

TOWN OF COTTESLOE



ATTACHMENTS

AUDIT, RISK AND IMPROVEMENT COMMITTEE – 8 DECEMBER 2025

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TOWN OF COTTESLOE



AUDIT, RISK AND IMPROVEMENT COMMITTEE

ATTACHMENT

**ITEM 8.1.1A:
FINANCIAL STATEMENTS - TOWN OF COTTESLOE -
30 JUNE 2025 WITH OAG AUDIT REPORT**

TOWN OF COTTESLOE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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The Town of Cottesloe conducts the operations of a local government with the following community vision:

An iconic coastal community with a relaxed lifestyle

Principal place of business:
109 Broome Street
Cottesloe WA 6011

**TOWN OF COTTESLOE
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 Town of Cottesloe 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 2nd day of December 2025



Chief Executive Officer

Mark Newman



**TOWN OF COTTESLOE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	2(a),25	11,339,715	11,299,786	12,493,659
Grants, subsidies and contributions	2(a)	387,322	448,938	437,477
Fees and charges	2(a)	5,341,565	5,413,548	3,302,893
Interest revenue	2(a)	812,247	644,739	694,750
Other revenue	2(a)	442,974	138,111	199,083
		<u>18,323,823</u>	<u>17,945,122</u>	<u>17,127,862</u>
Expenses				
Employee costs	2(b)	(8,081,023)	(7,876,881)	(7,171,550)
Materials and contracts		(8,052,667)	(8,937,385)	(7,364,340)
Utility charges		(326,825)	(315,856)	(300,842)
Depreciation		(3,294,896)	(3,257,557)	(3,276,437)
Finance costs	2(b)	(243,260)	(226,177)	(236,815)
Insurance		(244,848)	(238,845)	(237,790)
Other expenditure	2(b)	(328,830)	(334,336)	(36,620)
		<u>(20,572,349)</u>	<u>(21,187,037)</u>	<u>(18,624,394)</u>
		<u>(2,248,526)</u>	<u>(3,241,915)</u>	<u>(1,496,532)</u>
Capital grants, subsidies and contributions	2(a)	627,966	1,163,857	2,138,177
Profit on asset disposals		106,496	0	85,234
Loss on asset disposals		(261,155)	0	(77,617)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(5,327)	2,495	2,522
Share of net profit of associates accounted for using the equity method	23(c)	132,287	0	31,728
		<u>600,267</u>	<u>1,166,352</u>	<u>2,180,044</u>
Net result for the period		(1,648,259)	(2,075,563)	683,512
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus arising from a change in liabilities	16	3	0	0
Total other comprehensive income for the period		3	0	0
Total comprehensive income for the period		(1,648,256)	(2,075,563)	683,512

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



**TOWN OF COTTESLOE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025**

	Note	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	3	8,457,546	7,733,491
Trade and other receivables	5	1,372,504	1,030,357
Other financial assets	4(a)	3,772,906	5,453,019
Inventories	6	8,920	8,960
Other assets	7	242,098	451,829
TOTAL CURRENT ASSETS		13,853,974	14,677,656
NON-CURRENT ASSETS			
Trade and other receivables	5	147,335	181,767
Other financial assets	4(b)	119,429	197,663
Investment in associate	23(a)	765,543	633,255
Property, plant and equipment	8	73,753,134	74,405,281
Infrastructure	9	68,682,494	69,574,749
Right-of-use assets	11(a)	1,177,554	1,058,845
TOTAL NON-CURRENT ASSETS		144,645,489	146,051,560
TOTAL ASSETS		158,499,463	160,729,216
CURRENT LIABILITIES			
Trade and other payables	12	2,835,830	3,161,663
Contract liabilities	13	0	62,663
Lease liabilities	11(b)	48,272	59,583
Borrowings	14	376,184	354,119
Employee related provisions	15	1,493,764	1,175,792
TOTAL CURRENT LIABILITIES		4,754,050	4,813,820
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	1,243,823	1,076,765
Borrowings	14	1,377,793	1,753,978
Employee related provisions	15	132,610	289,560
TOTAL NON-CURRENT LIABILITIES		2,754,226	3,120,303
TOTAL LIABILITIES		7,508,276	7,934,123
NET ASSETS		150,991,187	152,795,093
EQUITY			
Retained surplus		26,145,733	28,452,594
Reserve accounts	28	8,341,980	7,839,029
Revaluation surplus	16	116,503,474	116,503,471
TOTAL EQUITY		150,991,187	152,795,094

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



**TOWN OF COTTESLOE
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Retained surplus \$	Reserve accounts \$	Revaluation surplus \$	Total equity \$
Balance as at 1 July 2023		27,324,685	8,283,426	116,503,471	152,111,582
Comprehensive income for the period					
Net result for the period		683,512	0	0	683,512
Total comprehensive income for the period		683,512	0	0	683,512
Transfers from reserve accounts	28	1,174,952	(1,174,952)	0	0
Transfers to reserve accounts	28	(730,555)	730,555	0	0
Balance as at 30 June 2024		28,452,594	7,839,029	116,503,471	152,795,094
Correction of error		(155,651)	0	0	(155,651)
Restated balance at 1 July 2024		28,296,943	7,839,029	116,503,471	152,639,443
Comprehensive income for the period					
Net result for the period		(1,648,259)	0	0	(1,648,259)
Other comprehensive income for the period	16	0	0	3	3
Total comprehensive income for the period		(1,648,259)	0	3	(1,648,256)
Transfers from reserve accounts	28	1,011,168	(1,011,168)	0	0
Transfers to reserve accounts	28	(1,514,119)	1,514,119	0	0
Balance as at 30 June 2025		26,145,733	8,341,980	116,503,474	150,991,187

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



**TOWN OF COTTESLOE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025**

Note	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts		
Rates	10,939,411	12,502,028
Grants, subsidies and contributions	409,307	155,110
Fees and charges	5,340,689	3,289,868
Interest revenue	812,247	694,750
Goods and services tax received	22,153	0
Other revenue	442,974	199,083
	17,966,781	16,840,839
Payments		
Employee costs	(7,865,288)	(6,981,809)
Materials and contracts	(8,236,818)	(7,977,703)
Utility charges	(326,825)	(300,842)
Finance costs	(243,260)	(236,815)
Insurance paid	(244,848)	(237,790)
Goods and services tax paid	0	(136,774)
Other expenditure	(310,276)	(36,460)
	(17,227,315)	(15,908,193)
Net cash provided by operating activities	739,466	932,646
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for financial assets at fair values through profit and loss	0	(1,152)
Payments for purchase of property, plant & equipment	8(a) (602,510)	(1,450,201)
Payments for construction of infrastructure	9(a) (1,429,245)	(1,989,968)
Proceeds from capital grants, subsidies and contributions	472,318	2,138,177
Proceeds for financial assets at amortised cost	1,682,149	2,112,787
Proceeds from financial assets at amortised cost - self-supporting loans	70,871	67,812
Proceeds from sale of property, plant & equipment	166,578	143,681
Proceeds from sale of infrastructure	54,520	0
Net cash provided by investing activities	414,681	1,021,136
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	27(a) (354,120)	(352,460)
Payments for principal portion of lease liabilities	27(b) (75,973)	(66,365)
Net cash (used in) financing activities	(430,093)	(418,825)
Net increase in cash held	724,054	1,534,957
Cash at beginning of year	7,733,491	6,198,535
Cash and cash equivalents at the end of the year	8,457,545	7,733,492

Non-cash investing and financing movements are disclosed at note 16.(c)

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



**TOWN OF COTTESLOE
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	11,339,715	11,177,922	12,493,659
Rates excluding general rates	25	0	121,864	0
Grants, subsidies and contributions		387,322	448,938	437,477
Fees and charges		5,341,565	5,413,548	3,302,893
Interest revenue		812,247	644,739	694,750
Other revenue		442,974	138,111	199,083
Profit on asset disposals		106,496	0	85,233
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(5,327)	2,495	2,522
Share of net profit of associates accounted for using the equity method	23(c)	132,287	0	31,728
		18,557,279	17,947,617	17,247,346
Expenditure from operating activities				
Employee costs		(8,081,023)	(7,876,881)	(7,171,550)
Materials and contracts		(8,052,667)	(8,937,385)	(7,364,340)
Utility charges		(326,825)	(315,856)	(300,842)
Depreciation		(3,294,896)	(3,257,557)	(3,276,437)
Finance costs		(243,260)	(226,177)	(236,815)
Insurance		(244,848)	(238,845)	(237,790)
Other expenditure		(328,830)	(334,336)	(36,620)
Loss on asset disposals		(261,155)	0	(77,617)
		(20,833,504)	(21,187,037)	(18,702,011)
Non-cash amounts excluded from operating activities	26(a)	3,187,711	3,335,393	3,265,586
Amount attributable to operating activities		911,486	95,973	1,810,921
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		627,966	1,163,857	2,138,177
Proceeds from disposal of assets		221,098	104,000	143,681
Proceeds from financial assets at amortised cost - self-supporting loans		70,871	70,872	67,812
		919,935	1,338,729	2,349,670
Outflows from investing activities				
Acquisition of property, plant and equipment	8(a)	(602,510)	(955,674)	(1,450,201)
Acquisition of infrastructure	9(a)	(1,429,245)	(2,108,150)	(1,989,968)
		(2,031,755)	(3,063,824)	(3,440,169)
Amount attributable to investing activities		(1,111,820)	(1,725,095)	(1,090,499)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new leases - non cash	27(b)	231,720	0	5,296
Transfers from reserve accounts	28	1,011,168	971,908	1,174,952
		1,242,888	971,908	1,180,248
Outflows from financing activities				
Repayment of borrowings	27(a)	(354,120)	(354,119)	(352,460)
Payments for principal portion of lease liabilities	27(b)	(75,973)	(59,583)	(66,365)
Transfers to reserve accounts	28	(1,514,119)	(1,141,309)	(730,555)
		(1,944,212)	(1,555,011)	(1,149,380)
Non-cash amounts excluded from financing activities	26(b)	(231,720)	0	(5,296)
Amount attributable to financing activities		(933,044)	(583,103)	25,572
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(c)	3,331,493	2,212,225	2,585,500
Amount attributable to operating activities		911,486	95,973	1,810,921
Amount attributable to investing activities		(1,111,820)	(1,725,095)	(1,090,499)
Amount attributable to financing activities		(933,044)	(583,103)	25,572
Surplus or deficit after imposition of general rates	26(c)	2,198,115	0	3,331,494

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



**TOWN OF COTTESLOE
FOR THE YEAR ENDED 30 JUNE 2025
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**TOWN OF COTTESLOE
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 Town of Cottesloe which is a Class 3 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 Town 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 Town 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:
 - Property, plant and equipment - Note 8
 - Infrastructure - Note 9
- Expected credit losses on financial assets - Note 5
- Measurement of employee benefits - Note 15

Fair value hierarchy information can be found in Note 24

The local government reporting entity

All funds through which the Town 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 29 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.

**TOWN OF COTTESLOE
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
Grants, subsidies and contributions	Delivery of specified works, infrastructure, or programs funded by external parties	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
Fees and charges - regulatory, registrations, approvals	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management	Waste treatment, recycling and disposal service	Single point in time / Over time	Periodic or on request	None	At point of service
Fees and charges - Facilities Hire	Temporary access to and occupancy of facilities	Single point in time	Upfront or by invoice	Refunds for cancellations	At point of service
Fees and charges - sale of stock	Waste supplies, civic centre stock	Single point in time	Upfront	Refund for faulty goods	At point of sale
Other revenue - property lease	Provision of access to and use of leased property over an agreed period	Single point in time	By invoice per terms specified in the lease agreement	None	At point of service

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

Revenue recognition

Rate revenue was recognised from the rate record as soon as practicable after the Town 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	11,339,716	(1)	11,339,715
Grants, subsidies and contributions	123,520	0	0	263,802	387,322
Fees and charges	1,017,985	0	4,323,583	(3)	5,341,565
Interest revenue	728,864	0	83,384	(1)	812,247
Other revenue	304,098	0	138,873	3	442,974
Capital grants, subsidies and contributions	0	472,315	0	155,651	627,966
Total	2,174,467	472,315	15,885,556	419,451	18,951,789

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	12,493,659	0	12,493,659
Grants, subsidies and contributions	117,055	0	0	320,422	437,477
Fees and charges	1,243,184	0	1,378,084	681,625	3,302,893
Interest revenue	625,167	0	69,583	0	694,750
Other revenue	9,120	0	0	189,963	199,083
Capital grants, subsidies and contributions	0	1,802,787	0	335,390	2,138,177
Total	1,994,526	1,802,787	13,941,326	1,527,400	19,266,039

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2025 Actual \$	2024 Actual \$
Interest revenue		
Financial assets at amortised cost - self-supporting loans	5,870	8,305
Interest on reserve account	392,048	352,377
Trade and other receivables overdue interest	86,111	78,051
Other interest revenue	328,218	256,017
	<u>812,247</u>	<u>694,750</u>

The 2025 original budget estimate in relation to:
Trade and other receivables overdue interest was \$80,500.

Fees and charges relating to rates receivable

Charges on instalment plan	21,086	21,672
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The 2025 original budget estimate in relation to:
Charges on instalment plan was \$23,860.

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report	150,150	108,350
- Other services – grant acquittals	2,160	20,270
	<u>152,310</u>	<u>128,620</u>

Employee Costs

Employee benefit costs	7,827,843	6,697,187
Other employee costs	253,180	474,363
	<u>8,081,023</u>	<u>7,171,550</u>

Finance costs

Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	198,227	195,634
Bank Fees & Charges	45,033	41,181
	<u>243,260</u>	<u>236,815</u>

Other expenditure

Write down of inventories to net realisable value	6	40	160
Sundry expenses		328,790	36,460
		<u>328,830</u>	<u>36,620</u>

**TOWN OF COTTESLOE
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	6,311,856	3,227,089
Term deposits	2,145,690	4,506,402
Total cash and cash equivalents	8,457,546	7,733,491
Held as		
- Unrestricted cash and cash equivalents	3,815,566	5,213,946
- Restricted cash and cash equivalents	4,641,980	2,519,545
17	8,457,546	7,733,491

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

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

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

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

Note	2025 \$	2024 \$
(a) Current assets		
Financial assets at amortised cost	3,772,906	5,453,019
	3,772,906	5,453,019
Other financial assets at amortised cost		
Self-supporting loans receivable	72,906	70,872
Term deposits	3,700,000	5,382,147
	3,772,906	5,453,019
Held as		
- Unrestricted other financial assets at amortised cost	72,906	70,872
- Restricted other financial assets at amortised cost	3,700,000	5,382,147
17	3,772,906	5,453,019
(b) Non-current assets		
Financial assets at amortised cost	0	72,907
Financial assets at fair value through profit or loss	119,429	124,756
	119,429	197,663
Financial assets at amortised cost		
Self-supporting loans receivable	(36,880)	223
Term deposits	36,880	72,684
	0	72,907
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	124,756	122,234
Movement attributable to fair value increment	(5,327)	2,522
Units in Local Government House Trust - closing balance	119,429	124,756

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

The Town 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 24 (ii)) 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 Town 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 Town has elected to recognise as fair value gains and losses through profit or loss.

TOWN OF COTTESLOE
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	683,833	267,438
Trade receivables	157,635	156,200
Other receivables	382,932	451,263
GST receivable	114,621	136,774
Receivables for employee related provisions	75,117	47,493
Allowance for credit losses of trade receivables	(3,594)	(4,470)
Allowance for credit losses of other receivables	(38,040)	(24,341)
	1,372,504	1,030,357
Non-current		
Rates and statutory receivables	102,004	104,759
Receivables for employee related provisions	45,331	77,008
	147,335	181,767

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
	\$	\$	\$
Contract assets	7	112,946	207,534
Allowance for credit losses of trade receivables	5	(3,594)	(4,470)
Total trade and other receivables from contracts with customers		109,352	203,064
			(17,495)

MATERIAL ACCOUNTING POLICIES

Rates and statutory receivables

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

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

Trade receivables

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

Other receivables

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

Measurement

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

Classification and subsequent measurement

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

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the Town 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.

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

6. INVENTORIES

	Note	2025 \$	2024 \$
Current			
Merchandise		31,122	31,261
Other inventories - Provision for Obsolescence		(22,202)	(22,301)
		8,920	8,960
The following movements in inventories occurred during the year:			
Balance at beginning of year		8,960	9,120
Write down of inventories to net realisable value	2(b)	(40)	(160)
Balance at end of year		8,920	8,960

MATERIAL ACCOUNTING POLICIES

General

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

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

**TOWN OF COTTESLOE
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FOR THE YEAR ENDED 30 JUNE 2025**

7. OTHER ASSETS

	2025	2024
	\$	\$
Other assets - current		
Prepayments	121,051	232,772
Accrued income	8,101	11,523
Contract assets	112,946	207,534
	242,098	451,829

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 Town's right to . consideration for work completed but not billed at the end of the period.

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

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

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

	Assets not subject to operating lease		Total property				Plant and equipment				
	Note	Land	Buildings	Land	Buildings	Work in progress	Total property	Furniture and equipment	Plant and equipment	Furniture and equipment - Library	Total property, plant and equipment
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023		29,918,400	40,893,412	29,918,400	40,893,412	1,903,382	72,715,194	717,057	739,240	10,996	74,182,487
Additions		0	1,079,625	0	1,079,625	0	1,079,625	119,913	250,663	0	1,450,201
Disposals		0	0	0	0	0	0	0	(58,447)	0	(58,447)
Depreciation		0	(860,368)	0	(860,368)	0	(860,368)	(108,354)	(200,418)	0	(1,169,140)
Transfers		0	1,903,382	0	1,903,382	(1,903,382)	0	0	180	0	180
Balance at 30 June 2024		29,918,400	43,016,051	29,918,400	43,016,051	0	72,934,451	728,616	731,218	10,996	74,405,281
Comprises:											
Gross balance amount at 30 June 2024		29,918,400	76,672,908	29,918,400	76,672,908	0	106,591,308	1,316,939	1,297,440	10,996	109,216,683
Accumulated depreciation at 30 June 2024		0	(33,656,857)	0	(33,656,857)	0	(33,656,857)	(588,323)	(566,222)	0	(34,811,402)
Balance at 30 June 2024	8(b)	29,918,400	43,016,051	29,918,400	43,016,051	0	72,934,451	728,616	731,218	10,996	74,405,281
Additions		0	188,036	0	188,036	60,336	248,372	65,828	288,310	0	602,510
Disposals		0	(419)	0	(419)	0	(419)	0	(110,169)	0	(110,588)
Depreciation		0	(834,769)	0	(834,769)	0	(834,769)	(116,445)	(192,855)	0	(1,144,069)
Balance at 30 June 2025		29,918,400	42,368,899	29,918,400	42,368,899	60,336	72,347,635	677,999	716,504	10,996	73,753,134
Comprises:											
Gross balance amount at 30 June 2025		29,918,400	76,860,245	29,918,400	76,860,245	60,336	106,838,981	1,382,767	1,322,041	10,996	109,554,785
Accumulated depreciation at 30 June 2025		0	(34,491,346)	0	(34,491,346)	0	(34,491,346)	(704,768)	(605,537)	0	(35,801,651)
Balance at 30 June 2025	8(b)	29,918,400	42,368,899	29,918,400	42,368,899	60,336	72,347,635	677,999	716,504	10,996	73,753,134

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

8. 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		29,918,400	29,918,400	3	Market approach using recent observable market data for similar items	Independent valuation	June 2023	Price per hectare
Total land	8(a)	29,918,400	29,918,400					
Buildings - specialised		42,368,899	43,016,051	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent valuation	June 2023	Improvements to land using construction costs and current condition (Level 3), residual values and remaining useful life assessments (Level 3) inputs
Total buildings	8(a)	42,368,899	43,016,051					
(ii) Cost								
Furniture and equipment					Disclosed at cost minus accumulated depreciation			
Plant and equipment					Disclosed at cost minus accumulated depreciation			

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

9. INFRASTRUCTURE

(a) Movements in balances

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

	Infrastructure - roads	Infrastructure - car parks	Infrastructure - drainage	Infrastructure - footpaths	Infrastructure - parks and ovals	Infrastructure - work in progress	Total infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	36,099,193	3,521,545	9,413,158	5,288,522	14,220,726	1,153,432	69,696,576
Additions	415,781	12,753	51,075	182,965	1,327,394	0	1,989,968
(Disposals)	0	0	0	0	(77,617)	0	(77,617)
Revaluation increments / (decrements) transferred to revaluation surplus	(2)	0	0	0	2	0	0
Depreciation	(904,464)	(130,577)	(138,975)	(183,028)	(677,134)	0	(2,034,178)
Transfers	0	0	0	935,717	149,856	(1,085,573)	0
Balance at 30 June 2024	35,610,508	3,403,721	9,325,258	6,224,176	14,943,227	67,859	69,574,749
Comprises:							
Gross balance at 30 June 2024	51,268,778	6,290,379	12,870,752	9,543,041	24,571,152	67,859	104,611,961
Accumulated depreciation at 30 June 2024	(15,658,270)	(2,886,658)	(3,545,494)	(3,318,865)	(9,627,925)	0	(35,037,212)
Balance at 30 June 2024	35,610,508	3,403,721	9,325,258	6,224,176	14,943,227	67,859	69,574,749
Additions	359,127	91,592	16,199	40,390	624,568	297,369	1,429,245
(Disposals)	(19,450)	0	0	0	(245,720)	0	(265,170)
Depreciation	(907,183)	(130,339)	(139,103)	(188,574)	(691,131)	0	(2,056,330)
Transfers	0	0	0	0	54,515	(54,515)	0
Balance at 30 June 2025	35,043,002	3,364,974	9,202,354	6,075,992	14,685,459	310,713	68,682,494
Comprises:							
Gross balance at 30 June 2025	51,608,300	6,381,970	12,886,952	9,583,431	24,810,233	310,713	105,581,599
Accumulated depreciation at 30 June 2025	(16,565,298)	(3,016,996)	(3,684,598)	(3,507,439)	(10,124,774)	0	(36,899,105)
Balance at 30 June 2025	35,043,002	3,364,974	9,202,354	6,075,992	14,685,459	310,713	68,682,494

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

9. INFRASTRUCTURE (Continued)

(b) Carrying amount measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair value - as determined at the last valuation date					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition, values and remaining useful life assessment inputs
Infrastructure - car parks	3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition, values and remaining useful life assessment inputs
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition, values and remaining useful life assessment inputs
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition, values and remaining useful life assessment inputs
Infrastructure - parks and ovals	3	Cost approach using depreciated replacement cost	Independent valuation	June 2022	Construction costs and current condition, values and remaining useful life assessment 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.

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

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset class	Useful life
Buildings	20 to 100 years
Furniture and equipment	7 to 30 years
Plant and equipment	5 to 20 years
Sealed roads and streets	
formation	not depreciated
pavement	60 to 100 years
seal	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
formation	not depreciated
pavement	60 to 100 years
Footpaths - slab	20 to 60 years
Sewerage piping	100 years
Water supply piping and drainage systems	80 to 100 years
Parks and ovals	6 to 80 years
Carparks	0 to 100 years
Landfill assets	
Right-of-use (buildings)	Based on the remaining lease term
Right-of-use (plant and equipment)	Based on the remaining lease term

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

10. FIXED ASSETS (Continued)

MATERIAL ACCOUNTING POLICIES

Initial recognition

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

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. The cost of non-current assets constructed by the Town 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 Town'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 Town.

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

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

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

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

Depreciation

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

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

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; 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 Town 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.

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

11. LEASES

(a) Right-of-use assets

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

	Note	Right-of-use assets - land and buildings \$	Right-of-use assets - plant and equipment \$	Total right-of-use assets \$
Balance at 1 July 2023		1,111,550	14,149	1,125,699
Revaluation (loss) / reversals transferred to profit or loss		6,265	0	6,265
Depreciation		(65,230)	(7,889)	(73,119)
Balance at 30 June 2024		1,052,585	6,260	1,058,845
Gross balance amount at 30 June 2024		1,371,782	30,975	1,402,757
Accumulated depreciation at 30 June 2024		(319,197)	(24,715)	(343,912)
Balance at 30 June 2024		1,052,585	6,260	1,058,845
Revaluation (loss) / reversals transferred to profit or loss		213,206	0	213,206
Depreciation		(89,994)	(4,503)	(94,497)
Balance at 30 June 2025		1,175,797	1,757	1,177,554
Gross balance amount at 30 June 2025		1,586,569	30,976	1,617,545
Accumulated depreciation at 30 June 2025		(410,772)	(29,219)	(439,991)
Balance at 30 June 2025		1,175,797	1,757	1,177,554

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

		2025 Actual \$	2024 Actual \$
Depreciation on right-of-use assets		(94,497)	(73,119)
Finance charge on lease liabilities	27(b)	(60,907)	(35,518)
Short-term lease payments recognised as expense		(71,330)	(66,366)
Total amount recognised in the statement of comprehensive income		(226,734)	(175,003)
Total cash outflow from leases		(136,880)	(101,882)

(b) Lease liabilities

Current		48,272	59,583
Non-current		1,243,823	1,076,765
	27(b)	1,292,095	1,136,348

MATERIAL ACCOUNTING POLICIES

Leases

At inception of a contract, the Town 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 Town 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 27(b).

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

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

12. TRADE AND OTHER PAYABLES

	2025	2024
	\$	\$
Current		
Sundry creditors	73,923	1,021,095
Rates received in advance	190,135	176,799
Accrued payroll liabilities	260,882	206,169
Bonds and deposits held	906,541	939,724
Income received in advance	215,300	111,825
Accrued expenses	1,152,070	631,365
Contract retention	36,979	74,686
	2,835,830	3,161,663

MATERIAL ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Town 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 Town prior to the end of the financial year that are unpaid and arise when the Town 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 Town recognises income for the prepaid rates that have not been refunded.

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

13. OTHER LIABILITIES

	2025	2024
	\$	\$
Current		
Contract liabilities	0	62,663
	0	62,663
Reconciliation of changes in contract liabilities		
Opening balance	62,663	
Additions	0	62,663
Revenue from contracts with customers included as a contract liability at the start of the period	(62,663)	
	0	62,663

MATERIAL ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the Town's obligation to transfer goods or services to a customer for which the Town 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.

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

14. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		376,184	1,377,793	1,753,977	354,119	1,753,978	2,108,097
Total secured borrowings	27(a)	376,184	1,377,793	1,753,977	354,119	1,753,978	2,108,097

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 24(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 27(a).

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

15. EMPLOYEE RELATED PROVISIONS

Employee related provisions

Current provisions

Employee benefit provisions

Annual leave

Long service leave

Total current employee related provisions

Non-current provisions

Employee benefit provisions

Long service leave

Total non-current employee related provisions

Total employee related provisions

	2025	2024
	\$	\$
Annual leave	884,886	711,871
Long service leave	608,878	463,921
	1,493,764	1,175,792
Total current employee related provisions	1,493,764	1,175,792
Long service leave	132,610	289,560
	132,610	289,560
Total non-current employee related provisions	132,610	289,560
Total employee related provisions	1,626,374	1,465,352

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.

MATERIAL ACCOUNTING POLICIES

Employee benefits

The Town'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 Town'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 Town'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 Town's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Town 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.

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

16. REVALUATION SURPLUS

	2025 Opening balance	Reclassification Between Subclasses	2025 Closing balance	2024 Opening balance	Total Movement on revaluation	2024 Closing balance
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land	29,777,697	0	29,777,697	29,777,697	0	29,777,697
Revaluation surplus - Buildings	30,898,875	2	30,898,877	30,898,875	0	30,898,875
Revaluation surplus - Furniture and equipment	33,695	0	33,695	33,695	0	33,695
Revaluation surplus - Plant and equipment	129,886	1	129,887	129,886	0	129,886
Revaluation surplus - Furniture and equipment - Library	3,226	0	3,226	3,226	0	3,226
Revaluation surplus - Infrastructure - roads	31,728,133	1,654,060	33,382,193	31,728,133	0	31,728,133
Revaluation surplus - Infrastructure - car parks	3,363,714	0	3,363,714	3,363,714	0	3,363,714
Revaluation surplus - Infrastructure - drainage	5,774,204	0	5,774,204	5,774,204	0	5,774,204
Revaluation surplus - Infrastructure - footpaths	3,807,234	0	3,807,234	3,807,234	0	3,807,234
Revaluation surplus - Infrastructure - parks and ovals	4,006,247	5,293,950	9,300,197	4,006,247	0	4,006,247
Revaluation surplus - Infrastructure - right of way	1,654,062	(1,654,062)	0	1,654,062	0	1,654,062
Revaluation surplus - Infrastructure - streetscapes	17,894	(17,894)	0	17,894	0	17,894
Revaluation surplus - Infrastructure - waste facilities	32,550	0	32,550	32,550	0	32,550
Revaluation surplus - Infrastructure - other	5,276,054	(5,276,054)	0	5,276,054	0	5,276,054
	116,503,471	3	116,503,474	116,503,471	0	116,503,471

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

17. RESTRICTIONS OVER FINANCIAL ASSETS

	Note	2025 Actual \$	2024 Actual \$
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	4,641,980	2,519,545
- Financial assets at amortised cost	4	3,700,000	5,382,147
		8,341,980	7,901,692
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	28	8,341,980	7,839,029
Contract liabilities	13	0	62,663
Total restricted financial assets		8,341,980	7,901,692

**18. UNDRAWN BORROWING FACILITIES AND CREDIT
STANDBY ARRANGEMENTS**

Credit standby arrangements			
Bank overdraft limit		0	250,000
Bank overdraft at balance date		0	0
Credit card limit		10,000	10,000
Credit card balance at balance date		(4,417)	(2,996)
Total amount of credit unused		5,583	257,004
Loan facilities			
Loan facilities - current		376,184	354,119
Loan facilities - non-current		1,377,793	1,753,978
Total facilities in use at balance date		1,753,977	2,108,097
Unused loan facilities at balance date		0	0

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

19. CONTINGENT LIABILITIES

The Town had no contingent liabilities as at 30 June 2025.

20. CAPITAL COMMITMENTS

	2025	2024
	\$	\$
Contracted for:		
- capital expenditure projects	435,691	297,295
	435,691	297,295
Payable:		
- not later than one year	435,691	297,295

Capital commitments represent municipally funded capital projects that commenced in the 2025 financial year and are carried forward into the 2026 financial year.

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

21. 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	28,000	28,000	28,000
Mayor's meeting attendance fees	24,400	24,400	24,400
Mayor's annual allowance for ICT expenses	1,600	1,600	1,600
	54,000	54,000	54,000
Deputy Mayor's annual allowance	7,000	7,000	7,000
Deputy Mayor's meeting attendance fees	15,750	15,750	15,750
Deputy Mayor's other expenses	495	0	0
Deputy Mayor's annual allowance for ICT expenses	1,600	1,600	1,600
	24,845	24,350	24,350
All other council member's meeting attendance fees	110,250	110,250	110,250
All other council member's other expenses	3,209	0	14,141
All other council member's ICT expenses	942	0	1,886
All other council member's annual allowance for ICT expenses	11,200	11,200	11,200
	125,601	121,450	137,477
21(b)	204,446	199,800	215,827

(b) Key management personnel (KMP) compensation

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

Short-term employee benefits	702,046	742,435
Post-employment benefits	90,675	98,847
Employee - other long-term benefits	178,998	56,740
Employee - termination benefits	160,909	178,114
Council member costs	204,446	215,827
21(a)	1,337,074	1,291,963

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 Town's superannuation contributions made during the year.

Other long-term benefits

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

Termination benefits

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

Council member costs

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

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

21. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

Transactions between related parties and the Town 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.

(d) Related parties

The Town'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 Town, directly or indirectly, including any council member, are considered key management personnel.

ii. Other Related Parties

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

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

iii. Entities subject to significant influence by the Town

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

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

22. JOINT ARRANGEMENTS

Share of joint operations

The Town of Cottesloe holds 33.33% of the voting power and has a 42.54% share of the net assets in The Grove Library and Community Centre, which provides library services for the ratepayers of the Town of Cottesloe, the Town of Mosman Park, and the Shire of Peppermint Grove.

The principal place of business for The Grove Library is 1 Leake Street, Peppermint Grove, WA 6011.

The Town's interests in The Grove Library and Community Centre are accounted for as a joint operation using the proportional consolidation method in the financial statements. Below is a summary of the financial information for the joint operation, based on its audited annual financial statements as of 30 June 2025, and adjusted for the Town's proportional interest.

	2025 Actual	2024 Actual
	\$	\$
Non current asset	5,390,892	5,382,376
Total assets	5,390,892	5,382,376
Current liabilities	(74,477)	(86,843)
Total liabilities	(74,477)	(86,843)
Accumulated surplus	5,316,415	5,295,533
Total equity	5,316,415	5,295,533
Statement of comprehensive income		
Other revenue	27,566	21,090
Other expense	(673,486)	(623,803)
Profit/(loss) for the period	(645,920)	(602,713)
Other comprehensive income	0	0
Total comprehensive income for the period	(645,920)	(602,713)

MATERIAL ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Town has joint control with two or more parties to the joint arrangement. All parties to joint arrangement have rights to the assets, and obligations for the liabilities relating to the arrangement.

Assets, liabilities, revenues and expenses relating to the Town's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standards.

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

23. INVESTMENT IN ASSOCIATES

(a) Investment in associates

Set out in the table below are the associates of the Town. All associates are measured using the equity method. Western Australia is the principal place of business for all associates.

Name of entity	% of ownership interest		2025	2024
	2025	2024	Actual	Actual
			\$	\$
Western Metropolitan Regional Council Waste Transfer Station	17.94%	17.94%	765,543	633,255
Total equity-accounted investments			765,543	633,255

(b) Share of investment in Western Metropolitan Regional Council (WMRC)

The Town of Cottesloe, along with the Town of Claremont, the Town of Mosman Park, the Shire of Peppermint Grove, and the City of Subiaco, has a vested interest in the Western Metropolitan Regional Council (WMRC) waste transfer station. This council was established to ensure the efficient treatment and disposal of waste for local ratepayers and is funded by contributions from the constituent councils.

The Town of Cottesloe holds 20% of the voting power and has a 17.94% share of the net assets.

The principal place of business for the WMRC is Suite 2/317 Churchill Avenue, Subiaco, WA 6008.

Below is a summary of the financial information for the equity-accounted venture based on its audited annual financial statements as of 30 June 2025, along with a reconciliation of the carrying amount of the investment in the statement of financial position.

Summarised statement of comprehensive income	Note	2025	2024
		Actual	Actual
		\$	\$
Revenue		10,864,319	9,160,607
Interest revenue		88,007	64,357
Finance cost		(3,225)	(3,994)
Depreciation		(292,027)	(396,601)
Profit/(loss) from continuing operations		737,379	230,718
Profit/(loss) from discontinued operations		0	0
Profit/(loss) for the period		737,379	230,718
Other comprehensive income		0	19,567
Total comprehensive income for the period		737,379	250,285
Summarised statement of financial position			
Cash and cash equivalents		1,858,229	1,266,551
Other current assets		1,154,206	841,106
Total current assets		3,012,435	2,107,657
Non-current assets		2,589,406	2,485,404
Total assets		5,601,841	4,593,061
Current financial liabilities		1,173,883	807,000
Other current liabilities		75,386	181,516
Total current liabilities		1,249,269	988,516
Non-current financial liabilities		1,999	36,641
Other non-current liabilities		83,341	38,051
Total non-current liabilities		85,340	74,692
Total liabilities		1,334,609	1,063,208
Net assets		4,267,232	3,529,853
Reconciliation to carrying amounts			
Opening net assets 1 July		3,529,853	3,352,995
Changes in members contributions		0	0
Profit/(Loss) for the period		737,379	230,718
Other comprehensive income		0	19,567
Closing net assets 30 June		4,267,232	3,603,280
Carrying amount at 1 July		633,256	601,527
- Share of associates net profit/(loss) for the period	23(c)	132,287	31,728
- Share of associates other comprehensive income arising during the period		0	0
Carrying amount at 30 June (Refer to Note 23(a))		765,543	633,255

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

23. INVESTMENT IN ASSOCIATES (Continued)

MATERIAL ACCOUNTING POLICIES

Investments in associates

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

Investments in associates are accounted for using the equity method. The equity method of accounting, is whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the Town's share of net assets of the associate. In addition, the Town's share of the profit or loss of the associate is included in the Town's profit or loss.

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

Investment in Western Metropolitan Regional Council Waste Transfer Station

2025 Actual	2024 Actual
\$	\$
132,287	31,728
132,287	31,728

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

24. OTHER MATERIAL ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Town's operational cycle. In the case of liabilities where the Town 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 Town'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 Town 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 Town contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Town contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Town 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 Town 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 Town 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 Town 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 Town's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired.

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

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

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

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

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

25. RATING INFORMATION

(a) General rates

RATE TYPE											
Rate description	Basis of valuation	Rate in \$	Number of properties	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
		\$		\$	\$	\$	\$	\$	\$	\$	\$
GRV - Residential Improved (RI)	Gross rental valuation	0.05594	3,449	169,368,743	9,474,488	61,258	9,535,746	9,467,608	58,000	9,525,608	10,351,673
GRV - Residential Vacant (RV)	Gross rental valuation	0.06677	66	3,883,720	259,316	(6,151)	253,165	254,989	(13,000)	241,989	262,732
GRV - Commercial Improved (CI)	Gross rental valuation	0.06677	55	7,596,935	507,247	0	507,247	507,247	(17,000)	490,247	475,558
GRV - Commercial Vacant (CV)	Gross rental valuation	0.06677	10	874,956	58,421	(52,475)	5,946	50,408	22,000	72,408	37,172
GRV - Commercial Town Centre (CT)	Gross rental valuation	0.07988	90	10,588,574	845,815	62,795	908,610	845,815	0	845,815	802,720
GRV - Industrial	Gross rental valuation	0.06677	1	27,780	1,855	0	1,855	1,855	0	1,855	1,760
Total general rates			3,671	192,340,708	11,147,142	65,427	11,212,569	11,127,922	50,000	11,177,922	11,931,615
(ii) Minimum payment		Minimum payment \$									
GRV - Residential Improved (RI)	Gross rental valuation	792	78	966,880	61,776	(108)	61,668	61,776	0	61,776	498,631
GRV - Residential Vacant (RV)	Gross rental valuation	1,383	4	1,238	5,532	0	5,532	5,532	0	5,532	5,785
GRV - Commercial Improved (CI)	Gross rental valuation	1,383	16	238,600	22,128	5,390	27,518	22,128	0	22,128	20,992
GRV - Commercial Vacant (CV)	Gross rental valuation	1,100	2	16,500	2,200	0	2,200	2,200	0	2,200	7,965
GRV - Commercial Town Centre (CT)	Gross rental valuation	1,400	25	352,275	35,000	0	35,000	35,000	0	35,000	33,200
GRV - Industrial	Gross rental valuation	1,383	0	0	0	0	0	0	0	0	0
Total minimum payments			125	1,575,293	126,636	5,282	131,918	126,636	0	126,636	566,573
Total general rates and minimum payments			3,796	193,916,001	11,273,778	70,709	11,344,487	11,254,558	50,000	11,304,558	12,498,188
Discounts							(4,772)			(4,772)	(4,529)
Total rates							11,339,715			11,299,786	12,493,659

(b) Rates related information

Rates instalment interest	36,586	37,000	42,973
Rates overdue interest	35,754	27,000	21,670

*Rateable Value at time of raising of rate.

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

26. DETERMINATION OF SURPLUS OR DEFICIT

Note	2024/25 (30 June 2025 carried forward) \$	2024/25 Budget (30 June 2025 carried forward) \$	2023/24 (30 June 2024 carried forward) \$
(a) Non-cash amounts excluded from operating activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals	(106,496)	0	(85,234)
Less: Fair value adjustments to financial assets at fair value through profit or loss	5,327	(2,495)	(2,522)
Less: Share of net profit of associates and joint ventures accounted for using the equity method	(144,653)	0	(31,728)
Add: Loss on disposal of assets	261,155	0	77,617
Add: Receivables for employee related provisions	0	0	(124,501)
Add: Depreciation	3,294,896	3,257,557	3,276,437
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates	2,755	(238)	32,101
Employee benefit provisions	(125,273)	80,569	123,416
Non-cash amounts excluded from operating activities	3,187,711	3,335,393	3,265,586
(b) 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			
Non cash proceeds from new leases	(231,720)	0	(5,296)
Non-cash amounts excluded from financing activities	(231,720)	0	(5,296)
(c) 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			
Less: Reserve accounts	(8,341,980)	(8,008,430)	(7,839,029)
Less: Financial assets at amortised cost - self-supporting loans	(72,906)	(72,906)	(70,872)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	376,184	376,184	354,119
- Current portion of lease liabilities	48,272	58,549	59,583
- Employee benefit provisions	1,088,621	0	963,856
Total adjustments to net current assets	(6,901,809)	(7,646,603)	(6,532,343)
Net current assets used in the Statement of financial activity			
Total current assets	13,853,974	7,646,603	14,677,656
Less: Total current liabilities	(4,754,050)	0	(4,813,820)
Less: Total adjustments to net current assets	(6,901,809)	(7,646,603)	(6,532,343)
Surplus or deficit after imposition of general rates	2,198,115	0	3,331,493

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

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		Principal at 1 July 2023	New loans during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$
Joint Library		2,336,254		(299,252)	2,037,002		(319,051)	1,717,951	2,037,001
Total		2,336,254	0	(299,252)	2,037,002	0	(319,051)	1,717,951	2,037,001
Self-supporting loans									
Seaview Golf Club		19,070		(19,070)	0		0	0	0
Cottesloe Tennis Club		105,233		(34,138)	71,095		(35,069)	36,026	71,096
Total self-supporting loans		124,303	0	(53,208)	71,095	0	(35,069)	36,026	71,096
Total borrowings	14	2,460,557	0	(352,460)	2,108,097	0	(354,120)	1,753,977	2,108,097

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

Borrowing finance cost payments

Purpose	Loan number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025	Budget for year ending 30 June 2025	Actual for year ending 30 June 2024
					\$	\$	\$
Joint Library	107	WATC	6.51%	17/09/2029	(135,297)	(127,499)	(149,126)
Total					(135,297)	(127,499)	(149,126)
Self-supporting loans finance cost payments							
Seaview Golf Club	105	WATC	6.22%	6/10/2023	0	0	(9)
Cottesloe Tennis Club	108	WATC	2.71%	1/06/2026	(2,023)	(1,691)	(3,173)
Total self-supporting loans finance cost payments					(2,023)	(1,691)	(3,182)
Total finance cost payments					(137,320)	(129,190)	(152,308)

* WA Treasury Corporation

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

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease liabilities

Purpose	Note	Actual							Budget			
		Principal at 1	New leases	Principal	Principal at 30	New leases	Principal	Principal at 30	Principal at 1	New leases	Principal	Principal at 30
		July 2023	during 2023-24	repayments during 2023-24	June 2024	during 2024-25	repayments during 2024-25	June 2025	July 2024	during 2024-25	repayments during 2024-25	June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Depot		1,183,000	5,296	(58,440)	1,129,856	231,720	(71,330)	1,290,246	1,129,858		(54,942)	1,074,916
Telephone Equipment		4,160		(3,816)	344		(344)	0	342		(342)	0
Folding Machine		10,257		(4,109)	6,148		(4,299)	1,849	6,148		(4,299)	1,849
Total lease liabilities	11(b)	1,197,417	5,296	(66,365)	1,136,348	231,720	(75,973)	1,292,095	1,136,348	0	(59,583)	1,076,765

Lease finance cost payments					Actual for year	Budget for	Actual for year	Lease term
Purpose	Lease number	Institution	Interest rate	Date final payment is due	ending 30 June 2025	year ending 30 June 2025	ending 30 June 2024	
					\$	\$	\$	
Depot	1	ToMP	3.20%	4/08/2040	(60,727)	(46,500)	(34,907)	21 years
Telephone Equipment	3	Telstra	2.00%	19/08/2024	9	0	(48)	5 years
Folding Machine	4	Quadient Finance	4.60%	30/11/2025	(189)	(189)	(562)	3 years
Total finance cost payments					(60,907)	(46,689)	(35,517)	

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

28. 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 legislation/agreement												
(a) Payment in lieu of parking plan reserve	12,614	630	0	13,244	12,613	530	0	13,143	12,073	541	0	12,614
	12,614	630	0	13,244	12,613	530	0	13,143	12,073	541	0	12,614
Restricted by council												
(b) Leave reserve	208,536	60,388	0	268,924	207,728	8,725	0	216,453	199,595	8,941	0	208,536
(c) Active transport reserve	235,129	211,760	(23,608)	423,281	235,129	9,875	(34,249)	210,755	211,437	23,692	0	235,129
(d) Civic centre reserve	291,048	14,556	(29,000)	276,604	291,048	12,224	(25,000)	278,272	278,569	12,479	0	291,048
(e) Foreshore redevelopment reserve	3,575,979	178,844	0	3,754,823	3,575,980	150,191	0	3,726,171	3,422,661	153,318	0	3,575,979
(f) Green infrastructure and sustainability initiatives reserve	203,767	110,191	(1,825)	312,133	203,767	108,558	(135,000)	177,325	195,031	8,736	0	203,767
(g) Information technology reserve	396,634	79,837	(406,209)	70,262	396,635	16,659	(406,209)	7,085	825,500	36,978	(465,844)	396,634
(h) Infrastructure reserve	754,236	368,797	(73,585)	1,049,448	755,043	362,747	(66,000)	1,051,790	558,699	289,275	(93,738)	754,236
(i) Legal reserve	160,715	8,037	0	168,752	160,714	6,750	0	167,464	153,824	6,891	0	160,715
(j) Library reserve	249,818	12,493	0	262,311	249,817	10,492	0	260,309	239,107	10,711	0	249,818
(k) Property reserve	308,015	391,439	(276,139)	423,315	308,015	388,972	(190,450)	506,537	883,795	39,590	(615,370)	308,015
(l) Public open space reserve	746,738	37,347	(135,184)	648,901	746,739	31,363	(45,000)	733,102	661,861	84,877	0	746,738
(m) Recreation precinct reserve	15,297	766	0	16,063	15,298	643	0	15,941	14,641	656	0	15,297
(n) Right of way reserve	194,654	9,735	(65,618)	138,771	194,653	8,175	(70,000)	132,828	161,614	33,040	0	194,654
(o) Sculpture and artworks reserve	126,889	6,347	0	133,236	126,890	5,329	0	132,219	121,449	5,440	0	126,889
(p) Shark barrier reserve	145,431	12,273	0	157,704	145,431	11,108	0	156,539	139,196	6,235	0	145,431
(q) Waste management reserve	213,529	10,679	0	224,208	213,529	8,968	0	222,497	204,374	9,155	0	213,529
	7,826,415	1,513,489	(1,011,168)	8,328,736	7,826,416	1,140,779	(971,908)	7,995,287	8,271,353	730,014	(1,174,952)	7,826,415
	7,839,029	1,514,119	(1,011,168)	8,341,980	7,839,029	1,141,309	(971,908)	8,008,430	8,283,426	730,555	(1,174,952)	7,839,029

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:

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

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28. RESERVE ACCOUNTS (Continued)

Name of reserve account	Purpose of the reserve account
Restricted by legislation/agreement	
(a) Payment in lieu of parking plan reserve	The purpose of this reserve is, in accordance with the Council's Town Planning Scheme, to set aside funds from developers for the development of parking facilities.
Restricted by council	
(b) Leave reserve	To partially cash back the accumulated employee leave liability and to fund the payment of accumulated leave entitlements for Town of Cottesloe staff.
(c) Active transport reserve	To be used for the purpose of developing and maintaining active transport infrastructure within the suburb of Cottesloe.
(d) Civic centre reserve	To fund the cost of improvement, renovations and extensions to the buildings that make up Cottesloe Civic Centre.
(e) Foreshore redevelopment reserve	To be used to fund the development of the Cottesloe foreshore.
(f) Green infrastructure and sustainability initiatives reserve	To be used for the purpose of developing, commencing and implementing the Green Infrastructure Management Strategy within the suburb of Cottesloe and to fund new or enhance existing sustainability initiatives within the suburb of Cottesloe.
(g) Information technology reserve	To be used for the purpose of developing and renewing information technology assets within the suburb of Cottesloe, including replacement of the parking system and core business system.
(h) Infrastructure reserve	To contribute towards ongoing future infrastructure construction/renewal within the suburb of Cottesloe which includes the following categories of infrastructure, roads, drainage, footpaths, parks and ovals, irrigation, streetscapes and miscellaneous infrastructure.
(i) Legal reserve	To contribute towards unanticipated legal expenses incurred by the Town of Cottesloe.
(j) Library reserve	To be used for the upgrade and/or replacement of Library facilities.
(k) Property reserve	To contribute towards future property construction/renewal within the Town of Cottesloe.
(l) Public open space reserve	To be used to fund the enhancement of existing, and creation of new, public open space within the suburb of Cottesloe to cater for the needs of all ages and abilities of the Town's youth.
(m) Recreation precinct reserve	To be used for the purpose of developing and implementing improvements to the Town's recreation precincts.
(n) Right of way reserve	To be used to fund the improvement of right of ways within the suburb of Cottesloe.
(o) Sculpture and artworks reserve	To be used for the acquisition of new and restoration of existing sculptures and artworks within the suburb of Cottesloe.
(p) Shark barrier reserve	To develop and replace the shark barrier within the suburb of Cottesloe.
(q) Waste management reserve	To fund the improvement, replacement and expansion of waste management plant, equipment, facilities and services within the suburb of Cottesloe.

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

29. 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
	\$	\$	\$	\$
Cash in lieu of public open space	280,195	12,793	0	292,988
Abandoned Vehicles	850	280	0	1,130
North Cott Primary School	0	7,237	0	7,237
Cottesloe Primary School	0	7,162	0	7,162
	281,045	27,472	0	308,517



Auditor General

INDEPENDENT AUDITOR'S REPORT 2025 Town of Cottesloe

To the Council of the Town of Cottesloe

Opinion

I have audited the financial report of the Town of Cottesloe (Town) 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 Town 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.

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 Town 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 Town'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 Town.

The Council is responsible for overseeing the Town'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 Town of Cottesloe for the year ended 30 June 2025 included in the annual report on the Town's website. The Town's management is responsible for the integrity of the Town's website. This audit does not provide assurance on the integrity of the Town'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 Town to confirm the information contained in the website version.

Grant Robinson
Assistant Auditor General Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
3 December 2025

TOWN OF COTTESLOE



AUDIT, RISK AND IMPROVEMENT COMMITTEE

ATTACHMENT

ITEM 8.2.2A: REFORMS TO GOVERNANCE AND COMMITTEES



Department of
Local Government, Sport
and Cultural Industries

A large, abstract graphic on the left side of the page, composed of several overlapping, curved shapes in shades of blue, green, and purple, creating a sense of movement and depth.

Fact sheet: Reforms to governance and committees

Local Government Amendment Bill 2024

Introduction

The Local Government Amendment Bill 2024 (the Bill) proposes to change the *Local Government Act 1995* (the Act) to provide for various reforms, including the establishment of a new Local Government Inspector (the Inspector) and monitors that can provide for early intervention and assist local governments in resolving dysfunction.

In addition to the [Inspector and monitor reforms](#), a range of other second tranche reforms are being introduced that focus on good governance and decision-making at council and committee meetings:

- Revising the roles and responsibilities for the council, council members and local government chief executive officers (CEOs) to clarify the separation of powers and duties within local governments.
- Improving rules for closing part of a council or committee meeting to the public, to ensure greater transparency and that these meetings are held openly wherever possible.
- Changing audit committees to have an improved focus as “audit, risk and improvement committees” that are independently chaired, with greater clarity on how council committees should operate.

Roles and responsibilities

The role of councils is to lead and represent their communities. Councils do so by engaging with their community, making decisions and setting the strategic direction of a local government. The administrative arm of the local government is responsible for implementing decisions and plans made by council.

The roles of the council, mayors or presidents, council members and the CEO have been further clarified in the second tranche of reforms. These changes ensure there is a clear distinction between the functions and responsibilities of a council and a CEO.

All council members are expected to:

- Represent the interests of electors, ratepayers and residents of the district as well as consider the interests of other persons who work in or visit the district.
- Participate in the decision-making process of the local government at council and committee.
- Facilitate communication with the community about the local government’s decisions.
- Facilitate and maintain good working relationships with other council members and the CEO.
- Observe the separation of roles of the council and CEO.
- Make decisions on merit, evidence and law, conscious of the capacity of the local government and with consideration of the local government’s finances and resources.
- Promote an organisational culture that respects employees.
- Maintain and develop the requisite skills to effectively perform their role.

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As the leader of the local government council, mayors or presidents perform the following roles in addition to their council member role:

- Provide leadership and guidance to the council and its members, including guidance about their roles.
- Act as the principal spokesperson of the local government, including at ceremonial and civic functions, in a manner consistent with the resolutions of the council.
- Preside at meetings of the council, maintaining order at those meetings and ensuring that those meetings are conducted in a manner consistent with the Act.
- Promote and facilitate positive and constructive working relationships among council members.
- Liaise with the CEO regarding the local government's affairs and performance of its functions.

The CEO is responsible for the administration and operation of the local government, including:

- Causing council decisions to be implemented.
- Managing the provision of the services and facilities that the council has determined the local government will provide.
- Determining procedures and systems to implement the local government's policies and managing the local government's administration and operations.
- The employment, management, supervision and direction of other employees.
- Ensuring that records and documents of the local government are properly kept.
- Advising and procuring advice for the council in relation to the local government's affairs and performance of its functions.
- Ensuring that the council has the information and advice it needs to make informed and timely decisions.
- Keeping the minutes of council meetings.

The CEO liaises with the mayor or president on the local government's affairs and performance of its functions and may speak on behalf of the local government, with the mayor or president's agreement.

Role clarity is vital when different roles work to achieve the same objectives. When people understand their roles, better decisions can be made and implemented more effectively, resulting in improved use of ratepayer funds.

As a minor reform, local governments will now be required to advise the Department of Local Government, Sport and Cultural Industries (DLGSC) when vacancies on the council arise.

Roles of the council and local government staff



Meetings behind closed doors

By default, under the reforms, council and committee meetings must be open to the public. In certain circumstances, part of a meeting may be closed to deal with specific information where there is a clear public interest for that information to remain confidential.

The reforms provide a much stronger definition of the limited reasons to close a meeting.

Matters where a meeting must be closed include:

- a committee of the Parliament advising the local government to be confidential
- the recruitment or employment of the CEO or a senior employee, including termination or review of the CEO's performance.

Examples of the types of information to be considered that may provide a basis for closing part of a meeting include:

- Legal advice or other matters which legal professional privilege extend to.
- Information relating to the personal affairs of an individual.
- Information contained in a tender received by the local government where that information is the tendered price or the tendered methodology for calculating that price.
- Information contained in a tender where the information discloses any technology, technology, or any manufacturing, industrial or trade process, that the tenderer proposes to use in performing the contract and which is not public (and if made public would have an adverse effect on the tenderer's business interests).
- Information which would endanger the security of the local government property or operations, including cybersecurity matters.
- Information which could impair the effectiveness of an investigation or that deals with a contravention or possible contravention of the law.

The reforms clarify that:

- A decision to close part of a meeting must be made in an open part of a meeting.
- The local government is to record the reason for closing part of a meeting, including the type of information that is to be considered.
- The minutes must include a description of how the local government has sought to maximise the degree of information available to the public about the matter being considered.

The Bill also contains a new section to define irrelevant reasons for closing part of a meeting. These include:

- the information to be considered would cause embarrassment to the local government, council, or any individual
- the matter is controversial
- making the information public would result in criticism.

The new Inspector will be able to review a decision to close part of a meeting to the public.

From 1 January 2025, all local governments will be required to audio record parts of a meeting that are closed to the public. Additionally, as proposed in the Bill's reforms, the Inspector will be able to order that the local government release the audio recording to the public if the Inspector determines that the meeting was not closed in accordance with the Act or regulations.

Audit, risk and improvement committees

Audit committees will be revised as audit, risk and improvement committees (ARICs). ARICs must have an independent presiding member to ensure a level of neutrality and impartial oversight in chairing these meetings. An independent presiding member must be a person who is not a council

member of a local government or an employee of the local government. If a deputy presiding member is appointed, they must also be independent.

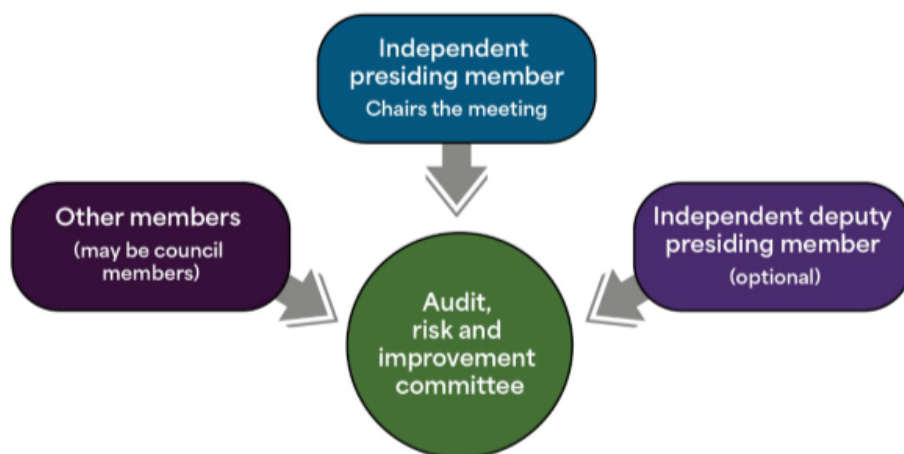
The introduction of an independent presiding member provides an opportunity for increased community confidence in a local government's financial and risk management. Local government operations may also benefit through appointing an independent chair with risk and financial management expertise that may otherwise be unavailable.

This reform reflects modern governance practices in State Government authorities and agencies as well as private corporations.

In relation to the current Act, an audit committee is required to be established comprising 3 or more persons appointed by absolute majority by a local government. Most of the members must be council members. The CEO or a local government employee cannot be a member.

Audit, risk and improvement committee model

The new audit, risk and improvement committee will comprise the following roles, with a total of 3 or more members.



Under the proposed amendments in the Bill, an ARIC now requires an independent presiding member. A local government can choose to appoint an independent deputy presiding member to chair the meeting if the independent presiding member is unable to do so.

If a local government chooses not to nominate a deputy presiding member, the council will need to appoint an independent proxy to chair the meeting should the need arise.

Smaller local governments may also now choose to share an ARIC to reduce the burden on their resources.

Council committees

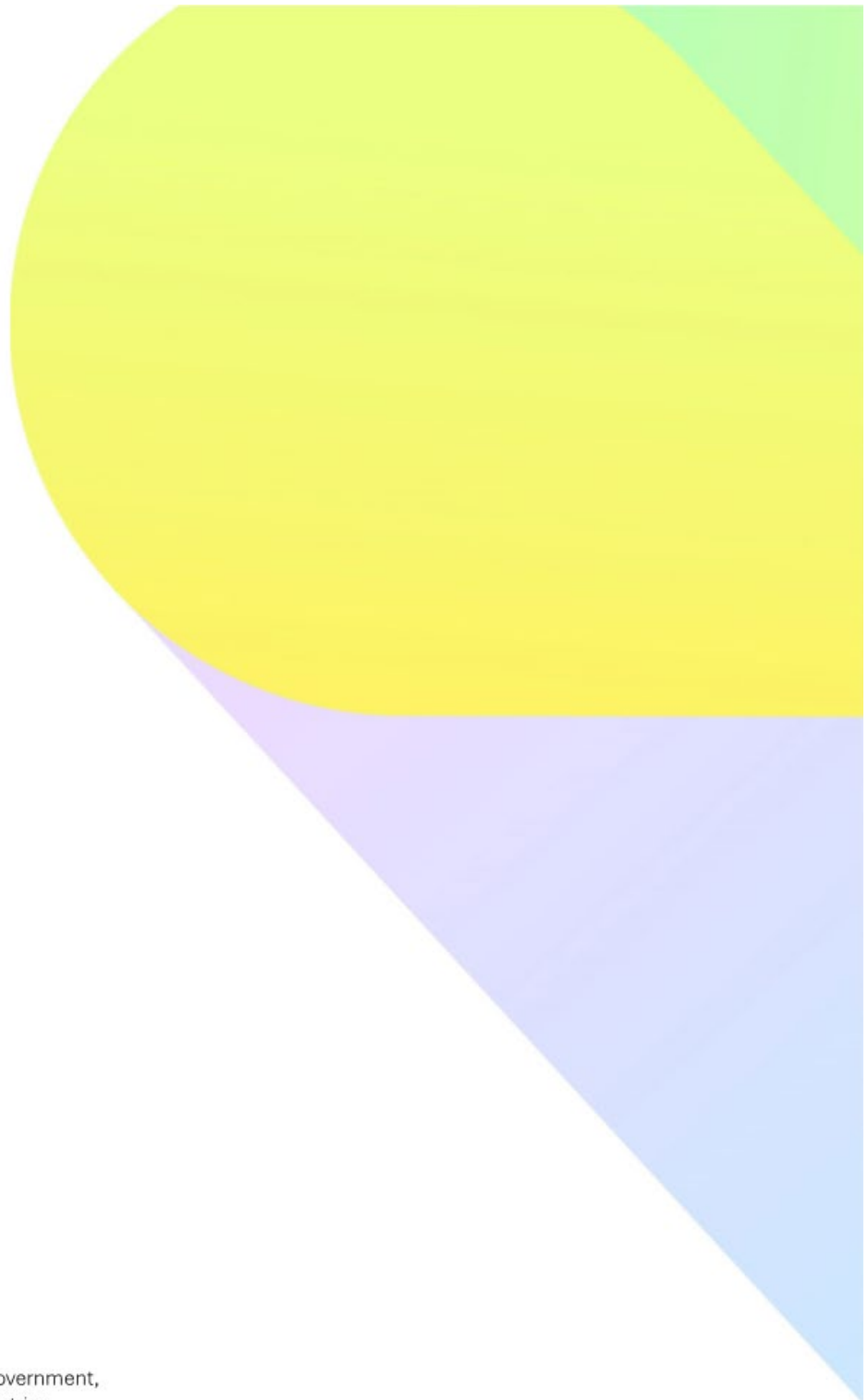
The Bill includes changes to allow for greater transparency and clarity on how council committees operate.

Council can now establish committees that have either an advisory or decision-making function and are generally open to the public.

The appointment process for the presiding member and deputy presiding member has also been simplified. Councils will appoint these roles, instead of the committee electing those roles by secret ballot.

Local governments are still able to establish informal working groups, which are not committees, to engage with their community or develop ongoing networks.

Questions? Get in touch with DLGSC via email to actreview@dlgsc.wa.gov.au



Department of Local Government,
Sport and Cultural Industries
PO BOX 8349
Perth Business Centre WA 6849
Email: communications@dlgsc.wa.gov.au
Website: www.dlgsc.wa.gov.au

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