Loan 99 - Administration Building Renovations		251,990		(122,119)	129,871		(129,871)	0	129,871	0	(129,871)	0
Administration building Upgrade / Renewal		0	0	0	0	0		0	0	6,800,000	(318,395)	6,481,605
Education and welfare												0
Loan 100 - Youth Specific Space		848,054	0	(154,323)	693,731	0	(161,614)	532,117	693,730	0	(161,615)	532,115
Recreation and culture												
Loan 97 - Orelia Oval Pavilion Extension		557,581	0	(270,214)	287,367	0	(287,367)	0	287,367	0	(287,367)	0
Loan 102 - Library & Resource Centre		4,845,193	0	(719,683)	4,125,510	0	(752,732)	3,372,778	4,125,509	0	(752,731)	3,372,778
Loan 104 - Recquatic Refurbishment		2,481,887	0	(313,364)	2,168,523	0	(326,185)	1,842,338	2,168,522	0	(326,184)	1,842,338
Loan 105 - Bertram Community Centre		920,456	0	(124,005)	796,451	0	(128,085)	668,366	796,450	0	(128,085)	668,365
Loan 106 - Destination Park - Calista		1,004,580	0	(112,313)	892,267	0	(115,868)	776,399	892,266	0	(115,867)	776,399
Transport												0
Loan 98 - Streetscape Beautification		340,187	0	(164,864)	175,323	0	(175,323)	0	175,325	0	(175,325)	0
Loan 101B - City Centre Redevelopment		2,145,799	0	(240,078)	1,905,721	0	(243,282)	1,662,439	1,905,722	0	(243,282)	1,662,440
Total		13,395,727	0	(2,220,963)	11,174,764	0	(2,320,327)	8,854,437	11,174,762	6,800,000	(2,638,722)	15,336,040
Self-supporting loans												
Recreation and culture												
Loan 103B - Golf Club Refurbishment		196,413	0	(19,061)	177,352	0	(19,700)	157,652	177,351	0	(19,700)	157,651
Total self-supporting loans		196,413	0	(19,061)	177,352	0	(19,700)	157,652	177,351	0	(19,700)	157,651
Total borrowings	15	13,592,140	0	(2,240,024)	11,352,116	0	(2,340,027)	9,012,089	11,352,113	6,800,000	(2,658,422)	15,493,691

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.

CITY OF KWINANA
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FOR THE YEAR ENDED 30 JUNE 2025

29. BORROWING AND LEASE LIABILITIES (Continued)

(a) Borrowings (continued)

Borrowing finance cost payments

Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
					\$	\$	\$
Governance							
Loan 99 - Administration Building Renovations	99	WATC*	6.35%	25/06/2025	(7,107)	(7,401)	(15,789)
Administration building Upgrade / Renewal	TBA	WATC*	4.80%		0	(322,967)	0
Education and welfare							
Loan 100 - Youth Specific Space	100	WATC*	4.72%	25/06/2028	(32,723)	(35,521)	(43,645)
Recreation and culture							
Loan 97 - Orelia Oval Pavilion Extension	97	WATC*	6.35%	25/06/2025	(16,197)	(16,376)	(34,937)
Loan 102 - Library & Resource Centre	102	WATC*	4.59%	25/06/2029	(209,908)	(207,679)	(244,646)
Loan 104 - Recquatic Refurbishment	104	WATC*	4.09%	26/06/2030	(99,627)	(99,144)	(114,051)
Loan 105 - Bertram Community Centre	105	WATC*	3.29%	27/03/2030	(22,209)	(29,717)	(34,523)
Loan 106 - Destination Park - Calista	106	WATC*	3.14%	24/06/2031	(33,611)	(33,144)	(37,448)
Transport							
Loan 98 - Streetscape Beautification	98	WATC*	6.35%	25/06/2025	(9,460)	(9,991)	(21,316)
Loan 101B - City Centre Redevelopment	101B	WATC*	1.33%	7/06/2032	(42,735)	(37,027)	(41,130)
Total					(473,577)	(798,967)	(587,485)
Self-supporting loans finance cost payments							
Loan 103B - Golf Club Refurbishment	103B	WATC*	3.35%	7/06/2032	(6,882)	(6,925)	(7,659)
Total self-supporting loans finance cost payments					(6,882)	(6,925)	(7,659)
Total finance cost payments					(480,459)	(805,892)	(595,144)

* WA Treasury Corporation

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

29. BORROWING AND LEASE LIABILITIES (Continued)

(b) New borrowings - 2024/25

Particulars/purpose	Institution	Loan type	Term years	Interest rate	Amount borrowed		Amount (used)		Total interest and charges	Actual balance unspent
					2025 Actual	2025 Budget	2025 Actual	2025 Budget		
				%	\$	\$	\$	\$	\$	\$
Administration building Upgrade /	WATC			4.80%	0	6,800,000	0	0	0	0
					0	6,800,000	0	0	0	0

* WA Treasury Corporation

(c) Lease liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Other Property & Services												
Kyocera Equipment		0	0	0	0	74,591	(11,920)	62,671	0	0	0	0
Photocopier/Printers		15,062	0	(11,506)	3,556	0	(3,556)	0	3,556	0	(3,556)	0
Kodak Scanners		3,698	0	(3,696)	2	0	(2)	0	0	0		0
Education and welfare												
Vehicle Lease - Youth		17,585	0	(6,748)	10,837	0	(6,837)	4,000	10,835	0	(6,837)	3,998
Vehicle Lease - Youth		0	0	0	0	29,607	(8,590)	21,017	0	0	0	0
Recreation and culture												
Gym equipment		199,056	0	(113,273)	85,783	0	(85,711)	72	85,713	0	(85,713)	0
Columbus Floor Scrubber		16,429	0	(7,411)	9,018	0	(7,705)	1,313	9,019	0	(7,705)	1,314
Total lease liabilities	10(b)	251,830	0	(142,634)	109,196	104,198	(124,321)	89,073	109,123	0	(103,811)	5,312

Lease finance cost payments

Purpose	Lease number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024	Lease term
					\$	\$	\$	
Other Property & Services								
Kyocera Equipment	0002103060-1-01	3E Advantage Pty Ltd	5.10%	Dec-27	(1,456)	0	0	36
Photocopier/Printers	E6N0162743	Maia	1.80%	Oct-24	(19)	(19)	(194)	60
Kodak Scanners	5389066248	HP Financial Services	4.17%	Feb-24	0	0	(51)	36
Education and welfare								
Vehicle Lease - Youth	1HFE114	Toyota Finance	2.20%	Jan-26	(93)	(94)	(181)	60
Vehicle Lease - Youth	1IGM887	FleetPartners	4.90%	Aug-27	(1,156)	0	0	36
Recreation and culture								
Gym equipment	E6N0163618	Maia	2.79%	Jun-25	(437)	(436)	(1,593)	48
Columbus Floor Scrubber	C12528	Abco	3.90%	Sep-25	(215)	(215)	(509)	36
Total finance cost payments					(3,376)	(764)	(2,528)	

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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30. RESERVE ACCOUNTS

Restricted by legislation/agreement

	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance	2025 Budget opening balance	2025 Budget transfer to	2025 Budget transfer (from)	2025 Budget closing balance	2024 Actual opening balance	2024 Actual transfer to	2024 Actual transfer (from)	2024 Actual closing balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Public Open Space	349,810	17,878	(6,609)	361,079	349,202	15,433	(103,500)	261,135	332,381	17,429	0	349,810
(b) DCA 1 - Hard Infrastructure - Bertram	2,961,004	2,889,865	(141,842)	5,709,027	2,075,810	178,573	(37,574)	2,216,809	1,957,275	1,057,175	(53,446)	2,961,004
(c) DCA 2 - Hard Infrastructure - Wellard	1,833,827	293,386	(21,523)	2,105,690	1,918,291	175,116	(37,574)	2,055,833	1,792,021	89,685	(47,879)	1,833,827
(d) DCA 3 - Hard Infrastructure - Casuarina	72,128	13,002	(20,695)	64,435	122,394	103,640	(37,574)	188,460	93,040	3,376	(24,288)	72,128
(e) DCA 4 - Hard Infrastructure - Anketell	2,533,387	4,985,201	(45,001)	7,473,587	2,523,201	217,953	(37,574)	2,703,580	2,762,855	514,852	(744,320)	2,533,387
(f) DCA 5 - Hard Infrastructure - Wandi	3,172,749	288,282	(353,523)	3,107,508	2,360,076	194,929	(213,683)	2,341,322	2,220,210	1,001,044	(48,505)	3,172,749
(g) DCA 6 - Hard Infrastructure - Mandogalup	9,602,188	646,309	(29,726)	10,218,771	6,229,098	378,287	(37,574)	6,569,811	5,868,792	3,755,082	(21,686)	9,602,188
(h) DCA 7 - Hard Infrastructure - Wellard West	153,397	155,290	(21,366)	287,321	147,304	104,202	(37,574)	213,932	105,060	61,985	(13,648)	153,397
(i) DCA 8 - Soft Infrastructure - Mandogalup	2,466,267	801,643	(29,522)	3,238,388	1,647,862	164,848	(23,289)	1,789,421	4,161,799	1,054,515	(2,750,047)	2,466,267
(j) DCA 9 - Soft Infrastructure - Wandi/Anketell	9,369,349	1,070,222	(24,855)	10,414,716	6,820,169	374,084	(23,289)	7,170,964	11,489,948	3,218,671	(5,339,270)	9,369,349
(k) DCA 10 - Soft Infrastructure - Casuarina/Anketell	195,316	72,693	(21,142)	246,867	182,620	105,976	(23,289)	265,307	176,830	78,781	(60,295)	195,316
(l) DCA 11 - Soft Infrastructure - Wellard East	2,505,259	200,849	(20,836)	2,685,272	2,418,948	237,662	(23,289)	2,633,321	6,060,058	393,156	(3,947,955)	2,505,259
(m) DCA 12 - Soft Infrastructure - Wellard West	9,392,123	1,568,569	(1,099,611)	9,861,081	8,986,738	500,018	(2,567,289)	6,919,467	11,312,967	995,048	(2,915,892)	9,392,123
(n) DCA 13 - Soft Infrastructure - Bertram	242,637	12,483	(20,938)	234,182	300,982	110,830	(23,289)	388,523	251,563	10,686	(19,612)	242,637
(o) DCA 14 - Soft Infrastructure - Wellard/Leda	592,401	155,112	(20,938)	726,575	590,488	122,478	(23,289)	689,677	998,968	103,331	(509,898)	592,401
(p) DCA 15 - Soft Infrastructure - City Site	244,483	140,680	(20,989)	364,174	209,495	107,094	(23,296)	293,293	333,576	106,844	(195,937)	244,483
	45,686,325	13,311,464	(1,899,116)	57,098,673	36,882,678	3,091,123	(3,272,946)	36,700,855	49,917,343	12,461,660	(16,692,678)	45,686,325

CITY OF KWINANA
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30. RESERVE ACCOUNTS

	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance	2025 Budget opening balance	2025 Budget transfer to	2025 Budget transfer (from)	2025 Budget closing balance	2024 Actual opening balance	2024 Actual transfer to	2024 Actual transfer (from)	2024 Actual closing balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(q) Aged Persons Units Reserve	777,065	40,533	(225,397)	592,201	891,821	84,961	0	976,782	821,481	41,941	(86,357)	777,065
(r) Asset Management Reserve	4,885,036	4,713,626	(1,309,328)	8,289,334	4,958,685	2,342,303	(2,684,857)	4,616,131	2,966,022	3,268,202	(1,349,188)	4,885,036
(s) Banksia Park Reserve	467,348	277,626	(320,000)	424,974	357,995	16,173	(16,296)	357,872	331,297	136,051	0	467,348
(t) City Infrastructure Reserve	283,835	14,619	(199,109)	99,345	161,119	0	(148,336)	12,783	981,731	11,745	(709,641)	283,835
(u) Community Services & Emergency Relief Reserve	362,101	18,481	0	380,582	361,481	15,978	0	377,459	344,017	18,084	0	362,101
(v) Contiguous Local Authorities Group Reserve	275,124	72,342	(54,660)	292,806	278,902	45,542	(46,400)	278,044	266,109	50,764	(41,749)	275,124
(w) Employee Leave Reserve	3,111,952	159,065	0	3,271,017	3,011,655	137,343	0	3,148,998	2,955,674	156,278	0	3,111,952
(x) Employee Vacancy Reserve	564,835	34,171	0	599,006	563,268	40,396	0	603,664	876,684	41,395	(353,244)	564,835
(y) Golf Course Cottage Reserve	32,395	1,654	0	34,049	32,339	1,430	0	33,769	30,779	1,616	0	32,395
(z) Golf Club Maintenance Reserve	37,793	6,852	0	44,645	32,737	5,946	(4,500)	34,183	31,197	6,596	0	37,793
(i) Information Technology Reserve	556,813	1,076,160	(400,000)	1,232,973	556,813	136,159	(400,000)	292,972	409,660	836,833	(689,680)	556,813
(l) Plant and Equipment Replacement Reserve	1,121,260	1,509,604	(1,132,425)	1,498,439	1,107,689	1,572,767	(1,590,700)	1,089,756	992,560	1,179,368	(1,050,668)	1,121,260
(j) Public Art Reserve	447,739	88,063	(21,000)	514,802	166,983	14,324	(8,000)	173,307	366,712	81,027	0	447,739
(~) Refuse Reserve	5,904,312	1,117,066	(2,195,901)	4,825,477	5,846,121	865,771	(2,480,120)	4,231,772	5,241,136	663,176	0	5,904,312
() Renewable Energy Efficiency Reserve	63,508	142,613	(26,780)	179,341	62,448	34,321	(20,500)	76,269	87,480	3,968	(27,940)	63,508
(€) Restricted Grants & Contributions Reserve	965,095	1,413,192	(678,777)	1,699,510	598,421	0	(322,918)	275,503	1,386,322	685,290	(1,106,517)	965,095
() Settlement Agreement Reserve	315,899	13,804	0	329,703	315,446	8,075	0	323,521	307,428	8,471	0	315,899
(.) Strategic Property Reserve	962,793	956,756	0	1,919,549	960,613	21,589	0	982,202	474,039	488,754	0	962,793
(f) Workers Compensation Reserve	605,501	29,470	(85,957)	549,014	617,231	26,340	0	643,571	473,289	245,816	(113,604)	605,501
(„) Strategic Initiative Reserve	475,878	67,934	(31,645)	512,167	321,083	21,993	0	343,076	0	485,853	(9,975)	475,878
(...) Election Expense Reserve	88,643	88,341	0	176,984	84,268	89,388	0	173,656	0	88,643	0	88,643
(t) Valuation Expense Reserve	85,957	88,239	0	174,196	81,715	89,255	0	170,970	0	85,957	0	85,957
	22,390,882	11,930,211	(6,680,979)	27,640,114	21,368,833	5,570,054	(7,722,627)	19,216,260	19,343,617	8,585,828	(5,538,563)	22,390,882
	68,077,207	25,241,675	(8,580,095)	84,738,787	58,251,511	8,661,177	(10,995,573)	55,917,115	69,260,960	21,047,488	(22,231,241)	68,077,207

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

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

CITY OF KWINANA
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30. RESERVE ACCOUNTS(Continued)

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
(a) Public Open Space	to be used to restrict funds that have been paid in lieu of open space as specified in the Western Australia Planning and Development Act 2005.
(b) DCA 1 - Hard Infrastructure - Bertram	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 1 - Hard Infrastructure Bertram.
(c) DCA 2 - Hard Infrastructure - Wellard	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 2 - Hard Infrastructure Wellard.
(d) DCA 3 - Hard Infrastructure - Casuarina	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 3 - Hard Infrastructure Casuarina.
(e) DCA 4 - Hard Infrastructure - Anketell	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 4 - Hard Infrastructure Anketell.
(f) DCA 5 - Hard Infrastructure - Wandl	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 5 - Hard Infrastructure Wandl.
(g) DCA 6 - Hard Infrastructure - Mandogalup	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 6 - Hard Infrastructure Mandogalup.
(h) DCA 7 - Hard Infrastructure - Wellard West	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 7 - Hard Infrastructure Mandogalup West.
(i) DCA 8 - Soft Infrastructure - Mandogalup	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 8 - Soft Infrastructure Mandogalup.
(j) DCA 9 - Soft Infrastructure - Wandl/Anketell	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 9 - Soft Infrastructure Wandl/Anketell.
(k) DCA 10 - Soft Infrastructure - Casuarina/Anketell	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 10 - Soft Infrastructure Casuarina/Anketell.
(l) DCA 11 - Soft Infrastructure - Wellard East	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 11 - Soft Infrastructure Wellard East.
(m) DCA 12 - Soft Infrastructure - Wellard West	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 12 - Soft Infrastructure Wellard West.
(n) DCA 13 - Soft Infrastructure - Bertram	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 13 - Soft Infrastructure Bertram.
(o) DCA 14 - Soft Infrastructure - Wellard/Leda	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 14 - Soft Infrastructure Wellard/Leda.
(p) DCA 15 - Soft Infrastructure - City Site	to be used to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 15 - Soft Infrastructure City Site.
Restricted by council	
(q) Aged Persons Units Reserve	to be used to provide funds for the capital acquisition and maintenance of the Aged Persons Units, Callistemon Court.
(r) Asset Management Reserve	to be used to provide funds for renewal projects for the City's building and infrastructure assets, thereby extending the useful economic life of such assets.
(s) Banksia Park Reserve	to be used to provide funds for the capital acquisitions and maintenance of the Banksia Park Retirement Village.
(t) City Infrastructure Reserve	to be used to fund the City's contributions to community infrastructure projects.
(u) Community Services & Emergency Relief Reserve	to be used to provide funding to alleviate the effect of any disaster within the City of Kwinana boundaries and to provide funds to develop community services.
(v) Contiguous Local Authorities Group Reserve	to be used to restrict funds received for the prevention, control and education of mosquito management.
(w) Employee Leave Reserve	to be used to ensure that adequate funds are available to finance employee leave entitlements.
(x) Employee Vacancy Reserve	to be used to ensure that adequate funds are available to finance employee costs.
(y) Golf Course Cottage Reserve	to be used to provide funds for the maintenance of this building.
(z) Golf Club Maintenance Reserve	to be used to provide funds for the maintenance of this building.
({) Information Technology Reserve	to be used for the implementation and maintainance of the City's software requirements.
(j) Plant and Equipment Replacement Reserve	to be used to replace existing fleet, plant and other City assets.
(j) Public Art Reserve	to be used to receive monies paid as cash in lieu for public art and the provision of public art expenditure under the Local Planning Policy 5.
(-) Refuse Reserve	to be used to provide funds for the costs and subsidy of Waste Management in the City.
(.) Renewable Energy Efficiency Reserve	to be used to provide funds for renewable energy and water efficiency initiatives.
(€) Restricted Grants & Contributions Reserve	to be used to restrict funds, being city funds, grants and contributions, required to complete projects from prior financial years.
() Settlement Agreement Reserve	to be used to provide funds to account for future negotiated settlement agreement payments.
(,) Strategic Property Reserve	to be used to provide funds for future investment opportunities.
(f) Workers Compensation Reserve	to be used to fund workers compensation costs incurred by the City where the maximum contribution amount for a previous year has been reached and there is a claim which remains open and requires the City to pay costs relating to the open claims in the current and future years.
(,) Strategic Initiative Reserve	to be used to provide fund for corporate business plan and strategic initiatives in the City.
(...) Election Expense Reserve	to be used to provide funds for cost of election in the City.
(†) Valuation Expense Reserve	to be used to provide funds for cost of rate valuation in the City.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

31. TRUST FUNDS

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

	1 July 2024	Amounts received	Amounts paid	30 June 2025
	\$	\$	\$	\$
APU Security Bonds	20,814	0		20,814
Contiguous Local Authorities Group CLAG	8,288	0		8,288
Uncollected Vehicles	25,338	1,663		27,001
	54,440	1,663	0	56,103

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

32. CORRECTION OF ERROR

During the year ended 30 June 2025, the following misstatements were identified relating to prior year financial periods. The misstatements have been corrected by restating each of the affected financial statement line items for the prior period.

Correction of recognition of duplicate assets from prior financial years.

During the current financial year, the City identified a prior period error relating to the recognition of duplicate infrastructure assets in the asset database. As part of the Infrastructure Team's regular review of the OneCouncil asset register, assets amounting to \$2,034,276 were found to have been duplicated in the City's books. This duplication occurred when subdivision developers included pre-existing assets along with new asset data submissions. The duplication occurred prior to 1 July 2023, and has now been corrected by removing the duplicate assets from the asset register. The correction has been treated as a prior period error in accordance with AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors. The correction resulted in a decrease in Infrastructure Assets and a corresponding reduction in the Retained Surplus as at 1 July 2023. Comparative information has been restated accordingly. The City has retrospectively applied the corrections and adjustments to the impacted financial statement line items.

Statement of Financial Position (Extract)	30 June 2024 \$	Increase/ (Decrease) \$	30 June 2024 (Restated) \$	01 July 2023 \$	Increase/ (Decrease) \$	01 July 2023 (Restated) \$
Infrastructure	687,264,512	(1,999,116)	685,265,396	624,809,983	(2,034,276)	622,775,707
Net assets	861,409,225	(1,999,116)	859,410,109	802,533,107	(2,034,276)	800,498,831
Retained surplus	227,728,909	(1,999,116)	225,729,793	228,482,200	(2,034,276)	226,447,924
Total equity	861,409,225	(1,999,116)	859,410,109	802,533,107	(2,034,276)	800,498,831

Statement of Comprehensive Income (Extract)	2024 \$	Increase/ (Decrease) \$	2024 (Restated) \$
Depreciation	(22,857,486)	35,160	(22,822,326)
Net result for the period	(1,937,044)	35,160	(1,901,884)
Total comprehensive income for the period	58,876,118	35,160	58,911,278

Statement of Function and Activity (Extract)

By program

Expenses

Transport	(16,776,302)	35,160	(16,741,142)
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Statement of Financial Activity (Extract)	2024 \$	Increase/ (Decrease) \$	2024 (Restated) \$
Depreciation	(22,857,486)	35,160	(22,822,326)
Non-cash amounts excluded from operating activities	29,525,600	(35,160)	29,490,440



Auditor General

INDEPENDENT AUDITOR'S REPORT

2025

City of Kwinana

To the Council of the City of Kwinana

Opinion

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

- the statement of financial position as at 30 June 2025, 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 2025 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for opinion

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

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

Emphasis of Matter – Restatement of comparative figures

I draw attention to Note 32 of the financial report which states that the amounts reported in the previously issued 30 June 2024 financial report have been restated and disclosed as comparatives in this financial report. My opinion is not modified in respect of this matter.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, 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 Kwinana for the year ended 30 June 2025 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.

Mark Ambrose

Mark Ambrose
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
25 November 2025



Administration

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