



SHIRE OF PEPPERMINT GROVE

ATTACHMENTS

Ordinary Council Meeting

December 2025

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Peppermint Grove

The Garden Shire

8.1.1

Shire of Peppermint Grove

Local Planning Scheme No.4

Amendment No.4

Summary of Amendment Details

Update scheme text to introduce new and revised land use classes and general definitions to facilitate State Government reforms for short-term rental accommodation.

**Planning and Development Act 2005
RESOLUTION TO ADOPT AMENDMENT
TO LOCAL PLANNING SCHEME**

Local Planning Scheme No.4

Amendment No.4

Resolved that the Local Government pursuant to section 75 of the *Planning and Development Act 2005*, amend the above Local Planning Scheme by:

1. In clause 37, 'Terms Used':

A. Delete the definition for *short-term accommodation*.

2. In clause 38, 'Land Use Definitions Terms Used':

A. Delete the definitions for:

- o *bed and breakfast*;
- o *motel*;

B. Insert the definition for *tourist and visitor accommodation* as per Schedule 1 – Model Provisions

3. In clause 17 'Zoning Table' insert in alphabetical order the following land uses and permissibility:

- A. ***hosted-short term rental accommodation***; designate as 'P' use in the Residential, District Centre and Mixed Use zones and an 'X' use in the Private Clubs, institutions and Places of Worship zone.
- B. ***unhosted short term rental accommodation***; designate as an 'A' use in the Residential and Mixed Use zones, a 'D' use in the District Centre and an 'X' use in the Private Clubs, Institutions and Places of Worship zone.
- C. ***tourist and visitor accommodation***; designate as a 'D' use in the District Centre zone, an 'A' use in the Mixed Use zone and an 'X' use in the Residential and the Private Clubs, Institutions and Places of Worship zones."

4. In clause 17 'Zoning Table', delete all references to:

A. *bed and breakfast*; and

B. *motel*;



5. In Schedule 1 'Parking Standards', delete all references to:

A. *bed and breakfast*; and

B. *motel*;

This amendment is **standard** under the provisions of Regulation 35(2) of the *Planning and Development (Local Planning Schemes) Regulations 2015* for the following reasons:

1. the amendment would have minimal impact on land in the scheme area that is not the subject of the amendment;
2. the amendment does not result in any significant environmental, social, economic or governance impacts on land in the scheme area; and
3. the amendment is not considered a complex or basic amendment.

Dated this 24th day of September 2025

(Chief Executive Officer)

Scheme Amendment Report

1. Introduction

The purpose of this amendment is to amend the Shire's Local Planning Scheme No.4 to implement the State Government's planning reforms for short-term rental accommodation.

This amendment is required to ensure alignment with new 'deemed' and 'model' land use classes and general definitions introduced into the state planning framework. Most significantly, it includes amendments to reflect the 'deemed' land use classes for '**hosted** short-term rental accommodation' and '**unhosted** short-term rental accommodation', along with removal of superseded land uses and their associated car parking requirements.

The following report provides further detail and background information on these changes, including specific implications for the Shire.

2. Background

Short-Term Rental Accommodation (STRA) refers to the practice of renting out a property (or part of a property) for a relatively short period of time, usually on a nightly or weekly basis. This type of accommodation is usually booked through online platforms and is popular among travellers and visitors seeking temporary lodging for holidays, business trips or other short stays. The State Government has committed to various initiatives to deliver better regulation of the short-term rental accommodation sector.

In November 2023, the Western Australian Planning Commission (WAPC) released its **Position Statement: Planning for Tourism and Short-Term Rental Accommodation** (Position Statement) and associated Guidelines. The release of the Position Statement complemented other whole-of-government reforms relating to STRA, responding to recommendations made in the **2019 Parliamentary Enquiry: Levelling the Playing Field: Managing the impact of the rapid increase of short-term rentals in Western Australia**.

This included development of a state-wide registration scheme for STRA, as well as an incentive scheme to encourage transition of properties from the short to long term rental market.

Alongside the registration scheme, which sits separately to the planning system and is mandatory for all STRA, amendments to planning regulations were flagged as a key part of the State Government's goal to ensure a fairer and more consistent treatment of STRA from both a legal and practical standpoint.

The planning changes, which have triggered the need for the Shire to amend its local planning scheme, with the aim to provide greater consistency across the state in relation to what approvals are needed for STRA proposals as well as how these uses are defined in local planning schemes.

3. State Planning Framework

The State Government's planning reforms for short-term rental accommodation are being implemented predominantly through the Planning & Development (Local Planning Schemes) Regulations 2015 (LPS Regulations), which in turn have been informed by policy direction provided through the Position Statement.

3.1 *Position Statement:*

The Position Statement foreshadowed a series of amendments to the LPS Regulations with the overall aim of providing more certainty and consistency across jurisdictions in respect to the treatment of STRA.

Key changes flagged in this document included dedicated land use classes for STRA to ensure a clear delineation between this use and traditional accommodation types, as well as a state-wide exemption for hosted STRA and a 90-night exemption for unhosted STRA within the Perth Metropolitan Area.

The Position Statement also includes guidance on strategic and statutory planning matters for both tourism and STRA, as well as local planning policy development.

3.2 *LPS Regulations:*

The LPS Regulations are a key component of Western Australia's planning system comprising of three major parts:

- a) Regulations proper, which set out the process for preparing or amending a local planning scheme;
- b) 'Model' provisions, set out in Schedule 1, which are to be used by local governments in preparing or amending a local planning scheme; and
- c) 'Deemed' provisions, set out in Schedule 2, read automatically into all local planning schemes, and override any existing scheme provision to the extent of any inconsistencies. Where there is a conflict between these provisions and the scheme, the deemed provisions prevail.

Amendments to both Schedules 1 and 2 of these regulations have been made to facilitate the necessary planning changes of the State Government's STRA reform initiatives, as envisaged by the Position Statement. These changes, most notably, include:

- i. new 'deemed' land use classes of 'hosted short-term rental accommodation' and 'unhosted short-term rental accommodation' to ensure these accommodation types are classified as dedicated land use classes in planning schemes;
- ii. new 'deemed' general terms to define 'short-term rental accommodation' and link to the overarching Short-Term Rental Accommodation Act 2024, which provides the legal framework for the STRA Register;
- iii. a new 'model' land use class of 'tourist and visitor accommodation' to differentiate these use types from STRA, and consolidate a number of existing land use terms for tourist and visitor accommodation (aside from 'hotel'), as well as other changes to general definitions;
- iv. a state-wide development approval exemption for 'hosted short-term rental accommodation' (this includes ancillary dwellings); and

- v. a 90-night (cumulative) exemption within a 12-month period for ‘unhosted’ short-term rental accommodation in the Perth metropolitan area.

The implications for these changes to the Shire are detailed further in the following sections of this report.

4. Local Planning Context

Historically STRA within the Shire has taken the form of a traditional motel and/or a bed and breakfast premises. This is reflected in the Shire’s prevailing LPS4 provisions, which enables residents to provide various types and styles of short-term accommodations.

Specifically, LPS4 currently defines short stay accommodation as being permissible within its residential and commercial zones and meaning “*temporary accommodation provided either continuously or from time to time with no guest accommodated for periods totalling more than 3 months in any 12-month period.*”

There are two (4) STRA sites currently operating within the Shire. There have been no known compliance issues associated with these STRA sites.

Recommendation 6 of the Shire’s Report of Review, endorsed by the WAPC in 2024, foreshadows a review of zoning table land uses with the potential to include revised or new provisions for short stay accommodation.

Currently under construction, the Shire’s Draft Local Planning Strategy will review, refocus and reset short term accommodation provisions in accordance with this scheme amendment report. Specifically, it will provide the rationale and datasets for a Local Planning Policy to support the implementation of the provisions of this scheme amendment.

5. The Proposed Amendment

With the introduction of the new deemed land use classes into all planning schemes associated with short-term rental accommodation, this scheme amendment relates to the introduction, modification and deletion of various land use and general definitions to the Shire’s planning scheme.

The new exemptions are also ‘deemed’ and as such are already operative, however this amendment does include changes to the zoning table to reflect the hosted STRA exemption as a permitted use.

5.1 Deemed Short-Term Rental Accommodation Land Use

Whilst the new ‘deemed’ land use classes are automatically read into the Shire’s scheme through the LPS Regulations, along with the previously mentioned exemptions, these uses are being incorporated into scheme zoning tables to ensure absolute clarity from an interpretation perspective, particularly given these uses replace long-standing ‘model’ land use classes within the Shire’s planning framework.

To implement the required changes, this amendment requires deletion of all references to the land use terms of ‘bed and breakfast’ and ‘holiday house’, replaced with the new ‘deemed’ definitions of hosted short-term rental accommodation and unhosted short-term rental

accommodation. This includes amending the Zoning Table and Definitions and Parking Standards schedules of the scheme text accordingly.

In addition to the LPS Regulations, the Position Statement and Planning Bulletin 115 provide further direction for how STRA should be dealt with in local planning schemes from a permissibility standpoint. To reflect these requirements, this amendment proposes the following designations for these new land use classes:

- a) ***'Hosted short-term rental accommodation'*** is proposed as a Permitted use in all zones where any type of 'dwelling' is capable of approval, to reflect the state-wide exemption in the 'deemed provisions'; and
- b) ***'Unhosted short-term rental accommodation'*** is proposed to be listed as a D or A use in zones where any type of 'dwelling' is capable of approval.

Aside from the above, where the uses of bed and breakfast are referenced in other sections of the scheme text, it will be cross-referenced accordingly.

5.2 Model 'Tourist and Visitor Accommodation' Land Use

A new model land use class of ***'Tourist and Visitor Accommodation'*** has been introduced to supersede various traditional accommodation land use types (excluding 'hotel'). This will provide a delineation between these uses and 'short-term rental accommodation'.

In the context of the Shire's scheme, uses to be deleted through this change include: ***'Motel'***, which is specifically referenced in the new land use class definition.

5.3 New and Revised Landuse General Definitions:

As part of the LPS Regulations changes, amendments to some other model definitions were also introduced so as to not cause confusion or conflict with the new short-term rental accommodation land use terms.

These include deletion of the definition for *'short-term accommodation'*, *'bed and breakfast'* and *'motel'* which have been removed to avoid confusion with new terms relating to *'short-term rental accommodation'*.

This has consequentially resulted in modifications to the general model terms of 'cabin' and 'chalet'. The new model terms are proposed to be introduced into the scheme text through this amendment.

The general term *'short term accommodation'* it is proposed to be replaced by the model definition *'short-term rental accommodation'*; this being:

"accommodation for guests, on a commercial basis, either continuously or from time to time, with no guest accommodated for periods totalling more than 3 months in any 12-month period."

COUNCIL ADOPTION:

This STANDARD Amendment was adopted by resolution of the Council of the Shire of Peppermint Grove at the Ordinary Meeting of the Council held on the 22nd day of July, 2025.

.....
SHIRE PRESIDENT

.....
CHIEF EXECUTIVE OFFICER

COUNCIL RESOLUTION TO ADVERTISE:

by resolution of the Council of the Shire of Peppermint Grove at the Ordinary Meeting of the Council held on the 22nd day of July 2025, proceed to advertise this Amendment.

.....
SHIRE PRESIDENT

.....
CHIEF EXECUTIVE OFFICER

COUNCIL RECOMMENDATION:

This Amendment is recommended for support by resolution of the Shire of Peppermint Grove at the Ordinary Meeting of the Council held on the 9th day of December, 2025, and the Common Seal of the Shire of Peppermint Grove was hereunto affixed by the authority of a resolution of the Council in the presence of:

.....
SHIRE PRESIDENT

.....
CHIEF EXECUTIVE OFFICER

WAPC ENDORSEMENT (r.63):

.....
DELEGATED UNDER S.16 OF
THE P&D ACT 2005

DATE.....
FORM 6A - CONTINUED

APPROVAL GRANTED:

.....
MINISTER FOR PLANNING

DATE.....



**NOTES OF THE
LIBRARY MANAGEMENT GROUP
MEETING**

HELD ON

**Tuesday 18 November
At 8.00 am
Shire of Peppermint Grove
Council Chambers.**

TOWN OF COTTESLOE - TOWN OF MOSMAN PARK - SHIRE OF PEPPERMINT GROVE



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TOWN OF COTTESLOE -TOWN OF MOSMAN PARK -SHIRE OF PEPPERMINT GROVE



ATTENDEES

Delegates:

Town of Cottesloe	Mayor M (Melissa) Harkins
Shire of Peppermint Grove	Cr C (Charles) Hohnen
Town of Mosman Park	Mayor P (Paul) Shaw
Alternate Delegates/Observers:	Cr N (Nick) Lonie (Mosman Park)

Officers Attending:

Shire of Peppermint Grove	Don Burnett, Chief Executive Officer. Lance Hopkinson, Library Co-Ordinator.
Town of Mosman Park	Pierre Quesnel, Acting Chief Executive Officer. Mosman Park.
Town of Cottesloe	Mark Newman, Chief Executive Officer

Apologies:

Cr C (Chilla) Bulbeck (Cottesloe)
Cr E (Emerald) Bond (Peppermint Grove)
Natalie Martin Goode, Chief Executive Officer.
Mosman Park.
Jeremy Clapham, Manager of Corporate &
Community Services.

1. ELECTION OF PRESIDING MEMBER

In accordance with the Library Management Agreement, clause 12.3 (a) & (b), the Presiding Member is to be rotated annually. The role will now be undertaken by the Town of Cottesloe delegate, Mayor Melissa Harkins.

OFFICER RECOMMENDATION

That the Library Management Committee presiding member be confirmed as the Town of Cottesloe delegate, Mayor Melissa Harkins through to the November 2026 meeting.

Carried 3/0

2. CONFIRMATION OF NOTES OF THE PREVIOUS MEETING (Attachment)

OFFICER RECOMMENDATION

That the notes of the Library Management Committee Meeting held on Tuesday 12th August 2025 be confirmed as a true and accurate record of proceedings.

Carried 3/0

3. BUSINESS ARISING FROM PREVIOUS MEETING.

2.1 West Coast Community Group Presentation on their strategic direction.

Noted

4. FINANCIAL STATEMENTS (Attachment)

The Grove Library and Community Centre - Financial Report as of the 30th of September 2025 are submitted for consideration.

The figures in the audited financial statements as presented are the same as the figures in the draft annual financial statements as presented at the August meeting.

OFFICER RECOMMENDATION

That the financial statements to be received

Carried 3/0

5. MATTERS FOR INFORMATION

5.1 Christmas Closedown 2025

The Grove Library will be closed for the Christmas and New Year period from 4.00 pm, Wednesday 24nd December and reopen 9.00 am, Friday 2nd January. This down time will be utilized to carry out necessary I.T. maintenance and carpet and upholstery cleaning.

5.2 State Library of W.A. Statistical Comparison (Attachment)

The Grove Library's E-Services Specialist has collated the statistical returns sent to the W.A. State Libraries by W.A. public libraries. The Attached chart shows a comparison between the libraries in the Western Suburbs Library Group and other W.A. libraries of a comparable size to The Grove.

5.3 Child Health Clinic M.O.U.

Child and Adolescent Health Service have signed a new Memorandum of Understanding for the provision of Child Health Services to residents of the Shire of Peppermint Grove and the Towns of Cottesloe, Mosman Park and Claremont.

5.4 Upcoming event at the Grove Library

- Exhibition: Mosman Park Primary School art exhibition, 3-18/11/25
- A Family Christmas @ The Grove, 10/12/25 from 6.30 pm.
- Exhibition: Chris Spaven – Cottesloe in Colour, 10-22/01/25

6. NEXT MEETING

The day/time for future meetings in 2026 to be set by the LMG.

The LMG meeting is to be moved to the 1st Tuesday of the month.

Adjusted meeting dates:

Tuesday 3rd February 2026

Tuesday 5th May 2026

Tuesday 4th August 2026



Peppermint Grove
The Garden Shire

Draft Annual Report 2024-2025

The Shire President's Message

It is my pleasure to present the Annual Report for the Shire of Peppermint Grove for the 2024-2025 financial year.

I'm pleased to report that the Shire completed the financial year with a healthy surplus and a clear audit report. A full set of accounts is included in this report.

The Shire has undertaken a significant amount of work in improving community facilities and amenities. The old playground at Keanes Point Reserve has been replaced with a bigger and brighter marine themed playground. The final design was developed through a reference group of parents with children who use the playground.

Street trees are another area that the Shire places a significant emphasis on. The Shire has the greatest urban tree canopy in the metropolitan area. Every verge/street/park tree under the Shire's control is recorded in a register. The tree's estimated age, health and GPS location is recorded. This data is used to determine the annual maintenance pruning program and tree removal program. During the year 165 trees were planted, which significantly exceeded the number of old or dead trees removed. The extensive tree canopy and garden nature of the suburb has reinforced that the original design for the suburb when it was laid out was based on the planning principle of garden suburb, which acknowledges the larger lots with well laid out gardens and significant trees. Council has adopted the tag line "Garden Shire" to reinforce the importance of maintaining an extensive garden layout and tree canopy.

I am pleased to advise that the rollout of FOGO during the year has been very successful, with kitchen and green waste being diverted from landfill and to composting. Council also maintained a weekly 240 litre general waste (red lid bin) service. Most Council's when introducing FOGO went to fortnightly 120 litre bins.

During the year, the Freshwater Memorial was unveiled. Situated on the foreshore near the Scotch College rowing shed, it is a place of peaceful reflection for family members to remember loved ones who have passed.

The State Government is requiring local governments, particularly in the western suburbs, to have more infill. The Shire will be working through this issue in 2025-2026 as part of its Local Planning Strategy review and try and get a balance of infill that meets community expectations and satisfies the State Government targets.

Community events continue to be an important part of life in the Shire. In 2023-2024 these activities included Carols by Candlelight and Seniors' Week. Many other events were held throughout the year in The Grove Library, including book launches, Book Week and extremely popular Cappuccino Concert Series. The Shire, along with the Towns of Mosman Park and Cottesloe support the Westcoast Community Centre, which runs a varied programme of talks, activities and outings for our residents and the wider community and which has its base in The Grove Community Centre.

I thank my Deputy President Patrick Dawkins and my elected members for their support and dedicated input into the running of Council. I also acknowledge and thank CEO Don Burnett, the senior management group and all the staff for their continued focus on good governance and efficient service to the community.

Karen Farley SC
Shire President.

A photo of Karen will be added

A Message from the Chief Executive Officer

I am pleased to present the annual report, incorporating the financial statements for 2024-2025. The Shire has again received a clear audit report.

Shire President Farley has mentioned in her report the different projects that the Shire completed during the year, along with the importance placed on managing the Shire's tree canopy. Updating Shire amenities and managing assets at the same time as responsible financial management is critical in ensuring Shire rates are responsibly managed.

Another important part of the Shire is the connection with the community. This covers the events the Shire conducts, use of the Grove Library and Community Centre, support for West Coast Community Centre, regular issues of Peptalk and more recently the start of the Shire's Instagram and Facebook pages. Peppermint Grove is a tight knit community, and it is important that community members feel a sense of connection to their Shire and Councillors.

I thank President Karen Farley and Councillors for their support and strong leadership throughout 2024-2025. I also thank my managers and staff for their professionalism and dedication to the task of providing a high level of service to the residents of the Shire.

Don Burnett
Chief Executive Officer.

A photo of Don will be added

The Grove Library and Community Centre

The Grove Library and Community Centre functions as a central hub for residents of all ages, providing access to physical and digital reading materials, dedicated study spaces, and a range of activities. It facilitates participation in workshops and recreational programs that promote lifelong learning, personal development, and strengthened community connections.

- The past year has seen a slight increase in the number of items loaned. The increase driven by improvements in the use of the Junior fiction / Kindy and Adult fiction / non-fiction collections have seen book loans increase by 2.8% to 245,809.

- The bi-annual Grove Classics concert series continued to receive strong support from the local community, drawing an average of 80 attendees per performance.

- The Grove Library supports seven local book groups by providing spaces and resources
- In October / November, the library has extended hours during the Exam Study period for students from years 11, 12 & University only.

- The library was happy to host a number of events and exhibitions for local residents and groups. These included a book launch for local author Margaret Thomas and an exhibition for the WA Women's Hall of Fame, which highlighted the work of several local women.

- Each year the Shire of Peppermint Grove sponsors a series of youth events called "Have a Go with Peppy Grove". This year's events consisted of a Chinese calligraphy workshop, Creating a graphic novel with graphic novelist Aska and local children's author Gabriel Evans returning for another of his wonderful drawing workshops.

- Children's Book Week 2024 was a highly successful event, engaging children across all age groups—including pre-schoolers, kindergarteners, and school-aged students—through a variety of library-based activities throughout the week. Onsite attendance was 736 students with another 90 students attending outreach sessions.

- In collaboration with Community Nurses from Child and Adolescent Community Health and in support of the Better Beginnings program, the Youth Services Librarian delivers monthly sessions for new parents. These sessions introduce parents to library resources, highlight the importance of early literacy for infants, and provide information on programs available for babies. Over the past year, more than 132 new parents have participated in these sessions.

- In 2024–2025, the Community Centre continued to serve as a hub for a diverse range of community groups, including the West Coast Community Centre Inc, as well as the Men's and Women's Probus Clubs and U3A. The Centre also collaborated with local councils to host events such as WMRC's Sustainable Clothes Swap and a variety of environmental workshops. These programs provided residents with valuable opportunities to connect, learn, and engage in a supportive and inclusive environment.

Community History

The Grove's Community History Library collects and curates the history of Peppermint Grove, Cottesloe and Mosman Park with the emphasis on digital preservation and dissemination. Community History continues to build the profile of The Grove Community History Photographic and Archival Record Collection.

This year the Heritage Festival came to The Grove and an Art Exhibition featuring portraits of prominent residents from the past and present drew significant visitors to the library. The works were produced by students from North Cottesloe Primary who delivered exceptional inspiring works.

The Community History librarian continues to manage a team of regular volunteers, who assist with the volume of materials to be digitized and uploaded to the archive.

Several oral histories have been undertaken and used in conjunction with the photographic exhibition put on by the Local History Librarian.

Community History logged over 300 family history, and property inquiries in person or via email during the last year.

Library E-Service

E-Services at The Grove Library which has a focus on digital inclusion and digital literacy, continue to be very popular with a high degree of participation.

- The Friday drop-in tech sessions continue through 24/25 supported by a volunteer who field questions on anything and everything to do with phones, computers and tablets.

- One on One Tech Help with Geoff on Tuesdays and Thursdays continues to be booked out well in advance.

This year saw a large number of upgrades undertaken to best support both library patrons and staff. Library Wi-Fi printing required a change to a new platform that has proven to be much better than the previous one.

Changing the libraries Booking and Event system was necessary as the old system was no longer supported.

New Printers / Copiers were installed in the Library and Shire when the previous lease expired. Replacement and setup of new Library Community History data repository for a storage and backup solution.

There's a new provider for Internet and phones for Library and Shire, Internet and data is much improved, the phones a problematic.

Major Upgrade to Library Management System, moving to Spydus 11 for the library.

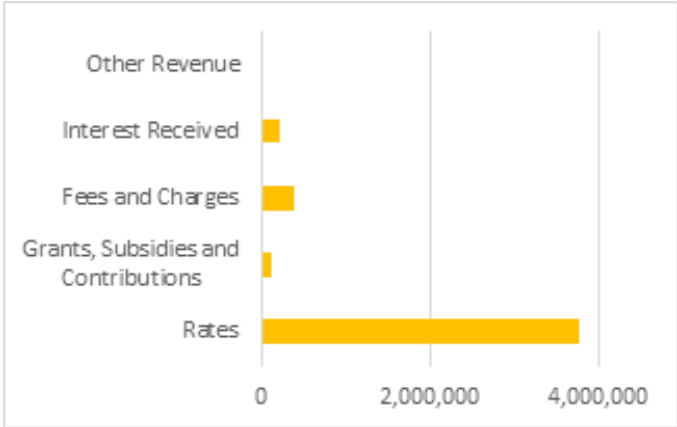
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Corporate Services

Finance Statistics

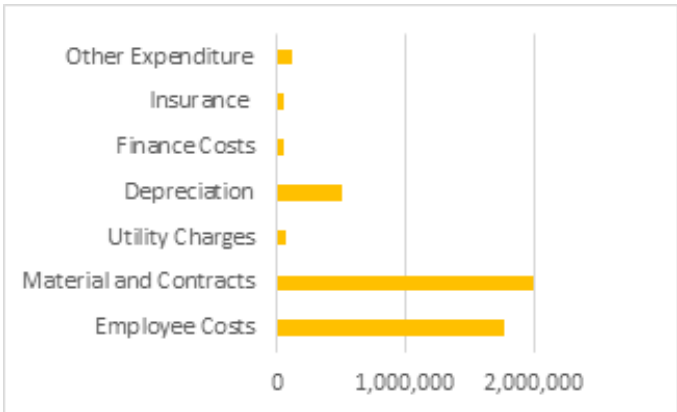
Revenue

The Shire of Peppermint Grove had a total revenue of \$4.470m for the 2024-2025 financial year. The Shire does not receive much in the way of grants and relies heavily on Rates revenue to fund the various activities of the Shire. Rates revenue accounted for 84% of the total revenue for 2024-2025. Fees and Charges accounted for 8%, Interest Received accounted for 5%, Grants, Subsidies and Contributions (including a Capital Grant of \$50k) accounted for 3% and Other Revenue accounted for 0% of total revenue.



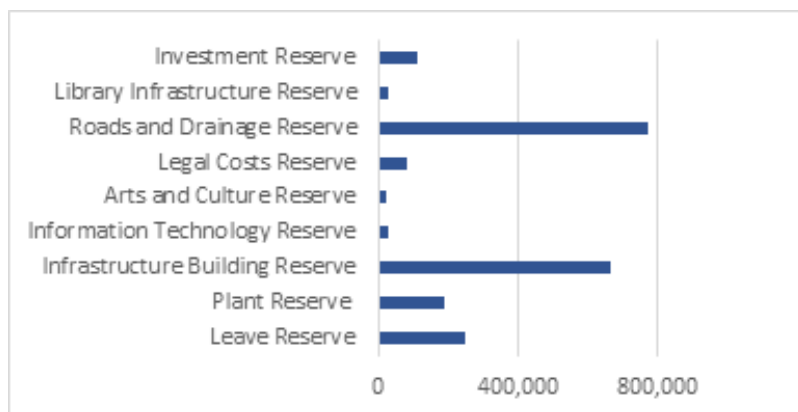
Expenditure

In order to maintain the high level of service expected by the residents of Peppermint Grove, the Shire has to incur significant expenditure, totalling \$4,544m for the 2024-2025 financial year. It is broken down as such: Employee Costs 39%, Materials and Contracts 44%, Depreciation 11% (depreciation gets written back in the calculation of the Shire’s surplus as it is not a cash item), Utility Charges 2% and other expenses 4%.



Reserve Funds

The Shire transferred a total of \$465,862 to Reserves and an amount of \$443,000 from Reserves for the financial year 2024-2025. Included in the transfers to Reserves was an amount of \$148,562 to the Infrastructure Building Reserve and \$154,000 to the Road and Drainage Reserve. This has resulted in the total Reserves balance being \$2,148,466.

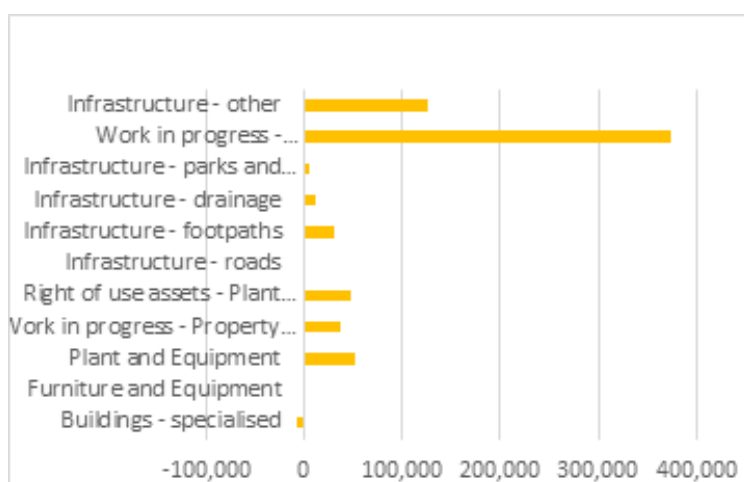


Loan Liability

The Shire has one loan which was previously raised for The Grove facility. The Shire has been servicing the loan since March 2010 at an interest rate of 6.9% per annum and it is due to be paid off in December 2034. The balance at 30 June 2025 is \$574,191.

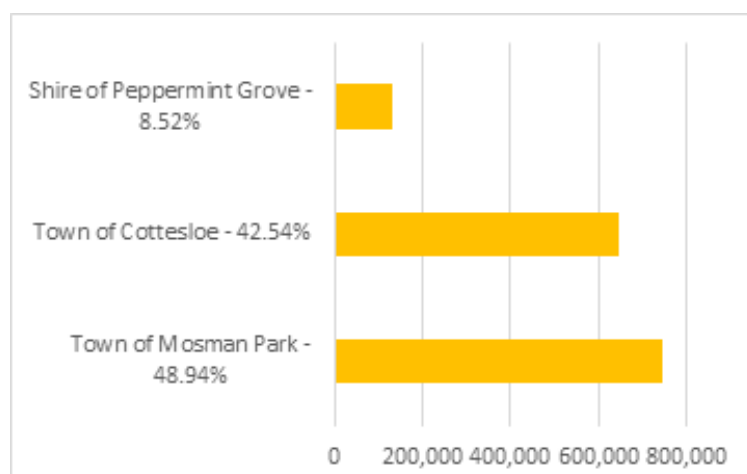
Purchase of Fixed Assets

The Shire purchased fixed assets in the amount of \$674,022 for the financial year 2024-2025. \$373,169 was spent on upgrading the playground at Keanes Point Reserve, \$43,500 was spent on a new parking sign at the Shire office and \$84,451 was spent on the Memorial Wall on the foreshore.



Joint Arrangements

The Shire continues to manage the Grove Library on behalf of the Towns of Mosman Park and Cottesloe and the Shire of Peppermint Grove. The Shire currently has a share of 8.52% in this arrangement, based on the current population. For the financial year, the Shire contributed \$129,366 of a total of \$1,518,382 to the running of the Grove Library.



Investment in Associates

The Shire has a 3.37% investement in WMRC (Western Metropolitan Regional Council), together with the Towns of Mosman Park, Cottesloe and Claremont and the City of Subiaco. The WMRC provides waste and recycling services to it's member and participating Councils. At 30 June 2025 the value of the Shires investment was \$143,402 (2024-2025 \$130,973).

Operating Surplus

The Shire achieved an Operating Surplus of \$528,946 (Budget \$80,318) for the financial year 2024-2025. The main reason for the variance was the underspend in capital acquisitions, due to major projects being deferred to 2025-26, such as: the parking and drainage project at Manners Hill Park, the completion of the playground at Keanes Point Reserve and the jetty refurbishment project.

Audit

An unqualified audit report was received for the 2024-2025 financial year. The Financial Report for the Year Ended 30 June 2025 follows at the end of the Annual Report.

All charts will be recreated

Community Services

The aim of Council's Community Services is to bring people together, for them to engage through events and workshops and provide opportunities to participate with other local governments. For organisations to deliver community programs, support for community groups, senior care, networking, advice and skills workshops and to generally improve the quality of life of Peppermint Grove residents. During 2024-2025, Council supported various community events as listed below.

Community Events

Seniors Week 11th-15th November 2024

Seniors Week encourages people of all ages to acknowledge and celebrate the contributions and achievements of seniors in our community. Designed to connect seniors with community, each year in November events are held all over WA with high teas, dances, intergenerational activities, and creative workshops.

The combined Councils of Shire of Peppermint Grove and Towns of Mosman Park and Cottesloe put their heads together to create an incredible week full of diverse activities worthy for seniors. The week consisted of various workshops, Bones n Balance Classes, High-tea with entertainment, Active Aging Workshops, Prime Movers Exercise Class, 'The Sapphires' movie screening, Community Group get togethers, Improve your Health, Foot Assessments, Zumba Gold classes, Hearing Tests and a Sundowner Social.

Seniors Morning Tea Monday 11th November - In celebration of Seniors Week the three councils held the annual morning 'high-tea' from 11am until 1pm at Mosman Park Bowling Club, the event was well attended and all those who attended enjoyed the morning.

Caterers were hired for the morning, they made delicious sandwiches, home made quiches, Devonshire Teas and a wonderful array of petit fours. Students from IONA Presentation College attended and were a huge help, they accompanied our seniors to their seats and served tea and coffee throughout the morning.

Our attendees socialised and enjoyed the food all while listening to a few hours of entertainment beginning with Cottesloe Primary School Choir. Students sang a few songs in chorus as well as a couple of solo performances. After the Choir's performances the raffle was drawn for the door prizes starting with first prize of \$100 gift voucher kindly donated by Woolworths Cottesloe, second prize a Garden Hamper donated by Bunnings Claremont along with runner up prizes consisting of a variety of potted plants.

The door prize raffle was followed by Paul Robinson the entertainer known as The Voice of Legends who was very engaging and sang a wide variety of songs dating back from the 1950's. Some attendees were thrilled to hear the old tunes once again those that could stand got up from their seats and started dancing around the room while others resorted to a safer lower level of chair dancing.

Various photos will be added to link with the above copy

Tuesday 12th November - A full day from 9.30 - 4.30pm consisting of Prime Movers exercise class, Improve your Health Workshop and Foot Assessments.

Wednesday 13th November - A full day of back to back appointments were organised for Hearing Tests and held in the Flax Room of The Grove Library. Seniors were delighted with this offer and waited patiently for their turn.

Thursday 14th November - On this day Seniors could choose from or, select to attend all of the following activities Active Aging Workshop, Bones 'n' Balance Class and the film screening of 'The Sapphires' at the Heritage Theatre in Cottesloe.

Friday 15th November - Another full day from 9.30am through to 5pm starting with the Mosman Park Community Group who met in the morning for a couple of hours and the afternoon consisted of a Zumba Gold class followed by a Sundowner Social at The Heritage Club Lounge.

Carols by Candlelight 2024 Sunday 8th December 2024

The Shire's annual Carols by Candlelight was held at Manners Hill Park on Sunday 8th December 2024 and was jointly led by The Mighty Camelot Choir and Balga Community Band. This year the pipers were siblings Jasmine Richie from Presbyterian Ladies College (PLC) and Zeke Richie from Scotch College and they started the ball rolling for the evening. Shire President Karen Farley SC said a few words welcoming everyone and gave a special thanks to those who make the evening possible through organisation and participation.

Reverend Sam Song recited a prayer and Jenny Simpson was our incredibly energetic Master of Ceremonies and ensured everything ran smoothly throughout the evening. Jenny effortlessly managed to rally the crowd with her usual enthusiasm and encouraged all the children to come up to the front near the band and sing Christmas carols as well as assisting to draw the winning raffle tickets. This event always proves to be very popular attracting in the region of 400-500 people each year.

The occasion provides an opportunity for people to catch up, it unites local residents, friends and family. As has been the tradition for over twenty five years the Shire supports The Salvation Army Christmas Appeal and all proceeds raised on the night are donated to the BALGA Early Learning Centre.

The centre supports underprivileged children as well as struggling families who are in desperate need of assistance at Christmas. In the months leading up to Carols our amazing volunteers Janice Rooney and Julia Hayes (pictured) were hard at work encouraging a multitude of local businesses to donate fabulous prizes for a raffle on the evening to raise funds for this worthy cause. Their efforts paid off once again, resulting in an impressive figure of \$3361 being raised. Jo Ineson the Child Care Director at the BALGA Early Centre was happy with the result and ensured the funds were bestowed to the children and families most in need.

Various photos will be added to link with the above copy

Dementia Presentation Tuesday 28th January 2025

This presentation was highly anticipated and attended by a varied cross section of people, those who were concerned about developing dementia themselves and wanted guidance and indicators of things to look out for. Others attended on behalf of associates who had received a recent diagnosis of dementia with the aim to educate and inform themselves to be in a better position to help their friends or family and not hinder.

Unfortunately these days dementia is a very topical subject, people are living longer and cognitive impairment affects more and more people each year. This presentation was provided by Amanda from Absolute Care Therapy – Dementia Consultancy, and it offered clear action plans, gave practical strategies, provided education for carers and support teams, supplied tips to boost brain health as well as assistance to manage complex care needs and changing behaviours, without medication. This was a well attended presentation and it did not disappoint.

One photo will be added to link with the above copy

Sustainability

Wardrobe Refreshes for Adults and Children

The Shire remains supportive of the work done by the Western Metropolitan Regional Council (WMRC) including the courses and workshops which are run at The Grove Community Centre each year. In 2024-2025 the Shire continued to create a sense of community by running a series of Wardrobe Refreshes for adults and children.

Clothing swaps are an excellent way to exchange items you no longer require for items you like or need. They promote slow versus fast fashion and are an environmentally friendly reuse strategy that helps reduce our environmental footprint while supporting a circular economy. Clothes swaps are an eco-friendly and sustainable approach to fresh, interesting, and sustainable wardrobe updates. Swaps encourage reuse; items that an individual has worn only a few times or not at all and can be put to use by another person. Exchanges also provide people with a way to recycle and up-cycle garments. Up-cycling is the process of converting existing materials into something new and different.

The manufacturing of textiles has incredibly harsh impacts on the environment, such as the disposal of large amounts of chemicals, resulting in contamination of water resources or other natural resources that are essential to both human and animal life. Textile production is estimated to be responsible for about 20% of global clean water pollution from dyeing and finishing products.

A single laundry load of polyester clothes can discharge 700,000 micro plastic fibres that can end up in the food chain. The majority of micro-plastics from textiles are released during the first few washes.

Fast fashion is based on mass production, low prices and high sales volumes that promotes many first washes.

Two photos will be added to link with the above copy

Kid's Clothing Exchange

A kids clothing exchange is a great way to declutter all those clothes that no longer fit children and in exchange get some 'new' clothes for free. Children grow so quickly that clothes often become too small long before they become too worn, these clothes make perfect hand-me-downs and a clothing swap is a great way to benefit many people all at once. It is also a great way to add new items to a child's wardrobe without spending any money.

In September WMRC and volunteers combined once again with the Shire to hold a Kids' Wardrobe Refresh in The Grove Community Centre. It was another great success, with approximately 200 people attending.

In as little as 15 minutes, families could have a whole 'new' free wardrobe for their little one. People could bring in whatever they had and could take away whatever they liked. Throughout the morning people brought in quality kids clothes, active wear, sleep wear, bags, shoes and accessories that were not worn anymore and exchanged them for garments they would wear. What an amazing concept to be able to switch items with no money exchanging hands and the clothing is given a second lease on life. Some items had never been worn and still had the price tags attached.

27th July 2024 Kids Wardrobe Refresh

Overall 246.48 kgs of children's clothing and accessories were brought in by attendees, 134.49 kgs was taken away by attendees and will be reworn and utilised by other families. This left 111.99 kgs remaining from the morning's Wardrobe Refresh. WMRC took 76.50 kgs for future swaps.

Overall 86% of the clothing was reused and avoided landfill, another great outcome.

Two photos will be added to link with the above copy

5th October 2024 Kids Wardrobe Refresh

155.53 kgs of children's clothing and accessories were brought in by participants, 54.84 kgs were selected and carried away by attendees which will be added to existing wardrobes. 100.68 kgs were leftover from the morning's Wardrobe Refresh and will be brought back in by WMRC and added to further clothing swaps.

Overall 75% of the clothing was reused and avoided landfill, another successful outcome.

Two photos will be added to link with the above copy

16th November 2024 Textile Trail

The Textile Trail was another brain child of WMRC. This involves workshops and events being held across the western suburbs included Deadly Denim (upcycling denim jackets with Aboriginal designs), turning fabric offcuts into cushions in a sewing class, turning council vinyl banners into beach bags, ragging old T-shirts and making dishcloths, turning wedding dresses into party decorations, introduction to darning techniques, two clothing swaps, sustainable style tours with a personal stylist, repair lab, and a pop-up textile offcut collection at WMRC.

The repair lab and vinyl banner upcycling workshop were held at The Grove.

5th April 2025 Kids Wardrobe Refresh

Overall 125.97 kgs of children's clothing and accessories were brought in by attendees, 59.54 kgs was taken away by attendees and will be reworn and utilised by other families. This left 48.33kgs remaining from the morning's Wardrobe Refresh.

Overall 86% of the clothing was reused and avoided landfill, another positive outcome.

Cook More Waste Less 26th May and 14th June 2025 in The Community Centre

Cook More Waste Less interactive workshops supported by WMRC and Foodbank. Multiple workshops were held and they catered for a variety of people, those who eat meat to those who do not, young people, adults and the elderly as well as people who are gluten free.

Attendees were taught how to cook healthy, tasty recipes during the workshop, they then sat down and enjoyed their hard work eating an appetizing meal which they had prepared. These classes are great for anyone wanting to improve their cooking skills.

All workshop attendees learnt how to meal plan, sort waste at home, cook affordable healthy meals, and during the process they gained confidence to cook a range of easy, healthy, and tasty recipes. They learnt tips to avoid creating food waste and took home copies of the easy recipes they learnt in class.

Peppermint Grove Residents Support Good Sammy

In October the Shire of Peppermint Grove participated in another successful donation collection by iconic WA disability employment and training provider Good Sammy. It was a great outcome, there was an increase to 10.9% of resident participation in 2024 from the previous yellow bag collection in 2023 with 525kg collected. The donations were of good quality with a very low rubbish percentage resulting more than 96% of resalable pre-loved items which will result in 8.42 tonne of avoided carbon dioxide through reuse of those items.

Donations were taken to Good Sammy's recycling facility for sorting to identify items that could be sold in their Op Shops and online store to help raise funds to support Western Australians with disability.

Good Sammy extended its thanks to the Shire of Peppermint Grove households who generously contributed to their recent donation drive.

Reusing products is the single best thing to make our society more sustainable. Changing our consumption habits makes an incredibly powerful difference to our environment.

Development Services

“Perpetual character and inviting, accessible and connected amenities”

“Diverse and flourishing local economy”

Services and Staffing

The business activity area combines Urban Planning, Building Regulation and Asset Management, Environmental Health and Ranger Services.

Regulatory services are provided in accordance with Federal and State legislation and are informed by a diverse regulatory framework that includes local laws, technical standards, the Local Planning Scheme and suite of local planning policies.

The Shire has Service Agreements with other Local Governments and contractors to assist in the delivery of statutory requirements as follows:

- City of Nedlands – Building Certification and Compliance
- City of Nedlands – Swimming Pool Barrier Compliance
- Town of Cottesloe – Rangers
- Food Technology Services – Environmental Health

Service Agreements are also in place with numerous private asset management contractors and are regularly reviewed to ensure value for money and best practice work health safety (WHS) standards.

Revenue

Whilst revenue generation is not a driver for Development Services, instead, cost recovery is a key consideration when determining non-statutory fees and charges.

Development Services fees and charges are reviewed prior to the commencement of each financial year to ensure that they are consistent with other Local Government Authorities and reflect the actual costs of delivery. Residents, ratepayers and proponents are encouraged to seek the free independent advice of Development Services staff.

Development Services generated \$217,165 in total revenue for the 2024-2025 financial year. This represented an increase of \$60,047 or 38.2% from the previous reporting period. The revenue increase is largely attributed to increased fees from planning and building applications.

[2 Photos to feature - RFBYC refurbishment](#)

URBAN PLANNING

Development Trends

The Shire predominantly comprises low density residential land containing single detached houses. Higher density residential development including multiple and grouped dwellings are focused along, or in proximity, to Stirling Highway. Commercial and civic areas are also focused on Stirling Highway and include The Cottesloe Village precinct, and the Cottesloe Central shopping centre.

[Photo to feature - Example of infill development](#)

The increased value of residential building works was influenced by escalating costs of building materials and the availability of tradespeople.

The desire to improve the functionality and amenity of heritage listed places continues to drive

innovative conservation works. New homes remained typically contemporary in style.

The local planning policy framework champions the 'Garden Shire' narrative ensuring homes remain set within a generous garden setting and engage with the street. Proponents where practical are encouraged to retain significant trees and to retrospectively bring street walls and fences and vehicle sightlines into compliance with local planning policy.

The Shire has a long-standing position to not support battle-axe subdivision. The development of battle-axe lots with secondary street frontages.

During the reporting period commercial development was limited to internal alterations, signage and incidental works. Animated signage within the Stirling Highway Regional Road Reservation was approved by the Western Australian Planning Commission (WAPC).

The Cottesloe Village centred on Stirling Highway and Leake/Napoleon Streets is the community hub for shopping, dining and leisure experiences. The activity centre has grown and adapted to lifestyle changes over the past 100 years. The activity centre is transitioning towards larger scale mixed use developments that will deliver housing diversity, increased density, and vibrancy.

The Shire and the Town of Cottesloe are seeking to facilitate revitalisation of the activity centre that is sensitive to the Shire's character whilst delivering broader community benefit.

Photo to feature - Example of innovative redevelopment

Urban infill and multiple dwelling development in neighbouring Local Government areas continues to increase pressure on the local road network and rights-of-way. Addressing congestion around the Presbyterian Ladies College and rationalising on-street parking controls are key focus areas.

Subdivision applications are determined by the WAPC. The Shire is a referral authority, and its recommendations are not always supported by the WAPC.

Planning Applications and Deemed-to-Comply Checks

Recent changes to planning legislation requires single house development, other than heritage listed places, to be determined by the Shire CEO. To ensure transparency of decision-making, Elected Members are notified of all single house determinations. Community consultation protocols have also been broadened and often require signage to be displayed on site and plans to be published on the Shire's website.

Development not classified as single house development may be determined under delegated authority or by Elected Members. The types of proposals, limitations and protocols for seeking delegated authority is prescribed by an adopted local planning policy. Delegation not sought for proposals are those which seek significant departures from the planning policy framework, or when valid objections are received, or when refusal is contemplated.

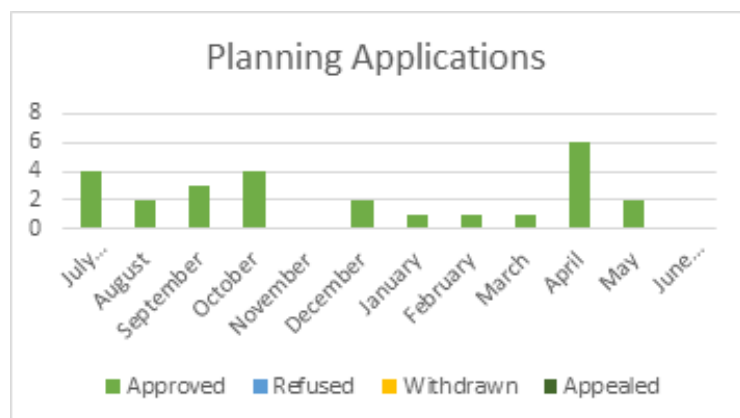
Development Services actively promotes pre-lodgement meetings with proponents to discuss concept designs, identify site constraints, and the likely administrative processes. Early engagement can often speed up approval times and/or reduce the number of potential reviews by the State Administrative Tribunal (SAT). Negotiating design modifications and, where practical, planning conditions can also enable timely approvals and the earlier commencement of building works.

During the reporting period a Planning Application for a single house development in non-compliance with the local planning scheme requirement for plot ratio was appealed at the SAT. The SAT ruled in

favour of the Shire which was subsequently appealed and upheld at the Supreme Court. The Shire is appealing this decision at the Court of Appeal.

For the 2024-2025 reporting period the Shire determined twenty-six (26) Planning Applications. \$91,601 in revenue was generated. Whilst the number of applications was lower from the previous reporting period, the estimated value of construction and associated fees significantly increased.

Anecdotally, the availability of trades contributed to increased construction costs. Eleven (11) Planning Applications were amended.



Planning applications determined by month

Deemed-to-Comply Checks are typically sought for more complex residential projects. They enable the Shire to identify the most expedient approval pathway and recommend design changes to better align with the local planning policy framework prior to lodging a formal application for approval.

Strategic Planning

The key strategic initiatives commenced during the reporting period were the preparation of a new Local Planning Strategy, and progression of the Cottesloe Village Precinct Structure Plan.

These strategic projects are undertaken in collaboration with the Town of Cottesloe, the Department of Planning Lands and Heritage and planning consultants.

The draft Cottesloe Village Precinct Structure Plan was finalised during the reporting period and amended at the direction of the state government. It will provide design guidance and inform the new Local Planning Strategy and associated Omnibus Scheme Amendment. Consent to enable community consultation on the Cottesloe Village Precinct Structure Plan remains with the State government and is anticipated in 2026.

During the reporting period a local planning policy for Tree Retention was adopted making the Shire one of the first local governments in Western Australia to have adopted a policy to guide the extent to which tree removal requires approval.

Improving the quality of Planning Application submissions remained a focus area. The Information Sheet – Residential Development that captures the nuances of the local planning policy framework was updated to clarify local planning policy interpretation.

A review of the Shire's Heritage Survey 2021 commenced during the reporting period. The Heritage Survey is a living document that seeks to record the built and cultural history of registered places. The review focused on updating and correcting the existing datasheets for those properties for which development works had been approved since 2018. The updates to the Heritage Survey are carried across to the State Heritage Office's Inherit database.

The Minister for Planning approved Scheme Amendment no.2 to recode lot 24 and lot 26 (no. 12) Johnston Street to a higher R80 coding. The Minister directed the Shire to readvertise the proposal at a density higher than R40 was predicated on the state governments commitment to increase housing supply through infill development.

Through the development of a responsive local planning policy framework and engagement with the private sector and all levels of government agencies, the Shire is advocating a moderate balance of additional in fill housing whilst maintaining the established Garden Shire character and amenity.

The future delivery of the Local Planning Strategy and associated Omnibus Scheme Amendment by Development Service will enable the Shire's planning policy framework to guide development for the next ten (10) years.

State Government Planning Reform Program

The Western Australian Government has continued to implement its planning reform agenda to modernise the planning system and expedite the delivery of housing and other critical infrastructure. Delivery is being undertaken through legislative, regulatory and policy reforms, and the development of guidance documents. Key initiatives implemented during the reporting period include:

- Changes to the Planning and Development Amendment Regulations (Review of Planning Instruments) 2025.
- New development classification thresholds under the Significant Development Pathway.
- The mandatory periodic review of local planning schemes and policies has increased from five (5) years to ten (10) years.
- Introduction of Short Term Rental Accommodation reforms including exemptions from local government approval for unhosted accommodation for up to ninety (90) days per annum.
- Introduction of single house development reforms to mandate the determination pathway.
- Progression of the homogenisation of the structure of local planning policies.

The Shire acknowledges that the changes to the local planning policy framework must support this reform agenda. Notwithstanding, the Shire is committed to work with the Western Australian Local Government Association (WALGA) and other stakeholders to ensure local decision-making powers are retained and the character and amenity of the Garden Shire is conserved.

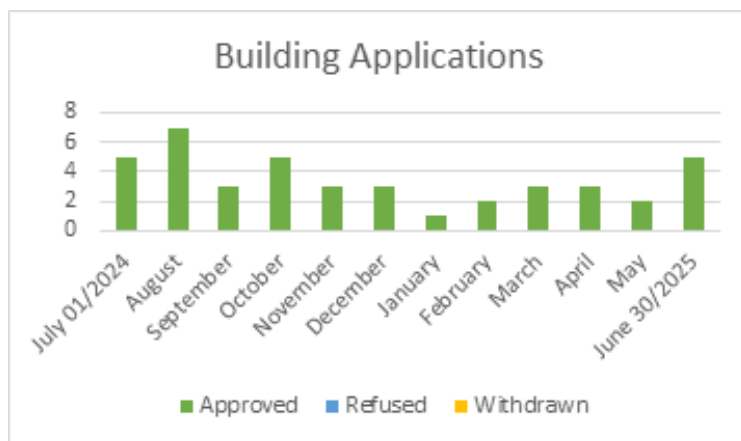
BUILDING REGULATION AND ASSET MANAGMENT

Building Applications

Most Building Applications lodged are BA1 applications certified by private building surveyors. Building legislation stipulates that building plans must align with those endorsed as part of their respective Planning Applications, and that any pertinent planning conditions are satisfied.

Building Applications that meeting this requirement were all determined within statutory processing times. During the 2024-2025 reporting period the Shire issued forty-two (42) Building Permits, four (4) Demolition Permits, and six (6) miscellaneous building approvals which includes amendments and occupancy permits. These applications reflected almost \$45M in building construction and demolition costs. \$79,330 in revenue was generated excluding the Building Services Levy (BSL) and Building and Construction Industry Training Fund (BCITF) levy component.

The significant increase in the value of building activity was largely driven by a high value building projects and an increase in the number of Development Approvals issued in the preceding reporting period.



Building applications determined by month

The Shire and swimming pool owners have a legal obligation to ensure that new barriers are compliant, and that existing barriers remain compliant. Across the four-year cycle pool barrier inspections are programmed to be cost-neutral and Pool owners pay a levy as part of their annual rates notice. Under the Service Agreement with the City of Nedlands, twenty-eight (28) properties were inspected to ensure compliant pool barriers are in place as part of the four-year inspection cycle.

Plan Searches

Digitisation of the Shire's property files concluded during the reporting period. Digitisation has preserved the quality of historical records and expedited the delivery of plan search applications. For the 2024-2025 reporting period Development Services performed twenty-nine (29) plan searches which represented a modest increase.

Asset Management

The Shire manages The Grove which includes a public library, the Shire administration offices, a community centre, café, child infant health office, parking station and civic gardens. The library and community centre is shared between the Shire of Peppermint Grove and Towns of Mosman Park and Cottesloe. Aside from the Shire administration offices, capital improvement and building maintenance costs are shared between the local governments on a per capita basis. The building and grounds have been progressively upgraded to maintain a high standard of amenity and safety for public use.

ENVIRONMENTAL HEALTH SERVICES

Food Premises Inspections

Food Technology Services in collaboration with Development Services administered duties under the Food Act 2008, which under a Service Agreement which commenced on 1 July 2024.

The objectives of the Food Act are to ensure food for sale is both safe and suitable for human consumption, to prevent misleading conduct in connection with the sale of food, and to apply the Food Standards Code. Food premises must be registered and are routinely inspected with the frequency of inspections reflecting their risk classification. Contracted environmental health officers may issue Improvement Notices where standards pertaining to the handling and storage of food, equipment, or transportation is not demonstrated.

As of 30 June 2025, the Shire had nineteen (19) food premises which are inspected at least once per annum. The risk category of the individual premise governs the frequency of inspections. Premises deemed very low risk are inspected every five (5) years to confirm their trading status has not changed.

Public Buildings

Public buildings are required to be routinely inspected to ensure compliance with the Health (Public

Buildings) Regulations 1992. At the completion of construction or change of building classification, a building will be inspected by an Environmental Health Officer and a Building Inspector prior to a certificate of approval, or a certificate of occupancy being issued.

Premises are subject to routine health inspection to ensure ongoing compliance with the regulations and to ascertain that no hazards are introduced by inappropriate operating procedures. As of 30 June 2025, the Shire inspected seven (7) public buildings.

Noise Management

Noise limits are regulated under the Environmental Protection (Noise) Regulations 1997, which guide construction hours stipulated in Planning Approvals, Demolition Permits and Building Permits. Proponents must notify nearby noise sensitive properties, such as schools and residences, by way of a letter drop advising the nature and timing of works for which noise levels may be exceeded or nuisance otherwise be caused.

It is not always practical for some construction and maintenance activities to be conducted within usual hours due to the need to shut down power or requirement to close roads and footpaths. Nightworks Permit must be obtained for out of hours works, or for those that exceed permitted noise levels.

Public Health and Wellbeing Plan

The Public Health Act 2016 mandates development of a local Public Health Plan that must align with the State Public Health Plan. A Public Health Plan is a strategic document that outlines actions to improve community health and wellbeing. The Shire’s draft Public Health and Wellbeing Plan was in development at the conclusion of the reporting period.

RANGER SERVICES

Parking Control

The Town of Cottesloe provides parking inspection functions under a Service Agreement. Ranger patrols focused on school zones and the Freshwater Bay foreshore. Whilst compliance is always encouraged, enforcement is often necessary where obstructions to rights-of-way or driveways are observed or otherwise brought to the Shire’s attention.

For the 2024-2025 reporting period eighteen (18) parking infringements were issued. Half of these were issued in the month of February and were school zone related.

Residential Parking Permits are available upon application for vehicles registered to owners with a residential address fronting a street subject to parking restrictions. Parking permits are not available for non-residents, visitors or contractors.



Building applications determined by month

Animal Control

The Town of Cottesloe provides animal control functions under a Service Agreement. For the 2024-2025 reporting period 1 dog infringement was issued.

All cats and dogs must be registered. As of 30 June 2025, there were 48 registered cats, and 257 registered dogs. The registration year commences on the 1st of November each year and expires on 31 October the following year. Where evidence of a complaint about an animal such as nuisance barking or a dog off its leash along the foreshore, the Rangers will investigate and seek a resolution.

The Cat Act 2011 seeks to ensure responsible pet ownership by reducing the number of unwanted cats and that which are euthanised each year. All cats must be sterilised/desexed before they reach six (6) months of age. All kittens should be sterilised around three months of age before they reach sexual maturity.

The Dog Act 1976 seeks the control and registration of dogs, the ownership and keeping of dogs, and the obligations and rights of dog owners and others. All dogs must be registered before they reach three (3) months of age.

CONCLUSION

Development Services is committed to retaining the established character and amenity of the Garden Shire. To achieve this, it works closely with proponents, the community, Elected Members and a diverse network of stakeholders in the pursuit of sustainable development.

Strategic and operational policy is continuously reviewed and for the reporting period has focused on preserving the Garden Shire character and amenity of the Shire. The preparation of a new Local Planning Strategy that will inform an Omnibus Scheme Amendment has commenced in tandem with further development of the Cottesloe Village Precinct Structure Plan.

The state government commitment to infill housing will continue to be a challenge in the coming years in the pursuit of retaining the established character and high residential amenity of the Garden Shire.

Infrastructure Management

Natural Environment

The ongoing maintenance and renewal of the Shire's assets was a priority for the Infrastructure Team in 2024-2025. Some key achievements include:

Keanes Point Playground Renewal Project

The ageing play equipment at Keanes Point was replaced with a new, larger combined playground. After consulting with a working group consisting primarily of parents who regularly use the park, a design with a distinct maritime theme was settled on that should provide years of fun, games and physical challenges for children of all ages next to a beautiful riverside setting.

[3 photos to feature of the new playground](#)

Manners Hill Park 'Cockitrough' Project

A 'Cockitrough' bird waterer was installed in north-eastern corner of Manners Hill Park. This innovative unit provides a consistent source of fresh water for native birds and is designed specifically for the needs of Black Cockatoos in WA.

[1 photo to feature](#)

Memorial Wall Project

Over the years, the Shire has received numerous community enquiries from residents seeking personal commemorative plaques, shrines, and benches. However, the volume of requests would eventually exceed the available space—an issue already encountered by other local governments. In response, the Shire established a dedicated Memorial Wall along the river walk near the Scotch Boatshed at Freshwater Bay, creating a serene place where loved ones can sit peacefully, take in the view, and remember those who have passed.

The Memorial Wall features a unique design, and its quiet riverside setting offers a meaningful place of reflection and remembrance for families, friends and the broader community.

The Memorial Wall was officially opened on Thursday, 14 November 2024. Shire President Karen Farley SC marked the occasion by cutting the ribbon, joined by Shire resident Sacha Chiaramonte, who first proposed the idea in memory of his daughter Olympia.

Council subsequently endorsed the development of a Memorial Wall on the Freshwater Bay foreshore to recognise long-term residents who have passed.

Family members may request the installation of individual memorial plaques on the structure.

[3 photos to feature](#)

Administration and Library building carpark sign

As part of the Shire's Asset Management Plan, an LED carpark sign was installed at the Leake Street ramp entrance to the underground carpark. This solar powered unit counts and displays the number of parking bays available in real time so Library users can be confident of getting a parking spot before entering the facility.

[1 photo to feature](#)

FOGO Rollout

The Shire's weekly FOGO (Food Organics Garden Organics) bin system was rolled in May 2025. This environmental initiative is designed to convert organic material into compost and divert waste away from landfill, whilst also meeting the State Government compliance requirements.



Street Trees

The Shire's tree maintenance and replacement program continued resulting in over 165 new Peppermint and Tuart trees being planted on verges and in parks throughout the area. This ongoing process will ensure that Peppermint Grove's extensive urban canopy and beautiful streetscapes will continue to be enjoyed for many years to come.

[2 photos to feature](#)

Shire Administration Building and Grove Library

Work continued on landscaping the grounds of the Shire's Administration Building and Grove Library.

[1 photo to feature](#)

Turf replacement

Manners Hill Park and Keanes point had sections of damaged and compacted turf replaced with new roll-on Kikuyu.

[1 photo to feature](#)

Drainage Improvements and Maintenance

Work continued on cleaning and maintaining the Shire's stormwater drainage system. New grates and pits are being installed on an ongoing basis with a focus on laneways.

[2 photos to feature](#)

Footpath maintenance

The footpath maintenance and replacement program continued with damaged sections replaced.

[1 photo to feature](#)

Right of way maintenance

All the unpaved Rights of Way are being systematically tidied and re-sheeted with recycled road profiling.

[1 photo to feature](#)

Governance Strategies 2024-2025

“Transparent and accountable Council and Community Leadership...”

Recordkeeping Plan

The Shire is committed to the reliable and systematic management of government records in accordance with legislative requirements outlined in the State Records Act 2000 and best practice standards identified in ISO 15489.

The Shire’s Recordkeeping Plan was updated in 2023, with a review due in the 2025-2026 financial year.

The objectives of the Recordkeeping plan are to ensure:

- Compliance with Section 28 of the State Records Act 2000;
- Recordkeeping within the Shire is moving towards compliance with State Records Commission Standards and Records Management Standard ISO 15489;
- Processes are in place to facilitate the complete and accurate record of business transactions and decisions;
- Recorded information can be retrieved quickly, accurately and cheaply when required; and the
- Protection and preservation of the Shire’s records.

In accordance with Section 17 of the Local Government Act 1995, the Shire and all of its employees are legally required to comply with the contents of this plan. Induction and training programs are in place to ensure recordkeeping obligations are met by employees, elected members, contractors and outsourced services.

National Competition Policy

In the 2024-2025 financial year, the Shire maintained full compliance with its obligations under the National Competition Policy (NCP). Established by the Council of Australian Governments (COAG) in 1995, the NCP aims to enhance the efficiency and effectiveness of public sector operations by encouraging fair competition. The policy applies particularly to local governments when they undertake significant business activities that compete, or have the potential to compete, with the private sector. It also requires review of local laws that may restrict competition.

During the reporting period, the Shire conducted its regular assessment of relevant activities and confirmed compliance, with no complaints or breaches reported. The core objective of the NCP is to ensure that competitive practices are upheld across sectors, supporting innovation, improved service delivery, increased consumer choice, and better value through lower prices and enhanced quality.

Competitive Neutrality

Competitive neutrality principles are intended to ensure that government-owned businesses do not enjoy unfair advantages over their private sector counterparts simply due to public ownership. These principles are established under the Competition Principles Agreement (CPA) and implemented through state-based policies.

Under these principles, local governments are required to apply competitive neutrality to any significant business activity that they own or control, particularly where such activity generates \$200,000 or more in annual revenue and operates in a market with private competitors. In Western Australia, this threshold is used to identify activities that may impact fair competition.

During the 2024-2025 financial year, the Shire did not conduct or control any business activities that

met the criteria for significant business activity and, as such, was not subject to competitive neutrality requirements.

Structural Reform of Public Monopolies

The Shire of Peppermint Grove is not classified as a natural monopoly and does not operate any business activities considered public monopolies. The Shire does not provide exclusive services where competition is limited, such as waste collection or water supply, that would typically fall under this definition.

Compliance Audit Return

In accordance with Western Australian legislative requirements, the Shire is required to complete and submit an Annual Compliance Return to the Department of Local Government by 31 March each year. This requirement is set out under section 7.13(1)(i) of the Local Government Act 1995 and regulation 14 of the Local Government (Audit) Regulations 1996.

This return assesses the Shire's adherence to key provisions of the Local Government Act 1995 and associated regulations, ensuring transparency and accountability in governance. The Shire submitted the return in accordance with the required deadline.

Members Meeting Attendance 2024-2025

Register of Councilor Attendance at Meetings (Regulation 19B(F))	Number of Ordinary Council Meetings Attended 11 Held	Number of Audit Governance & Risk Management Committee Meetings Attended 3 Held	Number of Annual General Meeting of Electors Attended 1 Held	Number of Special Council Meetings Attended 1 Held
Cr K Farley SC	9	Not a member	1	1
Cr P Dawkins	10	3	1	1
Cr Charles Hohnen	11	3	1	1
Cr Peter Macintosh	9	3	1	1
		Not a member	1	1
Cr Doug Jackson	9	Not a member	1	1
Cr Emerald Bond	11	Not a member	1	1
Cr Jessamy Mahony	7	3	1	1

Training Register 2024-2025

Councilor Name	Course	Completion Date
Jessamy Mahony	Planning Practices Advanced	14/03/25
	Serving on Council	17/10/24
	Planning Practices – The Essentials	6/08/24
	Understanding Local Government	5/08/24
Karen Farley	Serving on Council	28/10/24
	Meeting Procedures	19/08/24
	Conflicts of Interest	19/08/24
	Understanding Local Government	5/08/24
Patrick Dawkins	Understanding Financial Statements and Budgets	11/10/24
	Meeting Procedures	5/8/24
Peter Macintosh	Conflicts of Interest	24/09/24
	Understanding Financial Statements and Budgets	23/08/24
	Meeting Procedures	18/08/24
	Understanding Local Government	5/08/24
Emerald Bond	Serving on Council	23/09/24
	Understanding Financial Statements and Budgets	26/8/24
	Meeting Procedures	19/08/24
	Conflicts of Interest	19/08/24
	Understanding Local Government	5/08/24
Doug Jackson	Meeting Procedures	7/9/24
	Serving on Council	7/9/24
	Understanding Financial Statements and Budgets	26/08/24
Charles Hohnen	Understanding Financial Statements and Budgets	26/8/24
	Meeting Procedures	19/8/25
	Conflicts of Interest	19/08/24
	Serving on Council	9/08/24
	Understanding Local Government	5/08/24

Equal Employment Opportunity (EEO) Management Plan

The Shire has developed a Management Plan in accordance with Part IX of the Equal Opportunity Act 1984 (WA) and aligned with the EEO and Diversity Outcome Standards Framework issued by the Director of Equal Opportunity in Public Employment.

By promoting an inclusive, respectful, and equitable workplace, the Shire recognises the value of workforce diversity in attracting and retaining skilled employees, fostering innovation, and enhancing the quality of decision-making and service delivery.

Employee Remuneration 2024-2025

In accordance with s19(b) of the Local Government (Administration) Regulation 1996, the number of Shire employees entitled to an annual salary of \$130,000 or more during the 2024-2025 year were:

Salary Range	Number of Employees 2024-2025
\$130,000 to \$139,000	
\$140,000 to \$149,999	2
\$150,000 to \$159,999	1
\$160,000 to \$169,999	
\$170,000 to \$179,000	
\$180,000 to \$189,000	
\$190,000 to \$199,000	1

The total remuneration for the CEO in 2024-2025 is \$224,221. This includes salary, allowances, fees, enrolments and benefits.

Compliance Audit Return

The Shire must submit an annual return to the Department of Local Government by March each year. This return assesses compliance with various sections of the Local Government Act and its associated Regulations. For 2024 there are no negative responses.

Freedom of Information

In compliance with sections 96 and 97 of the Freedom of Information Act 1992, the Shire is obliged to issue an annual Information Statement outlining the procedure for requesting information under the Act. During the 2024-2025 period, there were two applications under the Freedom of Information Act.

Disability and Access Inclusion Plan

The Shire of Peppermint Grove is committed to upholding the principles of equity, access, and inclusion in line with relevant legislation, including the Disability Discrimination Act 1992 and the Disability Services Act 1993. We strive to ensure that all services, events, information, buildings, and facilities under the Shire's control are accessible and inclusive for people of all abilities.

The Shire's Access and Inclusion Plan (2023–2028), which outlines our strategies for improving access and participation in community life, is available on the Shire of Peppermint Grove's website.

Complaints Register

Any breach of the Shire's local laws or the rules of conduct by an Elected Member must be documented in a register, including the outcome of the investigation and any actions taken in response to the complaint.

The Shire confirms that no complaints were received during the 2024/25 financial year, as defined under Section 5.105 of the Local Government Act 1995.

Public Interest Disclosures

The Shire of Peppermint Grove is committed to promoting integrity, accountability, and transparency in accordance with the Public Interest Disclosure Act 2003 (PID Act). The Act provides a legal framework for individuals to report misconduct, corruption, or other improper conduct within the Shire's operations.

The Shire encourage employees, contractors, and members of the community to make disclosures where they reasonably believe wrongdoing has occurred. Disclosures made under the PID Act are protected by law, and the Shire is committed to ensuring such matters are managed fairly, confidentially, and in accordance with legislative requirements.

The PID Act plays a vital role in strengthening public trust by supporting the timely identification and resolution of misconduct in public sector organisations.

Communication

In addition to maintaining its official website, the Shire expanded its digital presence this financial year by actively engaging with the Peppermint Grove community through platforms such as Facebook and Instagram. These additional channels have enhanced the Shire's ability to communicate effectively, increase transparency, and share relevant information of interest to residents.

External Committees

Two council members are appointed to represent the Shire at the following Committees

External Committee	Council Representative 2024 2025
WALGA Central Metropolitan Zone Committee	Cr C Hohnen
Western Metropolitan Regional Council	Cr P Macintosh



Auditor General

INDEPENDENT AUDITOR'S REPORT 2025

Shire of Peppermint Grove

To the Council of the Shire of Peppermint Grove

Opinion

I have audited the financial report of the Shire of Peppermint Grove (Shire) 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 Shire 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 Shire 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 Shire'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 Shire.

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

Liang Wong
Acting Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
27 November 2025

SHIRE OF PEPPERMINT GROVE
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

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The Shire of Peppermint Grove conducts the operations of a local government with the following community vision:

A Shire valued for it's heritage, sense of community and natural ambience.

Principal place of business:
1 Leake Street
Peppermint Grove
Western Australia 6011

**SHIRE OF PEPPERMINT GROVE
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 Shire of Peppermint Grove 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 26th day of November 2025



CEO

Don Burnett

Name of CEO

SHIRE OF PEPPERMINT GROVE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	2(a),22	3,768,005	3,754,655	3,644,386
Grants, subsidies and contributions	2(a)	59,344	1,394,450	150,829
Fees and charges	2(a)	376,816	401,455	280,365
Interest revenue	2(a)	216,094	231,000	204,486
Other revenue	2(a)	258	7,600	11,717
		4,420,517	5,789,160	4,291,783
Expenses				
Employee costs	2(b)	(1,764,213)	(2,621,050)	(1,636,158)
Materials and contracts		(1,997,112)	(2,665,586)	(1,873,922)
Utility charges		(66,393)	(117,500)	(78,356)
Depreciation		(503,838)	(468,350)	(515,968)
Finance costs	2(b)	(44,287)	(52,043)	(50,514)
Insurance		(54,660)	(101,150)	(65,596)
Other expenditure	2(b)	(112,608)	(130,100)	(44,147)
		(4,543,111)	(6,155,779)	(4,264,661)
		(122,594)	(366,619)	27,122
Capital grants, subsidies and contributions	2(a)	49,815	49,162	10,190
Profit on asset disposals		20,932	18,000	13,715
Loss on asset disposals		0	0	(114,412)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(888)	0	403
Share of net profit of associates accounted for using the equity method	19(c)	12,429	0	9,236
		82,288	67,162	(80,868)
Net result for the period		(40,306)	(299,457)	(53,746)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	0	0	(125,170)
Share of other comprehensive income of associates accounted for using the equity method	14, 19(b)	0	0	722
Total other comprehensive income for the period	14	0	0	(124,448)
Total comprehensive income for the period		(40,306)	(299,457)	(178,194)

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

SHIRE OF PEPPERMINT GROVE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	3	808,528	896,508
Trade and other receivables	5	159,961	338,420
Other financial assets	4(a)	2,148,466	2,155,390
TOTAL CURRENT ASSETS		3,116,955	3,390,318
NON-CURRENT ASSETS			
Trade and other receivables	5	95,767	98,195
Other financial assets	4(b)	19,905	20,793
Investment in associate	19(a)	143,402	130,973
Property, plant and equipment	6	15,838,470	16,060,682
Infrastructure	7	17,155,518	16,885,553
Right-of-use assets	9(a)	42,778	0
TOTAL NON-CURRENT ASSETS		33,295,840	33,196,196
TOTAL ASSETS		36,412,795	36,586,514
CURRENT LIABILITIES			
Trade and other payables	10	386,258	503,241
Contract liabilities	11	0	29,786
Lease liabilities	9(b)	11,174	3,343
Borrowings	12	41,700	41,615
Employee related provisions	13	205,677	176,247
TOTAL CURRENT LIABILITIES		644,809	754,232
NON-CURRENT LIABILITIES			
Lease liabilities	9(b)	28,290	6,007
Borrowings	12	532,491	574,192
Employee related provisions	13	6,799	11,372
TOTAL NON-CURRENT LIABILITIES		567,580	591,571
TOTAL LIABILITIES		1,212,389	1,345,803
NET ASSETS		35,200,406	35,240,711
EQUITY			
Retained surplus		9,610,559	9,673,726
Reserve accounts	25	2,148,466	2,125,604
Revaluation surplus	14	23,441,381	23,441,381
TOTAL EQUITY		35,200,406	35,240,711

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

SHIRE OF PEPPERMINT GROVE
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		9,864,517	1,988,559	23,565,829	35,418,905
Comprehensive income for the period					
Net result for the period		(53,746)	0	0	(53,746)
Other comprehensive income for the period	14	0	0	(124,448)	(124,448)
Total comprehensive income for the period		(53,746)	0	(124,448)	(178,194)
Transfers from reserve accounts	25	34,872	(34,872)	0	0
Transfers to reserve accounts	25	(171,917)	171,917	0	0
Balance as at 30 June 2024		9,673,726	2,125,604	23,441,381	35,240,711
Comprehensive income for the period					
Net result for the period		(40,306)	0	0	(40,306)
Total comprehensive income for the period		(40,306)	0	0	(40,306)
Transfers from reserve accounts	25	443,000	(443,000)	0	0
Transfers to reserve accounts	25	(465,862)	465,862	0	0
Balance as at 30 June 2025		9,610,559	2,148,466	23,441,381	35,200,406

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

SHIRE OF PEPPERMINT GROVE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		3,821,631	3,635,905
Grants, subsidies and contributions		198,743	509,792
Fees and charges		376,816	280,365
Interest revenue		216,094	204,486
Other revenue		258	11,717
		<u>4,613,542</u>	<u>4,642,265</u>
Payments			
Employee costs		(1,739,234)	(1,665,198)
Materials and contracts		(2,156,141)	(2,051,666)
Utility charges		(66,393)	(78,356)
Finance costs		(44,287)	(50,514)
Insurance paid		(54,660)	(65,595)
Other expenditure		(112,608)	(44,146)
		<u>(4,173,323)</u>	<u>(3,955,475)</u>
Net cash provided by operating activities		440,219	686,790
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	6(a)	(80,624)	(101,777)
Payments for construction of infrastructure	7(a)	(546,291)	(83,050)
Proceeds from capital grants, subsidies and contributions		49,815	10,190
Proceeds for financial assets at amortised cost		6,924	
Proceeds from sale of property, plant & equipment		100,586	36,651
Net cash (used in) investing activities		(469,590)	(137,986)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	24(a)	(41,616)	(38,886)
Payments for principal portion of lease liabilities	24(b)	(16,993)	(8,442)
Net cash (used in) financing activities		(58,609)	(47,328)
Net increase (decrease) in cash held		(87,980)	501,476
Cash at beginning of year		896,508	395,032
Cash and cash equivalents at the end of the year		808,528	896,508

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

SHIRE OF PEPPERMINT GROVE
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	22	3,768,005	3,754,655	3,644,386
Grants, subsidies and contributions		59,344	1,394,450	150,829
Fees and charges		376,816	401,455	280,365
Interest revenue		216,094	231,000	204,486
Other revenue		258	7,600	11,717
Profit on asset disposals		20,932	18,000	13,715
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	0	0	403
Share of net profit of associates accounted for using the equity method	19(c)	12,429	0	9,236
		4,453,878	5,807,160	4,315,137
Expenditure from operating activities				
Employee costs		(1,764,213)	(2,621,050)	(1,636,158)
Materials and contracts		(1,997,112)	(2,665,586)	(1,873,922)
Utility charges		(66,393)	(117,500)	(78,356)
Depreciation		(503,838)	(468,350)	(515,968)
Finance costs		(44,287)	(52,043)	(50,514)
Insurance		(54,660)	(101,150)	(65,596)
Other expenditure		(112,608)	(130,100)	(44,147)
Loss on asset disposals		0	0	(114,412)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(888)	0	0
		(4,543,999)	(6,155,779)	(4,379,073)
Non-cash amounts excluded from operating activities	23(a)	459,379	450,350	577,084
Amount attributable to operating activities		369,258	101,731	513,148
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		49,815	49,162	10,190
Proceeds from disposal of assets		100,586	78,000	36,651
		150,401	127,162	46,841
Outflows from investing activities				
Right of use assets received - non cash	9(a)	(47,107)	0	0
Acquisition of property, plant and equipment	6(a)	(80,624)	(469,500)	(101,777)
Acquisition of infrastructure	7(a)	(546,291)	(677,000)	(83,050)
		(674,022)	(1,146,500)	(184,827)
Non-cash amounts excluded from investing activities	23(b)	47,107	0	0
Amount attributable to investing activities		(476,514)	(1,019,338)	(137,986)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new leases - non cash	24(b)	47,107	0	0
Transfers from reserve accounts	25	443,000	693,000	34,872
		490,107	693,000	34,872
Outflows from financing activities				
Repayment of borrowings	24(a)	(41,616)	(38,886)	(38,886)
Payments for principal portion of lease liabilities	24(b)	(16,993)	0	(8,442)
Transfers to reserve accounts	25	(465,862)	(373,862)	(171,917)
		(524,471)	(412,748)	(219,245)
Non-cash amounts excluded from financing activities	23(c)	(47,107)	0	0
Amount attributable to financing activities		(81,471)	280,252	(184,373)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	23(d)	717,673	717,673	526,882
Amount attributable to operating activities		369,258	101,731	513,148
Amount attributable to investing activities		(476,514)	(1,019,338)	(137,986)
Amount attributable to financing activities		(81,471)	280,252	(184,373)
Surplus or deficit after imposition of general rates	23(d)	528,946	80,318	717,671

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

**SHIRE OF PEPPERMINT GROVE
FOR THE YEAR ENDED 30 JUNE 2025
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SHIRE OF PEPPERMINT GROVE
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 Shire of Peppermint Grove which is a Class 4 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 *Local Government Act 1995*, 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 except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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 *Leases* which would have required the Shire 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 Shire 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 6
 - Infrastructure - note 7
- Impairment losses of non-financial assets - Note 8
- Measurement of employee benefits - note 13
- Measurement of provisions - note 13

Fair value heirarchy information can be found in note 21

The local government reporting entity

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

SHIRE OF PEPPERMINT GROVE
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
Rates	General rates	Over time	Payment date adopted by Council during the year	None	When rates notice is issued
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, 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

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

Rate revenue was recognised from the rate record as soon as practicable after the Shire 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	3,768,005	0	3,768,005
Grants, subsidies and contributions	59,344	0	0	0	59,344
Fees and charges	169,567	0	207,249	0	376,816
Interest revenue	0	0	0	216,094	216,094
Other revenue	0	0	0	258	258
Capital grants, subsidies and contributions	0	49,815	0	0	49,815
Total	228,911	49,815	3,975,254	216,352	4,470,332

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,644,386	0	3,644,386
Grants, subsidies and contributions	150,829	0	0	0	150,829
Fees and charges	125,132	0	155,233	0	280,365
Interest revenue	0	0	0	204,486	204,486
Other revenue	0	0	0	11,717	11,717
Capital grants, subsidies and contributions	0	10,190	0	0	10,190
Total	275,961	10,190	3,799,619	216,203	4,301,973

SHIRE OF PEPPERMINT GROVE
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		
Interest on reserve account	84,408	90,090
Trade and other receivables overdue interest	29,089	26,091
Other interest revenue	102,597	88,305
	216,094	204,486
The 2025 original budget estimate in relation to: Trade and other receivables overdue interest was \$24,700		
Fees and charges relating to rates receivable		
Charges on instalment plan	6,156	6,705
The 2025 original budget estimate in relation to: Charges on instalment plan was \$7,200		

(b) Expenses

Auditors remuneration		
- Audit of the Annual Financial Report	38,812	38,500
- Other services – grant acquittals	1,000	4,000
	39,812	42,500
Employee Costs		
Employee benefit costs	1,764,213	1,636,158
	1,764,213	1,636,158
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	44,287	50,514
	44,287	50,514
Other expenditure		
Sundry expenses	112,608	44,147
	112,608	44,147

SHIRE OF PEPPERMINT GROVE
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	808,528	896,508
Total cash and cash equivalents	808,528	896,508
*NOTE Prior year reclassification Financial assets at amortised cost - term deposits, have been reclassified. Previously, they were shown under Cash and Cash Equivalents, but as the funds were invested for longer than 3 months, they have been reclassified as Other Financial Assets.		
Held as		
- Unrestricted cash and cash equivalents	808,528	896,508
	808,528	896,508

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.

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Note	2025	2024
	\$	\$
Financial assets at amortised cost - term deposits*	2,148,466	2,155,390
	2,148,466	2,155,390
*NOTE Prior year reclassification Financial assets at amortised cost - term deposits, have been reclassified. Previously, they were shown under Cash and Cash Equivalents, but as the funds were invested for longer than 3 months, they have been reclassified as Other Financial Assets.		
Other financial assets at amortised cost		
Term deposits	2,148,466	2,155,390
	2,148,466	2,155,390
Held as		
- Restricted other financial assets at amortised cost	15 2,148,466	2,155,390
	2,148,466	2,155,390
(b) Non-current assets		
Financial assets at fair value through profit or loss	19,905	20,793
	19,905	20,793
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	20,793	20,390
Movement attributable to fair value increment	(888)	403
Units in Local Government House Trust - closing balance	19,905	20,793

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire 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 hierachy (see Note 21 (i)) due to the observable market rates.

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

Financial assets at fair value through profit or loss

The Shire 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 Shire has elected to recognise as fair value gains and losses through profit or loss.

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

5. TRADE AND OTHER RECEIVABLES

Current

Rates and statutory receivables
 Trade receivables
 Other receivables
 Lease receivable

Non-current

Rates and statutory receivables
 Lease receivable
 Long service leave - due by other Local Governments

Note	2025	2024
	\$	\$
	8,508	27,625
	125,802	258,341
	19,856	46,659
	5,795	5,795
	159,961	338,420
	7,415	0
	69,529	75,324
	18,823	22,871
	95,767	98,195

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 Shire 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.

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

6. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

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

		Assets not subject to operating lease		Total property				Plant and equipment		Total property, plant and equipment
	Note	Land	Buildings	Land	Buildings	Work in progress	Total property	Furniture and equipment	Plant and equipment	
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023		9,485,000	6,634,723	9,485,000	6,634,723	0	16,119,723	28,553	285,558	16,433,834
Additions		0	40,879	0	40,879	0	40,879	6,905	53,993	101,777
Disposals		0	(114,412)	0	(114,412)	0	(114,412)	0	(22,938)	(137,350)
Revaluation increments / (decrements) transferred to revaluation surplus		0	(125,172)	0	(125,172)	0	(125,172)	0	0	(125,172)
Depreciation		0	(146,517)	0	(146,517)	0	(146,517)	(4,833)	(61,057)	(212,407)
Balance at 30 June 2024		9,485,000	6,289,501	9,485,000	6,289,501	0	15,774,501	30,625	255,556	16,060,682
Comprises:										
Gross balance amount at 30 June 2024		9,485,000	7,171,623	9,485,000	7,171,623	0	16,656,623	61,849	448,661	17,167,133
Accumulated depreciation at 30 June 2024		0	(882,122)	0	(882,122)	0	(882,122)	(31,224)	(193,105)	(1,106,451)
Balance at 30 June 2024	6(b)	9,485,000	6,289,501	9,485,000	6,289,501	0	15,774,501	30,625	255,556	16,060,682
Additions		0	(7,873)	0	(7,873)	36,180	28,307	0	52,317	80,624
Disposals				0	0		0	0	(79,654)	(79,654)
Depreciation		0	(140,719)	0	(140,719)	0	(140,719)	(3,597)	(60,028)	(204,344)
Transfers		0	(2,035)	0	(2,035)	0	(2,035)	(16,803)	0	(18,838)
Balance at 30 June 2025		9,485,000	6,138,874	9,485,000	6,138,874	36,180	15,660,054	10,225	168,191	15,838,470
Comprises:										
Gross balance amount at 30 June 2025		9,485,000	7,161,351	9,485,000	7,161,351	36,180	16,682,531	40,428	399,409	17,122,368
Accumulated depreciation at 30 June 2025		0	(1,022,477)	0	(1,022,477)	0	(1,022,477)	(30,203)	(231,218)	(1,283,898)
Balance at 30 June 2025	6(b)	9,485,000	6,138,874	9,485,000	6,138,874	36,180	15,660,054	10,225	168,191	15,838,470

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

6. 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		9,485,000	9,485,000	Level 3	Current replacement cost	Independent expert valuer	June 2022	Current replacement cost/condition assessment (Level 2)/residual values and estimated remaining life (Level 3)
Total land	6(a)	9,485,000	9,485,000					
Buildings - specialised		6,138,874	6,289,501	Level 3	Current replacement cost	Independent expert valuer	June 2022	Current replacement cost/condition assessment (Level 2)/residual values and estimated remaining life (Level 3)
Total buildings	6(a)	6,138,874	6,289,501					
(ii) Cost								
Furniture and equipment								
					N/A	Cost	N/A	N/A
Plant and equipment								
					N/A	Cost	N/A	N/A

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

7. INFRASTRUCTURE

(a) Movements in balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks and ovals	Infrastructure - other	Work in progress	Total infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	12,193,300	2,208,517	1,052,380	1,155,811	481,010	0	17,091,018
Additions	0	7,900	5,667	7,180	62,303	0	83,050
Depreciation	(168,262)	(44,614)	(13,153)	(50,223)	(12,263)	0	(288,515)
Balance at 30 June 2024	12,025,038	2,171,803	1,044,894	1,112,768	531,050	0	16,885,553
Comprises:							
Gross balance at 30 June 2024	12,193,300	2,216,417	1,058,047	1,162,991	543,313	0	17,174,068
Accumulated depreciation at 30 June 2024	(168,262)	(44,614)	(13,153)	(50,223)	(12,263)	0	(288,515)
Balance at 30 June 2024	12,025,038	2,171,803	1,044,894	1,112,768	531,050	0	16,885,553
Additions	0	30,888	10,996	5,321	125,917	373,169	546,291
Depreciation	(169,781)	(44,655)	(13,755)	(50,569)	(16,405)	0	(295,165)
Transfers	0	0	0	0	18,839	0	18,839
Balance at 30 June 2025	11,855,257	2,158,036	1,042,135	1,067,520	659,401	373,169	17,155,518
Comprises:							
Gross balance at 30 June 2025	12,193,300	2,247,305	1,069,043	1,168,312	693,051	373,169	17,744,180
Accumulated depreciation at 30 June 2025	(338,043)	(89,269)	(26,908)	(100,792)	(33,650)	0	(588,662)
Balance at 30 June 2025	11,855,257	2,158,036	1,042,135	1,067,520	659,401	373,169	17,155,518

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

7. 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	Level 3	Current replacement cost	Independent expert valuer	June 2023	Current replacement cost value of similar assets adjusted for conditions and comparability
Infrastructure - footpaths	Level 3	Current replacement cost	Independent expert valuer	June 2023	Current replacement cost value of similar assets adjusted for conditions and comparability
Infrastructure - drainage	Level 3	Current replacement cost	Independent expert valuer	June 2023	Current replacement cost value of similar assets adjusted for conditions and comparability
Infrastructure - parks and ovals	Level 3	Current replacement cost	Independent expert valuer	June 2023	Current replacement cost value of similar assets adjusted for conditions and comparability
Infrastructure - other	Level 3	Current replacement cost	Independent expert valuer	June 2023	Current replacement cost value of similar assets adjusted for conditions and comparability

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.

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

8. 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 - specialised	20 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	4 to 10 years
Sealed roads and streets	40 to 75 years
Footpaths	50 years
Furniture and equipment	4 to 10 years
Water supply piping and drainage systems	70 to 80 years
Parks and ovals	3 to 50 years
Other infrastructure	5 to 50 years
Right-of-use (plant and equipment)	Based on the remaining lease term

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

8. FIXED ASSETS (Continued)

<p>MATERIAL ACCOUNTING POLICIES</p> <p>Initial recognition</p> <p>An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.</p> <p>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 Shire 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.</p> <p>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 <i>Local Government (Financial Management) Regulation 17A(5)</i>. These assets are expensed immediately.</p> <p>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.</p> <p>Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.</p> <p>Measurement after recognition</p> <p>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 <i>Local Government (Financial Management) Regulation 17A(2)</i>. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.</p> <p>Reportable value</p> <p>In accordance with <i>Local Government (Financial Management) Regulation 17A(2)</i> , 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.</p> <p>Reportable value is for the purpose of <i>Local Government (Financial Management) Regulation 17A(4)</i> 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.</p> <p>Revaluation</p> <p>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 Shire.</p> <p>Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.</p> <p>For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.</p> <p>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.</p> <p>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.</p>	
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<p>Depreciation</p> <p>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.</p> <p>The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.</p> <p>Depreciation on revaluation</p> <p>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:</p> <p>(i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; or</p> <p>(ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.</p> <p>Impairment</p> <p>In accordance with <i>Local Government (Financial Management) Regulations 17A(4C)</i>, the Shire is not required to comply with <i>AASB 136 Impairment of Assets</i> 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.</p> <p>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.</p> <p>Gains or losses on disposal</p> <p>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.</p>	
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SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

9. LEASES

(a) Right-of-use assets

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

Note	Right-of-use assets - plant and equipment	Total right-of-use assets
	\$	\$
Balance at 1 July 2024	15,047	15,047
Depreciation	(15,047)	(15,047)
Additions	47,107	47,107
Depreciation	(4,329)	(4,329)
Balance at 30 June 2025	42,778	42,778
Gross balance amount at 30 June 2025	47,107	47,107
Accumulated depreciation at 30 June 2025	(4,329)	(4,329)
Balance at 30 June 2025	42,778	42,778

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

Depreciation on right-of-use assets
Finance charge on lease liabilities
Total amount recognised in the statement of comprehensive income

Total cash outflow from leases

	2025 Actual	2024 Actual
	\$	\$
24(b)	(4,329)	(15,047)
	(323)	(1,490)
	(4,652)	(16,537)
	(17,316)	(9,932)
	11,174	3,343
24(b)	28,290	6,007
	39,464	9,350

(b) Lease liabilities

Current
Non-current

Photocopiers leased in October 2024 over a period of 5 years, and telephone equipment leased in June 2025 leased over 3 years.

Secured liabilities and assets pledged as security

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

MATERIAL ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire 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 Shire 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 24(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 8 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 Shire anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

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

9. LEASES (Continued)

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

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

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

2025 Actual	2024 Actual
\$	\$
5,795	5,795
5,795	5,795
5,795	5,795
5,795	5,795
5,795	5,795
5,795	52,144
75,324	81,119
31,753	31,753

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

Rental income

The Shire leases land under a vesting order approved by the Minister of Lands for the purposes of operating a café for a period of 21 years commencing on 26 October 2017. There was an initial rent free term with a value of \$98,504 determined for this period. This amount was raised as a debtor and is being amortised over the remaining term of the lease at \$5,795 per year.

MATERIAL ACCOUNTING POLICIES

The Shire as lessor

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

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

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

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

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

10. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Statutory liabilities
 Bonds and deposits held
 Building levies
 Accrued expenses
 GST payable

2025	2024
\$	\$
159,364	325,909
41,924	0
122	0
147,600	150,600
16,688	26,732
13,599	0
6,961	0
386,258	503,241

MATERIAL ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire 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.

Statutory liabilities

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire 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 Shire recognises income for the prepaid rates that have not been refunded.

SHIRE OF PEPPERMINT GROVE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

11. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

Revenue from contracts with customers included as a contract liability at the start of the period

2025	2024
\$	\$
0	29,786
0	29,786
29,786	0
0	29,786
(29,786)	0
0	29,786

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

SHIRE OF PEPPERMINT GROVE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

12. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		41,700	532,491	574,191	41,615	574,192	615,807
Total secured borrowings	24(a)	41,700	532,491	574,191	41,615	574,192	615,807

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierachy (see Note 21(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 24(a).

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

13. 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
	\$	\$
	128,568	109,234
	77,109	67,013
	205,677	176,247
	205,677	176,247
	6,799	11,372
	6,799	11,372
	6,799	11,372
	212,476	187,619

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

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

14. REVALUATION SURPLUS

	2025 Opening balance	2025 Closing balance	2024 Opening balance	Total Movement on revaluation	2024 Closing balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land	9,029,050	9,029,050	9,029,050	0	9,029,050
Revaluation surplus - Buildings	342,300	342,300	467,470	(125,170)	342,300
Revaluation surplus - Infrastructure - roads	11,900,793	11,900,793	11,900,793	0	11,900,793
Revaluation surplus - Infrastructure - footpaths	1,146,350	1,146,350	1,146,350	0	1,146,350
Revaluation surplus - Infrastructure - drainage	782,164	782,164	782,164	0	782,164
Revaluation surplus - Infrastructure - parks and ovals	240,002	240,002	240,002	0	240,002
	23,440,659	23,440,659	23,565,829	(125,170)	23,440,659
Revaluation surplus - Share from investments in associates	722	722	0	722	722
	23,441,381	23,441,381	23,565,829	(124,448)	23,441,381

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

15. 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:			
- Financial assets at amortised cost	4	2,148,466	2,155,390
		2,148,466	2,155,390
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	25	2,148,466	2,125,604
Contract liabilities	11	0	29,786
Total restricted financial assets		2,148,466	2,155,390

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

Credit standby arrangements

Bank overdraft limit	200,000	200,000
Bank overdraft at balance date	0	0
Credit card limit	50,000	50,000
Credit card balance at balance date	5,696	12,255
Total amount of credit unused	255,696	262,255

Loan facilities

Loan facilities - current	41,700	41,615
Loan facilities - non-current	532,491	574,192
Total facilities in use at balance date	574,191	615,807

Unused loan facilities at balance date

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

17. 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 \$
President's annual allowance	16,764	17,500	17,212
President's meeting attendance fees	19,756	20,000	17,108
President's annual allowance for ICT expenses	1,240	1,200	600
	37,760	38,700	34,920
Deputy President's annual allowance	4,192	4,500	4,058
Deputy President's meeting attendance fees	10,124	10,000	9,780
Deputy President's annual allowance for ICT expenses	1,240	1,200	1,200
	15,556	15,700	15,038
All other council member's meeting attendance fees	50,620	50,000	48,905
All other council member's annual allowance for ICT expenses	4,960	3,600	4,569
	55,580	53,600	53,474
17(b)	108,896	108,000	103,432

(b) Key management personnel (KMP) compensation

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

Short-term employee benefits	781,265	691,874
Post-employment benefits	132,823	117,619
Employee - other long-term benefits	92,964	31,136
Council member costs	108,896	103,432
17(a)	1,115,948	944,061

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 Shire's superannuation contributions made during the year.

Other long-term benefits

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

Council member costs

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

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

17. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

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

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

In addition to KMP compensation above the following transactions occurred with related parties:

	2025 Actual	2024 Actual
	\$	\$
Purchase of goods and services - Associate, Western Metropolitan Regional Council	399,912	207,093
The following two Local Governments are considered as related parties -		
Town of Mosman Park - Library and Community Centre contribution	752,894	693,389
Town of Cottesloe - Library and Community Centre contribution	654,436	602,713
Investments in associates:		
Share of associates net profit/(loss) for the period	12,429	9,236
Amounts outstanding from related parties:		
Trade and other receivables	76,567	238,017
Amounts payable to related parties:		
Trade and other payables	2,310	11,595

(d) Related parties

The Shire'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 Shire, directly or indirectly, including any council member, are considered key management personnel.
- ii. Other Related Parties*
Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.
- iii. Entities subject to significant influence by the Shire*
Joint arrangements detailed in Note 18 and and investment in associates detailed in Note 19.

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

18. JOINT ARRANGEMENTS

Share of joint operations

The Shire of Peppermint Grove has a 8.52% (2024; 8.52%) share in the Grove Library services to the residents of the Shire of Peppermint Grove, Town Mosman Park and Town of Cottesloe. The voting rights of the Shire is 33.33%. The principal place of business is 1 Leake Street Peppermint Grove WA 6011.

The Shire's interest in the Grove Library is accounted for as a joint operation using the proportional consolidation method in the financial statements. Summarised financial information of the joint operation is based on audited financial statements as at the 30 June 2025 and the year then ended, and adjusted for the Shire's proportional interest (8.52%) is set out below.

Statement of financial position

Property Plant & Equipment

Total assets

Employee Related Provisions- Current

Net equity

Statement of comprehensive income

Fees & Charges

Other revenue

Other expense

Profit/(loss) for the period

Other comprehensive income

Total comprehensive loss for the period

Statement of cash flows

Revenue

Expense

Net cash provided by (used in) operating activities

	2025 Actual	2024 Actual
	\$	\$
Property Plant & Equipment	1,079,699	1,077,993
Total assets	1,079,699	1,077,993
Employee Related Provisions- Current	(14,916)	(17,393)
Net equity	1,064,783	1,060,600
Statement of comprehensive income		
Fees & Charges	5,521	4,011
Other revenue	0	213
Other expense	(134,887)	(124,936)
Profit/(loss) for the period	(129,366)	(120,712)
Other comprehensive income	0	0
Total comprehensive loss for the period	(129,366)	(120,712)
Statement of cash flows		
Revenue	5,521	4,224
Expense	(134,887)	(124,936)
Net cash provided by (used in) operating activities	(129,366)	(120,712)

MATERIAL ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire 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 Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standards.

SHIRE OF PEPPERMINT GROVE
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19. INVESTMENT IN ASSOCIATES

(a) Investment in associates

Set out in the table below is the associate of the Shire. The associate is 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 (WMRC)	3.37%	3.69%	143,402	130,973
Total equity-accounted investments			143,402	130,973

(b) Share of investment

The Shire of Peppermint Grove, together with the Towns of Cottesloe, Claremont and Mosman Park and the City of Subiaco have an interest in the WMRC waste transfer station. The WMRC was established to provide for the efficient treatment and/or disposal of waste. A waste transfer station was constructed from funds provided from constituent Councils. The Shire's interest in the associate is 3.37% (2024: 3.69%).

Thes Shire has determined it has significant influence over the WMRC despite holding less than 20% interest, as the Shire has representation on the WMRC Council and participates in policy making decisions including the decisions regarding contribution and distribution.

The tables below reflect the summarised financial information of the material investment in the associate based on the audited results of the WMRC. This does not reflect the Shire's share of those amounts. They have been amended to reflect adjustments made by the Shire when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised statement of comprehensive income	Note	2025	2024
		Actual	Actual
		\$	\$
Revenue		10,973,326	9,224,964
Interest revenue		88,007	64,357
Finance cost		(3,225)	-3,994
Depreciation		(366,697)	-396,601
Profit/(loss) from continuing operations		725,388	230,718
Profit/(loss) from discontinued operations		0	0
Profit/(loss) for the period		725,388	230,718
Other comprehensive income		0	19,567
Total comprehensive income for the period		725,388	250,285
Summarised statement of financial position			
Cash and cash equivalents		1,858,229	1,266,551
Other current assets		1,136,241	841,106
Total current assets		2,994,470	2,107,657
Non-current assets		2,593,747	2,485,404
Total assets		5,588,217	4,593,061
Current financial liabilities		1,131,863	755,826
Other current liabilities		115,773	232,690
Total current liabilities		1,247,636	988,516
Non-current financial liabilities			
Other non-current liabilities		85,340	74,692
Total non-current liabilities		85,340	74,692
Total liabilities		1,332,976	1,063,208
Net assets		4,255,241	3,529,853
Reconciliation to carrying amounts			
Opening net assets 1 July		3,529,853	3,279,568
Changes in members contributions			
Profit/(Loss) for the period		725,388	230,718
Other comprehensive income		0	19,567
Closing net assets 30 June		4,255,241	3,529,853
Carrying amount at 1 July		130,973	121,015
- Share of associates net profit/(loss) for the period	19(c)	12,429	9,236
- Share of associates other comprehensive income arising during the period		0	722
Carrying amount at 30 June (Refer to Note 19(a))		143,402	130,973

MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Shire 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 Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

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

Investment in Western Metropolitan Regional Council (WMRC)

2025	2,024
Actual	Actual
\$	\$
12,429	9,236
12,429	9,236

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

20. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after the end of the reporting period.

SHIRE OF PEPPERMINT GROVE
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FOR THE YEAR ENDED 30 JUNE 2025

21. 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 Shire’s operational cycle. In the case of liabilities where the Shire 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 Shire'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 Shire 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 Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire 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 Shire 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 Shire 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 Shire 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 Shire'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 8.

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.

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

22. RATING INFORMATION

(a) General rates

RATE TYPE		Rate in \$	Number of properties	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2023/24	
Rate description	Basis of valuation			Actual rateable value*	Actual rate revenue	Actual interim rates	Actual total revenue	Budget rate revenue	Budget interim rate	Budget total revenue	Actual total revenue
				\$	\$	\$	\$	\$	\$	\$	
General Rental Valuations	Gross rental valuation	0.07741	587	46,939,801	3,633,610	25,765	3,659,375	3,636,025	10,000	3,646,025	3,538,312
Total general rates			587	46,939,801	3,633,610	25,765	3,659,375	3,636,025	10,000	3,646,025	3,538,312
Minimum payment				Minimum payment \$							
General Rental Valuations	Gross rental valuation	1,530	71	1,061,680	108,630	0	108,630	108,630	0	108,630	106,074
Total minimum payments			71	1,061,680	108,630	0	108,630	108,630	0	108,630	106,074
Total general rates and minimum payments			658	48,001,481	3,742,240	25,765	3,768,005	3,744,655	10,000	3,754,655	3,644,386
Total rates							3,768,005			3,754,655	3,644,386
Rates related information											
Rates instalment interest							19,694			18,000	17,361
Rates instalment plan charges							6,156			7,200	6,705
Rates overdue interest							9,359			6,700	8,730

*Rateable Value at time of raising of rate.

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

23. DETERMINATION OF SURPLUS OR DEFICIT

		2024/25 Budget (30 June 2025 carried forward)	2023/24 (30 June 2024 carried forward)
	Note	2024/25 (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		(20,932)	(13,715)
Less: Fair value adjustments to financial assets at fair value through profit or loss		888	(403)
Less: Share of net profit of associates and joint ventures accounted for using the equity method		(12,427)	(9,236)
Add: Loss on disposal of assets		0	114,412
Add: Depreciation		503,838	515,968
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates		(7,415)	0
Employee benefit provisions		(4,573)	(29,942)
Non-cash amounts excluded from operating activities		459,379	577,084
(b) Non-cash amounts excluded from investing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
Right of use assets received - non cash	9(a)	47,107	0
Non-cash amounts excluded from investing activities		47,107	0
(c) Non-cash amounts excluded from financing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to financing activities			
Non cash proceeds from new leases	24(b)	(47,107)	0
Non-cash amounts excluded from financing activities		(47,107)	0
(d) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	25	(2,148,466)	(2,125,604)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	12	41,700	41,615
- Current portion of lease liabilities	9(b)	11,174	3,343
- Employee benefit provisions		152,392	162,233
Total adjustments to net current assets		(1,943,200)	(1,918,413)
Net current assets used in the Statement of financial activity			
Total current assets		3,116,955	3,390,318
Less: Total current liabilities		(644,809)	(754,232)
Less: Total adjustments to net current assets		(1,943,200)	(1,918,413)
Surplus or deficit after imposition of general rates		528,946	717,673

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

24. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
Purpose	Note	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 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Library and Community Centre		654,693		(38,886)	615,807	0	(41,616)	574,191	615,807	0	(38,886)	576,921
Total		654,693	0	(38,886)	615,807	0	(41,616)	574,191	615,807	0	(38,886)	576,921
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			
Library and Community Centre		41	WATC	6.90%	28/12/2034	\$		\$	\$			
Guarantee fee						(41,785)		(45,142)	(49,024)			
Total						(43,964)		(45,142)	(49,024)			
Total finance cost payments						(43,964)		(45,142)	(49,024)			

* WA Treasury Corporation

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

24. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Photocopier		17,792	0	(8,442)	9,350	0	(9,350)	0	9,350	0	0	9,350
New photocopiers		0	0	0	0	28,863	(5,727)	23,136	0	0	0	0
New phone system		0	0	0	0	18,244	(1,916)	16,328	0	0	0	0
Total lease liabilities	9(b)	17,792	0	(8,442)	9,350	47,107	(16,993)	39,464	9,350	0	0	9,350
Lease finance cost payments												
Purpose		Lease number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025		Budget for year ending 30 June 2025	Actual for year ending 30 June 2024		Lease term	
Photocopier			FujiFilm	10.00%	31/10/2024	\$	0	\$	\$	(1,490)	36 months	
New photocopiers			FujiFilm	6.00%	31/10/2029		(323)		0	0	60 months	
Total finance cost payments						(323)		0	(1,490)			

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

25. RESERVE ACCOUNTS

	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance	2025 Budget opening balance	2025 Budget transfer to	2025 Budget transfer (from)	2025 Budget closing balance	2024 Actual opening balance	2024 Actual transfer to	2024 Actual transfer (from)	2024 Actual closing balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	210,835	37,800	0	248,635	210,835	37,800	0	248,635	201,697	9,138	0	210,835
(b) Plant reserve	132,031	55,000	0	187,031	132,031	5,000	0	137,031	126,309	5,722	0	132,031
(c) Infrastructure Building Reserve	962,576	148,562	(443,000)	668,138	962,576	148,562	(443,000)	668,138	859,281	120,756	(17,461)	962,576
(d) Information Technology Reserve	26,170	1,000	0	27,170	26,170	1,000	0	27,170	25,036	1,134	0	26,170
(e) Arts & Culture Reserve	22,023	1,000	0	23,023	22,023	1,000	0	23,023	25,852	1,171	(5,000)	22,023
(f) Legal Costs Reserve	21,617	61,000	0	82,617	21,617	1,000	0	22,617	20,680	937	0	21,617
(g) Roads & Drainage Reserve	620,243	154,000	0	774,243	620,243	154,000	(250,000)	524,243	593,360	26,883	0	620,243
(h) Library Infrastructure Reserve	25,579	2,500	0	28,079	25,579	2,500	0	28,079	36,344	1,646	(12,411)	25,579
(i) Investment Reserve	104,530	5,000	0	109,530	104,530	23,000	0	127,530	100,000	4,530	0	104,530
	2,125,604	465,862	(443,000)	2,148,466	2,125,604	373,862	(693,000)	1,806,466	1,988,559	171,917	(34,872)	2,125,604

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:

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	To fund Annual & Long Service Leave entitlements
(b) Plant reserve	To fund replacement and upgrading of Council vehicles and plant
(c) Infrastructure Building Reserve	To fund replacement and upgrading of recreational infrastructure and Municipal Buildings
(d) Information Technology Reserve	To fund replacement and upgrading of Council's Information & Technology Assets
(e) Arts & Culture Reserve	To enable the purchase of Public Art
(f) Legal Costs Reserve	To provide for the future general expenses including building and planning actions
(g) Roads & Drainage Reserve	To fund renewal and expansion of Council's roads & drainage system
(h) Library Infrastructure Reserve	To fund the Shire's portion of Capital items at the Grove Library and /or Community Centre
(i) Investment Reserve	To fund the implementation of an Investment portfolio

9.1.1

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SHIRE OF PEPPERMINT GROVE

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

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The Shire of Peppermint Grove conducts the operations of a local government with the following community vision:

A Shire valued for it's heritage, sense of community and natural ambience.

Principal place of business:

1 Leake Street

Peppermint Grove

Western Australia 6011

**SHIRE OF PEPPERMINT GROVE
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 Shire of Peppermint Grove 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 17th day of November 2025



CEO

Don Burnett

Name of CEO

SHIRE OF PEPPERMINT GROVE
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual \$	2025 Budget \$	2024 Actual \$
Revenue				
Rates	2(a),22	3,768,005	3,754,655	3,644,386
Grants, subsidies and contributions	2(a)	59,344	1,394,450	150,829
Fees and charges	2(a)	376,816	401,455	280,365
Interest revenue	2(a)	216,094	231,000	204,486
Other revenue	2(a)	258	7,600	11,717
		4,420,517	5,789,160	4,291,783
Expenses				
Employee costs	2(b)	(1,764,213)	(2,621,050)	(1,636,158)
Materials and contracts		(1,997,112)	(2,665,586)	(1,873,922)
Utility charges		(66,393)	(117,500)	(78,356)
Depreciation		(503,838)	(468,350)	(515,968)
Finance costs	2(b)	(44,287)	(52,043)	(50,514)
Insurance		(54,660)	(101,150)	(65,596)
Other expenditure	2(b)	(112,608)	(130,100)	(44,147)
		(4,543,111)	(6,155,779)	(4,264,661)
		(122,594)	(366,619)	27,122
Capital grants, subsidies and contributions	2(a)	49,815	49,162	10,190
Profit on asset disposals		20,932	18,000	13,715
Loss on asset disposals		0	0	(114,412)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(888)	0	403
Share of net profit of associates accounted for using the equity method	19(c)	12,429	0	9,236
		82,288	67,162	(80,868)
Net result for the period		(40,306)	(299,457)	(53,746)
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	14	0	0	(125,170)
Share of other comprehensive income of associates accounted for using the equity method	14, 19(b)	0	0	722
Total other comprehensive income for the period	14	0	0	(124,448)
Total comprehensive income for the period		(40,306)	(299,457)	(178,194)

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

SHIRE OF PEPPERMINT GROVE
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Note	2025 \$	2024 \$
CURRENT ASSETS			
Cash and cash equivalents	3	808,528	896,508
Trade and other receivables	5	159,961	338,420
Other financial assets	4(a)	2,148,466	2,155,390
TOTAL CURRENT ASSETS		3,116,955	3,390,318
NON-CURRENT ASSETS			
Trade and other receivables	5	95,767	98,195
Other financial assets	4(b)	19,905	20,793
Investment in associate	19(a)	143,402	130,973
Property, plant and equipment	6	15,838,470	16,060,682
Infrastructure	7	17,155,518	16,885,553
Right-of-use assets	9(a)	42,778	0
TOTAL NON-CURRENT ASSETS		33,295,840	33,196,196
TOTAL ASSETS		36,412,795	36,586,514
CURRENT LIABILITIES			
Trade and other payables	10	386,258	503,241
Contract liabilities	11	0	29,786
Lease liabilities	9(b)	11,174	3,343
Borrowings	12	41,700	41,615
Employee related provisions	13	205,677	176,247
TOTAL CURRENT LIABILITIES		644,809	754,232
NON-CURRENT LIABILITIES			
Lease liabilities	9(b)	28,290	6,007
Borrowings	12	532,491	574,192
Employee related provisions	13	6,799	11,372
TOTAL NON-CURRENT LIABILITIES		567,580	591,571
TOTAL LIABILITIES		1,212,389	1,345,803
NET ASSETS		35,200,406	35,240,711
EQUITY			
Retained surplus		9,610,559	9,673,726
Reserve accounts	25	2,148,466	2,125,604
Revaluation surplus	14	23,441,381	23,441,381
TOTAL EQUITY		35,200,406	35,240,711

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

SHIRE OF PEPPERMINT GROVE
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		9,864,517	1,988,559	23,565,829	35,418,905
Comprehensive income for the period					
Net result for the period		(53,746)	0	0	(53,746)
Other comprehensive income for the period	14	0	0	(124,448)	(124,448)
Total comprehensive income for the period		(53,746)	0	(124,448)	(178,194)
Transfers from reserve accounts	25	34,872	(34,872)	0	0
Transfers to reserve accounts	25	(171,917)	171,917	0	0
Balance as at 30 June 2024		9,673,726	2,125,604	23,441,381	35,240,711
Comprehensive income for the period					
Net result for the period		(40,306)	0	0	(40,306)
Total comprehensive income for the period		(40,306)	0	0	(40,306)
Transfers from reserve accounts	25	443,000	(443,000)	0	0
Transfers to reserve accounts	25	(465,862)	465,862	0	0
Balance as at 30 June 2025		9,610,559	2,148,466	23,441,381	35,200,406

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

SHIRE OF PEPPERMINT GROVE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	2025 Actual \$	2024 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		3,821,631	3,635,905
Grants, subsidies and contributions		198,743	509,792
Fees and charges		376,816	280,365
Interest revenue		216,094	204,486
Other revenue		258	11,717
		<u>4,613,542</u>	<u>4,642,265</u>
Payments			
Employee costs		(1,739,234)	(1,665,198)
Materials and contracts		(2,156,141)	(2,051,666)
Utility charges		(66,393)	(78,356)
Finance costs		(44,287)	(50,514)
Insurance paid		(54,660)	(65,595)
Other expenditure		(112,608)	(44,146)
		<u>(4,173,323)</u>	<u>(3,955,475)</u>
Net cash provided by operating activities		440,219	686,790
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	6(a)	(80,624)	(101,777)
Payments for construction of infrastructure	7(a)	(546,291)	(83,050)
Proceeds from capital grants, subsidies and contributions		49,815	10,190
Proceeds for financial assets at amortised cost		6,924	
Proceeds from sale of property, plant & equipment		100,586	36,651
Net cash (used in) investing activities		(469,590)	(137,986)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	24(a)	(41,616)	(38,886)
Payments for principal portion of lease liabilities	24(b)	(16,993)	(8,442)
Net cash (used in) financing activities		(58,609)	(47,328)
Net increase (decrease) in cash held		(87,980)	501,476
Cash at beginning of year		896,508	395,032
Cash and cash equivalents at the end of the year		808,528	896,508

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

SHIRE OF PEPPERMINT GROVE
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	22	3,768,005	3,754,655	3,644,386
Grants, subsidies and contributions		59,344	1,394,450	150,829
Fees and charges		376,816	401,455	280,365
Interest revenue		216,094	231,000	204,486
Other revenue		258	7,600	11,717
Profit on asset disposals		20,932	18,000	13,715
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	0	0	403
Share of net profit of associates accounted for using the equity method	19(c)	12,429	0	9,236
		4,453,878	5,807,160	4,315,137
Expenditure from operating activities				
Employee costs		(1,764,213)	(2,621,050)	(1,636,158)
Materials and contracts		(1,997,112)	(2,665,586)	(1,873,922)
Utility charges		(66,393)	(117,500)	(78,356)
Depreciation		(503,838)	(468,350)	(515,968)
Finance costs		(44,287)	(52,043)	(50,514)
Insurance		(54,660)	(101,150)	(65,596)
Other expenditure		(112,608)	(130,100)	(44,147)
Loss on asset disposals		0	0	(114,412)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	(888)	0	0
		(4,543,999)	(6,155,779)	(4,379,073)
Non-cash amounts excluded from operating activities	23(a)	459,379	450,350	577,084
Amount attributable to operating activities		369,258	101,731	513,148
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		49,815	49,162	10,190
Proceeds from disposal of assets		100,586	78,000	36,651
		150,401	127,162	46,841
Outflows from investing activities				
Right of use assets received - non cash	9(a)	(47,107)	0	0
Acquisition of property, plant and equipment	6(a)	(80,624)	(469,500)	(101,777)
Acquisition of infrastructure	7(a)	(546,291)	(677,000)	(83,050)
		(674,022)	(1,146,500)	(184,827)
Non-cash amounts excluded from investing activities	23(b)	47,107	0	0
Amount attributable to investing activities		(476,514)	(1,019,338)	(137,986)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from new leases - non cash	24(b)	47,107	0	0
Transfers from reserve accounts	25	443,000	693,000	34,872
		490,107	693,000	34,872
Outflows from financing activities				
Repayment of borrowings	24(a)	(41,616)	(38,886)	(38,886)
Payments for principal portion of lease liabilities	24(b)	(16,993)	0	(8,442)
Transfers to reserve accounts	25	(465,862)	(373,862)	(171,917)
		(524,471)	(412,748)	(219,245)
Non-cash amounts excluded from financing activities	23(c)	(47,107)	0	0
Amount attributable to financing activities		(81,471)	280,252	(184,373)
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	23(d)	717,673	717,673	526,882
Amount attributable to operating activities		369,258	101,731	513,148
Amount attributable to investing activities		(476,514)	(1,019,338)	(137,986)
Amount attributable to financing activities		(81,471)	280,252	(184,373)
Surplus or deficit after imposition of general rates	23(d)	528,946	80,318	717,671

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

**SHIRE OF PEPPERMINT GROVE
FOR THE YEAR ENDED 30 JUNE 2025
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Information required by legislation

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SHIRE OF PEPPERMINT GROVE
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 Shire of Peppermint Grove which is a Class 4 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 *Local Government Act 1995*, 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 except for disclosure requirements of:

- AASB 7 Financial Instruments Disclosures
- AASB 16 Leases paragraph 58
- AASB 101 Presentation of Financial Statements paragraph 61
- AASB 107 Statement of Cash Flows paragraphs 43 and 45
- AASB 116 Property, Plant and Equipment paragraph 79
- AASB 137 Provisions, Contingent Liabilities and Contingent Assets paragraph 85
- AASB 140 Investment Property paragraph 75(f)
- AASB 1052 Disaggregated Disclosures paragraph 11
- AASB 1054 Australian Additional Disclosures paragraph 16

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 *Leases* which would have required the Shire 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 Shire 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 6
 - Infrastructure - note 7
- Impairment losses of non-financial assets - Note 8
- Measurement of employee benefits - note 13
- Measurement of provisions - note 13

Fair value heirarchy information can be found in note 21

The local government reporting entity

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

SHIRE OF PEPPERMINT GROVE
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
Rates	General rates	Over time	Payment date adopted by Council during the year	None	When rates notice is issued
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
Fees and charges - licences, 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

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

Rate revenue was recognised from the rate record as soon as practicable after the Shire 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	3,768,005	0	3,768,005
Grants, subsidies and contributions	59,344	0	0	0	59,344
Fees and charges	169,567	0	207,249	0	376,816
Interest revenue	0	0	0	216,094	216,094
Other revenue	0	0	0	258	258
Capital grants, subsidies and contributions	0	49,815	0	0	49,815
Total	228,911	49,815	3,975,254	216,352	4,470,332

For the year ended 30 June 2024

Nature	Contracts with customers	Capital grant/contributions	Statutory requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	3,644,386	0	3,644,386
Grants, subsidies and contributions	150,829	0	0	0	150,829
Fees and charges	125,132	0	155,233	0	280,365
Interest revenue	0	0	0	204,486	204,486
Other revenue	0	0	0	11,717	11,717
Capital grants, subsidies and contributions	0	10,190	0	0	10,190
Total	275,961	10,190	3,799,619	216,203	4,301,973

SHIRE OF PEPPERMINT GROVE
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		
Interest on reserve account	84,408	90,090
Trade and other receivables overdue interest	29,089	26,091
Other interest revenue	102,597	88,305
	216,094	204,486
The 2025 original budget estimate in relation to: Trade and other receivables overdue interest was \$24,700		
Fees and charges relating to rates receivable		
Charges on instalment plan	6,156	6,705
The 2025 original budget estimate in relation to: Charges on instalment plan was \$7,200		

(b) Expenses

Auditors remuneration		
- Audit of the Annual Financial Report	38,812	38,500
- Other services – grant acquittals	1,000	4,000
	39,812	42,500
Employee Costs		
Employee benefit costs	1,764,213	1,636,158
	1,764,213	1,636,158
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	44,287	50,514
	44,287	50,514
Other expenditure		
Sundry expenses	112,608	44,147
	112,608	44,147

SHIRE OF PEPPERMINT GROVE
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	808,528	896,508
Total cash and cash equivalents	808,528	896,508
*NOTE Prior year reclassification Financial assets at amortised cost - term deposits, have been reclassified. Previously, they were shown under Cash and Cash Equivalents, but as the funds were invested for longer than 3 months, they have been reclassified as Other Financial Assets.		
Held as		
- Unrestricted cash and cash equivalents	808,528	896,508
	808,528	896,508

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.

Restricted financial assets

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

4. OTHER FINANCIAL ASSETS

(a) Current assets

Note	2025	2024
	\$	\$
Financial assets at amortised cost - term deposits*	2,148,466	2,155,390
	2,148,466	2,155,390
*NOTE Prior year reclassification Financial assets at amortised cost - term deposits, have been reclassified. Previously, they were shown under Cash and Cash Equivalents, but as the funds were invested for longer than 3 months, they have been reclassified as Other Financial Assets.		
Other financial assets at amortised cost		
Term deposits	2,148,466	2,155,390
	2,148,466	2,155,390
Held as		
- Restricted other financial assets at amortised cost	15 2,148,466	2,155,390
	2,148,466	2,155,390
(b) Non-current assets		
Financial assets at fair value through profit or loss	19,905	20,793
	19,905	20,793
Financial assets at fair value through profit or loss		
Units in Local Government House Trust - opening balance	20,793	20,390
Movement attributable to fair value increment	(888)	403
Units in Local Government House Trust - closing balance	19,905	20,793

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

The Shire 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 hierachy (see Note 21 (i)) due to the observable market rates.

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

Financial assets at fair value through profit or loss

The Shire 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 Shire has elected to recognise as fair value gains and losses through profit or loss.

SHIRE OF PEPPERMINT GROVE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

5. TRADE AND OTHER RECEIVABLES

Current

Rates and statutory receivables

Trade receivables

Other receivables

Lease receivable

Non-current

Rates and statutory receivables

Lease receivable

Long service leave - due by other Local Governments

Note	2025	2024
	\$	\$
	8,508	27,625
	125,802	258,341
	19,856	46,659
	5,795	5,795
	159,961	338,420
	7,415	0
	69,529	75,324
	18,823	22,871
	95,767	98,195

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 Shire 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.

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

6. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in balances

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

		Assets not subject to operating lease		Total property				Plant and equipment		Total property, plant and equipment
	Note	Land	Buildings	Land	Buildings	Work in progress	Total property	Furniture and equipment	Plant and equipment	
		\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023		9,485,000	6,634,723	9,485,000	6,634,723	0	16,119,723	28,553	285,558	16,433,834
Additions		0	40,879	0	40,879	0	40,879	6,905	53,993	101,777
Disposals		0	(114,412)	0	(114,412)	0	(114,412)	0	(22,938)	(137,350)
Revaluation increments / (decrements) transferred to revaluation surplus		0	(125,172)	0	(125,172)	0	(125,172)	0	0	(125,172)
Depreciation		0	(146,517)	0	(146,517)	0	(146,517)	(4,833)	(61,057)	(212,407)
Balance at 30 June 2024		9,485,000	6,289,501	9,485,000	6,289,501	0	15,774,501	30,625	255,556	16,060,682
Comprises:										
Gross balance amount at 30 June 2024		9,485,000	7,171,623	9,485,000	7,171,623	0	16,656,623	61,849	448,661	17,167,133
Accumulated depreciation at 30 June 2024		0	(882,122)	0	(882,122)	0	(882,122)	(31,224)	(193,105)	(1,106,451)
Balance at 30 June 2024	6(b)	9,485,000	6,289,501	9,485,000	6,289,501	0	15,774,501	30,625	255,556	16,060,682
Additions		0	(7,873)	0	(7,873)	36,180	28,307	0	52,317	80,624
Disposals				0	0		0	0	(79,654)	(79,654)
Depreciation		0	(140,719)	0	(140,719)	0	(140,719)	(3,597)	(60,028)	(204,344)
Transfers		0	(2,035)	0	(2,035)	0	(2,035)	(16,803)	0	(18,838)
Balance at 30 June 2025		9,485,000	6,138,874	9,485,000	6,138,874	36,180	15,660,054	10,225	168,191	15,838,470
Comprises:										
Gross balance amount at 30 June 2025		9,485,000	7,161,351	9,485,000	7,161,351	36,180	16,682,531	40,428	399,409	17,122,368
Accumulated depreciation at 30 June 2025		0	(1,022,477)	0	(1,022,477)	0	(1,022,477)	(30,203)	(231,218)	(1,283,898)
Balance at 30 June 2025	6(b)	9,485,000	6,138,874	9,485,000	6,138,874	36,180	15,660,054	10,225	168,191	15,838,470

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

6. 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		9,485,000	9,485,000	Level 3	Current replacement cost	Independent expert valuer	June 2022	Current replacement cost/condition assessment (Level 2)/residual values and estimated remaining life (Level 3)
Total land	6(a)	9,485,000	9,485,000					
Buildings - specialised		6,138,874	6,289,501	Level 3	Current replacement cost	Independent expert valuer	June 2022	Current replacement cost/condition assessment (Level 2)/residual values and estimated remaining life (Level 3)
Total buildings	6(a)	6,138,874	6,289,501					
(ii) Cost								
Furniture and equipment								
					N/A	Cost	N/A	N/A
Plant and equipment								
					N/A	Cost	N/A	N/A

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

7. INFRASTRUCTURE

(a) Movements in balances

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

	Infrastructure - roads	Infrastructure - footpaths	Infrastructure - drainage	Infrastructure - parks and ovals	Infrastructure - other	Work in progress	Total infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2023	12,193,300	2,208,517	1,052,380	1,155,811	481,010	0	17,091,018
Additions	0	7,900	5,667	7,180	62,303	0	83,050
Depreciation	(168,262)	(44,614)	(13,153)	(50,223)	(12,263)	0	(288,515)
Balance at 30 June 2024	12,025,038	2,171,803	1,044,894	1,112,768	531,050	0	16,885,553
Comprises:							
Gross balance at 30 June 2024	12,193,300	2,216,417	1,058,047	1,162,991	543,313	0	17,174,068
Accumulated depreciation at 30 June 2024	(168,262)	(44,614)	(13,153)	(50,223)	(12,263)	0	(288,515)
Balance at 30 June 2024	12,025,038	2,171,803	1,044,894	1,112,768	531,050	0	16,885,553
Additions	0	30,888	10,996	5,321	125,917	373,169	546,291
Depreciation	(169,781)	(44,655)	(13,755)	(50,569)	(16,405)	0	(295,165)
Transfers	0	0	0	0	18,839	0	18,839
Balance at 30 June 2025	11,855,257	2,158,036	1,042,135	1,067,520	659,401	373,169	17,155,518
Comprises:							
Gross balance at 30 June 2025	12,193,300	2,247,305	1,069,043	1,168,312	693,051	373,169	17,744,180
Accumulated depreciation at 30 June 2025	(338,043)	(89,269)	(26,908)	(100,792)	(33,650)	0	(588,662)
Balance at 30 June 2025	11,855,257	2,158,036	1,042,135	1,067,520	659,401	373,169	17,155,518

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

7. 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	Level 3	Current replacement cost	Independent expert valuer	June 2023	Current replacement cost value of similar assets adjusted for conditions and comparability
Infrastructure - footpaths	Level 3	Current replacement cost	Independent expert valuer	June 2023	Current replacement cost value of similar assets adjusted for conditions and comparability
Infrastructure - drainage	Level 3	Current replacement cost	Independent expert valuer	June 2023	Current replacement cost value of similar assets adjusted for conditions and comparability
Infrastructure - parks and ovals	Level 3	Current replacement cost	Independent expert valuer	June 2023	Current replacement cost value of similar assets adjusted for conditions and comparability
Infrastructure - other	Level 3	Current replacement cost	Independent expert valuer	June 2023	Current replacement cost value of similar assets adjusted for conditions and comparability

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.

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

8. 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 - specialised	20 to 50 years
Furniture and equipment	4 to 10 years
Plant and equipment	4 to 10 years
Sealed roads and streets	40 to 75 years
Footpaths	50 years
Furniture and equipment	4 to 10 years
Water supply piping and drainage systems	70 to 80 years
Parks and ovals	3 to 50 years
Other infrastructure	5 to 50 years
Right-of-use (plant and equipment)	Based on the remaining lease term

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

8. FIXED ASSETS (Continued)

<p>MATERIAL ACCOUNTING POLICIES</p> <p>Initial recognition</p> <p>An item of property, plant and equipment or infrastructure that qualifies for recognition as an asset is measured at its cost.</p> <p>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 Shire 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.</p> <p>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 <i>Local Government (Financial Management) Regulation 17A(5)</i>. These assets are expensed immediately.</p> <p>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.</p> <p>Individual assets that are land, buildings and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the Shire's revaluation policy, are recognised at cost and disclosed as being at reportable value.</p> <p>Measurement after recognition</p> <p>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 <i>Local Government (Financial Management) Regulation 17A(2)</i>. Assets held under the cost model are carried at cost less accumulated depreciation and any impairment losses being their reportable value.</p> <p>Reportable value</p> <p>In accordance with <i>Local Government (Financial Management) Regulation 17A(2)</i> , 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.</p> <p>Reportable value is for the purpose of <i>Local Government (Financial Management) Regulation 17A(4)</i> 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.</p> <p>Revaluation</p> <p>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 Shire.</p> <p>Whilst the regulatory framework only requires a revaluation to occur every five years, it also provides for the Shire to revalue earlier if it chooses to do so.</p> <p>For land, buildings and infrastructure, increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.</p> <p>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.</p> <p>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.</p>	
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<p>Depreciation</p> <p>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.</p> <p>The assets residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.</p> <p>Depreciation on revaluation</p> <p>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:</p> <p>(i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset; or</p> <p>(ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.</p> <p>Impairment</p> <p>In accordance with <i>Local Government (Financial Management) Regulations 17A(4C)</i>, the Shire is not required to comply with <i>AASB 136 Impairment of Assets</i> 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.</p> <p>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.</p> <p>Gains or losses on disposal</p> <p>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.</p>	
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SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025

9. LEASES

(a) Right-of-use assets

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

Note	Right-of-use assets - plant and equipment	Total right-of-use assets
	\$	\$
Balance at 1 July 2024	15,047	15,047
Depreciation	(15,047)	(15,047)
Additions	47,107	47,107
Depreciation	(4,329)	(4,329)
Balance at 30 June 2025	42,778	42,778
Gross balance amount at 30 June 2025	47,107	47,107
Accumulated depreciation at 30 June 2025	(4,329)	(4,329)
Balance at 30 June 2025	42,778	42,778

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

Depreciation on right-of-use assets
Finance charge on lease liabilities
Total amount recognised in the statement of comprehensive income

Total cash outflow from leases

	2025 Actual	2024 Actual
	\$	\$
24(b)	(4,329)	(15,047)
	(323)	(1,490)
	(4,652)	(16,537)
	(17,316)	(9,932)
	11,174	3,343
24(b)	28,290	6,007
	39,464	9,350

(b) Lease liabilities

Current
Non-current

Photocopiers leased in October 2024 over a period of 5 years, and telephone equipment leased in June 2025 leased over 3 years.

Secured liabilities and assets pledged as security

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

MATERIAL ACCOUNTING POLICIES

Leases

At inception of a contract, the Shire 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 Shire 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 24(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 8 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 Shire anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

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

9. LEASES (Continued)

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

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

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

2025 Actual	2024 Actual
\$	\$
5,795	5,795
5,795	5,795
5,795	5,795
5,795	5,795
5,795	5,795
5,795	52,144
75,324	81,119
31,753	31,753

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

Rental income

The Shire leases land under a vesting order approved by the Minister of Lands for the purposes of operating a café for a period of 21 years commencing on 26 October 2017. There was an initial rent free term with a value of \$98,504 determined for this period. This amount was raised as a debtor and is being amortised over the remaining term of the lease at \$5,795 per year.

MATERIAL ACCOUNTING POLICIES

The Shire as lessor

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

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

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

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

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

10. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Prepaid rates
Statutory liabilities
Bonds and deposits held
Building levies
Accrued expenses
GST payable

2025	2024
\$	\$
159,364	325,909
41,924	0
122	0
147,600	150,600
16,688	26,732
13,599	0
6,961	0
386,258	503,241

MATERIAL ACCOUNTING POLICIES

Financial liabilities

Financial liabilities are initially recognised at fair value when the Shire 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.

Statutory liabilities

Statutory liabilities, are amounts owed to regulatory authorities due to statutory obligations such as FBT and PAYG. GST payable is offset against GST receivable and any net GST payable is included as a statutory liability.

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire 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 Shire recognises income for the prepaid rates that have not been refunded.

SHIRE OF PEPPERMINT GROVE

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2025

11. OTHER LIABILITIES

Current

Contract liabilities

Reconciliation of changes in contract liabilities

Opening balance

Additions

Revenue from contracts with customers included as a contract liability at the start of the period

2025	2024
\$	\$
0	29,786
0	29,786
29,786	0
0	29,786
(29,786)	0
0	29,786

MATERIAL ACCOUNTING POLICIES

Contract liabilities

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

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

12. BORROWINGS

	Note	2025			2024		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Debentures		41,700	532,491	574,191	41,615	574,192	615,807
Total secured borrowings	24(a)	41,700	532,491	574,191	41,615	574,192	615,807

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature.

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierachy (see Note 21(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 24(a).

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

13. 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
	\$	\$
	128,568	109,234
	77,109	67,013
	205,677	176,247
	205,677	176,247
	6,799	11,372
	6,799	11,372
	6,799	11,372
	212,476	187,619

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

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

14. REVALUATION SURPLUS

	2025 Opening balance	2025 Closing balance	2024 Opening balance	Total Movement on revaluation	2024 Closing balance
	\$	\$	\$	\$	\$
Revaluation surplus - Land	9,029,050	9,029,050	9,029,050	0	9,029,050
Revaluation surplus - Buildings	342,300	342,300	467,470	(125,170)	342,300
Revaluation surplus - Infrastructure - roads	11,900,793	11,900,793	11,900,793	0	11,900,793
Revaluation surplus - Infrastructure - footpaths	1,146,350	1,146,350	1,146,350	0	1,146,350
Revaluation surplus - Infrastructure - drainage	782,164	782,164	782,164	0	782,164
Revaluation surplus - Infrastructure - parks and ovals	240,002	240,002	240,002	0	240,002
	23,440,659	23,440,659	23,565,829	(125,170)	23,440,659
Revaluation surplus - Share from investments in associates	722	722	0	722	722
	23,441,381	23,441,381	23,565,829	(124,448)	23,441,381

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

15. 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:			
- Financial assets at amortised cost	4	2,148,466	2,155,390
		2,148,466	2,155,390
The restricted financial assets are a result of the following specific purposes to which the assets may be used:			
Restricted reserve accounts	25	2,148,466	2,125,604
Contract liabilities	11	0	29,786
Total restricted financial assets		2,148,466	2,155,390

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

Credit standby arrangements

Bank overdraft limit	200,000	200,000
Bank overdraft at balance date	0	0
Credit card limit	50,000	50,000
Credit card balance at balance date	5,696	12,255
Total amount of credit unused	255,696	262,255

Loan facilities

Loan facilities - current	41,700	41,615
Loan facilities - non-current	532,491	574,192
Total facilities in use at balance date	574,191	615,807

Unused loan facilities at balance date

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

17. 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 \$
President's annual allowance	16,764	17,500	17,212
President's meeting attendance fees	19,756	20,000	17,108
President's annual allowance for ICT expenses	1,240	1,200	600
	37,760	38,700	34,920
Deputy President's annual allowance	4,192	4,500	4,058
Deputy President's meeting attendance fees	10,124	10,000	9,780
Deputy President's annual allowance for ICT expenses	1,240	1,200	1,200
	15,556	15,700	15,038
All other council member's meeting attendance fees	50,620	50,000	48,905
All other council member's annual allowance for ICT expenses	4,960	3,600	4,569
	55,580	53,600	53,474
17(b)	108,896	108,000	103,432

(b) Key management personnel (KMP) compensation

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

Short-term employee benefits	781,265	691,874
Post-employment benefits	132,823	117,619
Employee - other long-term benefits	92,964	31,136
Council member costs	108,896	103,432
17(a)	1,115,948	944,061

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 Shire's superannuation contributions made during the year.

Other long-term benefits

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

Council member costs

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

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

17. RELATED PARTY TRANSACTIONS (Continued)

(c) Transactions with related parties

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

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

In addition to KMP compensation above the following transactions occurred with related parties:

	2025 Actual	2024 Actual
	\$	\$
Purchase of goods and services - Associate, Western Metropolitan Regional Council	399,912	207,093
The following two Local Governments are considered as related parties -		
Town of Mosman Park - Library and Community Centre contribution	752,894	693,389
Town of Cottesloe - Library and Community Centre contribution	654,436	602,713
Investments in associates:		
Share of associates net profit/(loss) for the period	12,429	9,236
Amounts outstanding from related parties:		
Trade and other receivables	76,567	238,017
Amounts payable to related parties:		
Trade and other payables	2,310	11,595

(d) Related parties

The Shire'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 Shire, directly or indirectly, including any council member, are considered key management personnel.
- ii. Other Related Parties*
 Outside of normal citizen type transactions with the Shire, there were no other related party transactions involving key management personnel and/or their close family members and/or their controlled (or jointly controlled) entities.
- iii. Entities subject to significant influence by the Shire*
 Joint arrangements detailed in Note 18 and and investment in associates detailed in Note 19.

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

18. JOINT ARRANGEMENTS

Share of joint operations

The Shire of Peppermint Grove has a 8.52% (2024; 8.52%) share in the Grove Library services to the residents of the Shire of Peppermint Grove, Town Mosman Park and Town of Cottesloe. The voting rights of the Shire is 33.33%. The principal place of business is 1 Leake Street Peppermint Grove WA 6011.

The Shire's interest in the Grove Library is accounted for as a joint operation using the proportional consolidation method in the financial statements. Summarised financial information of the joint operation is based on audited financial statements as at the 30 June 2025 and the year then ended, and adjusted for the Shire's proportional interest (8.52%) is set out below.

Statement of financial position

Property Plant & Equipment

Total assets

Employee Related Provisions- Current

Net equity

Statement of comprehensive income

Fees & Charges

Other revenue

Other expense

Profit/(loss) for the period

Other comprehensive income

Total comprehensive loss for the period

Statement of cash flows

Revenue

Expense

Net cash provided by (used in) operating activities

	2025 Actual	2024 Actual
	\$	\$
	1,079,699	1,077,993
	1,079,699	1,077,993
	(14,916)	(17,393)
	1,064,783	1,060,600
	5,521	4,011
	0	213
	(134,887)	(124,936)
	(129,366)	(120,712)
	0	0
	(129,366)	(120,712)
	5,521	4,224
	(134,887)	(124,936)
	(129,366)	(120,712)

MATERIAL ACCOUNTING POLICIES

Joint operations

A joint operation is a joint arrangement where the Shire 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 Shire's interest in the joint operation are accounted for in accordance with the relevant Australian Accounting Standards.

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

19. INVESTMENT IN ASSOCIATES

(a) Investment in associates

Set out in the table below is the associate of the Shire. The associate is 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 (WMRC)	3.37%	3.69%	143,402	130,973
Total equity-accounted investments			143,402	130,973

(b) Share of investment

The Shire of Peppermint Grove, together with the Towns of Cottesloe, Claremont and Mosman Park and the City of Subiaco have an interest in the WMRC waste transfer station. The WMRC was established to provide for the efficient treatment and/or disposal of waste. A waste transfer station was constructed from funds provided from constituent Councils. The Shire's interest in the associate is 3.37% (2024: 3.69%).

Thes Shire has determined it has significant influence over the WMRC despite holding less than 20% interest, as the Shire has representation on the WMRC Council and participates in policy making decisions including the decisions regarding contribution and distribution.

The tables below reflect the summarised financial information of the material investment in the associate based on the audited results of the WMRC. This does not reflect the Shire's share of those amounts. They have been amended to reflect adjustments made by the Shire when using the equity method, including fair value adjustments and modifications for differences in accounting policy.

Summarised statement of comprehensive income	Note	2025	2024
		Actual	Actual
		\$	\$
Revenue		10,973,326	9,224,964
Interest revenue		88,007	64,357
Finance cost		(3,225)	-3,994
Depreciation		(366,697)	-396,601
Profit/(loss) from continuing operations		725,388	230,718
Profit/(loss) from discontinued operations		0	0
Profit/(loss) for the period		725,388	230,718
Other comprehensive income		0	19,567
Total comprehensive income for the period		725,388	250,285
Summarised statement of financial position			
Cash and cash equivalents		1,858,229	1,266,551
Other current assets		1,136,241	841,106
Total current assets		2,994,470	2,107,657
Non-current assets		2,593,747	2,485,404
Total assets		5,588,217	4,593,061
Current financial liabilities		1,131,863	755,826
Other current liabilities		115,773	232,690
Total current liabilities		1,247,636	988,516
Non-current financial liabilities			
Other non-current liabilities		85,340	74,692
Total non-current liabilities		85,340	74,692
Total liabilities		1,332,976	1,063,208
Net assets		4,255,241	3,529,853
Reconciliation to carrying amounts			
Opening net assets 1 July		3,529,853	3,279,568
Changes in members contributions			
Profit/(Loss) for the period		725,388	230,718
Other comprehensive income		0	19,567
Closing net assets 30 June		4,255,241	3,529,853
Carrying amount at 1 July		130,973	121,015
- Share of associates net profit/(loss) for the period	19(c)	12,429	9,236
- Share of associates other comprehensive income arising during the period		0	722
Carrying amount at 30 June (Refer to Note 19(a))		143,402	130,973

MATERIAL ACCOUNTING POLICIES

Investments in associates

An associate is an entity over which the Shire 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 Shire's share of net assets of the associate. In addition, the Shire's share of the profit or loss of the associate is included in the Shire's profit or loss.

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

Investment in Western Metropolitan Regional Council (WMRC)

2025	2,024
Actual	Actual
\$	\$
12,429	9,236
12,429	9,236

**SHIRE OF PEPPERMINT GROVE
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2025**

20. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There were no events occurring after the end of the reporting period.

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

21. 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 Shire's operational cycle. In the case of liabilities where the Shire 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 Shire'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 Shire 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 Shire contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Shire contributes are defined contribution plans.

g) Fair value of assets and liabilities

Fair value is the price that the Shire 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 Shire 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 Shire 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 Shire 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 Shire'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 8.

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.

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

22. RATING INFORMATION

(a) General rates

RATE TYPE		2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2023/24
Rate description		Rate in	Number	Actual	Actual	Actual	Actual	Budget	Actual
Basis of valuation		\$	of	rateable	rate	interim	total	rate	total
			properties	value*	revenue	rates	revenue	revenue	revenue
General Rental Valuations		0.07741	587	\$ 46,939,801	\$ 3,633,610	\$ 25,765	\$ 3,659,375	\$ 3,636,025	\$ 3,538,312
Total general rates			587	46,939,801	3,633,610	25,765	3,659,375	10,000 3,646,025	3,538,312
Minimum payment		Minimum payment \$							
General Rental Valuations		1,530	71	1,061,680	108,630	0	108,630	0 108,630	106,074
Total minimum payments			71	1,061,680	108,630	0	108,630	0 108,630	106,074
Total general rates and minimum payments			658	48,001,481	3,742,240	25,765	3,768,005	10,000 3,754,655	3,644,386
Total rates							3,768,005	3,754,655	3,644,386
(b) Rates related information									
Rates instalment interest							19,694	18,000	17,361
Rates instalment plan charges							6,156	7,200	6,705
Rates overdue interest							9,359	6,700	8,730

*Rateable Value at time of raising of rate.

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

23. DETERMINATION OF SURPLUS OR DEFICIT

		2024/25 Budget (30 June 2025 carried forward)	2023/24 (30 June 2024 carried forward)
	Note	2024/25 (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		(20,932)	(13,715)
Less: Fair value adjustments to financial assets at fair value through profit or loss		888	(403)
Less: Share of net profit of associates and joint ventures accounted for using the equity method		(12,427)	(9,236)
Add: Loss on disposal of assets		0	114,412
Add: Depreciation		503,838	515,968
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates		(7,415)	0
Employee benefit provisions		(4,573)	(29,942)
Non-cash amounts excluded from operating activities		459,379	577,084
(b) Non-cash amounts excluded from investing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to investing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to investing activities			
Right of use assets received - non cash	9(a)	47,107	0
Non-cash amounts excluded from investing activities		47,107	0
(c) Non-cash amounts excluded from financing activities			
The following non-cash revenue or expenditure has been excluded from amounts attributable to financing activities within the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to financing activities			
Non cash proceeds from new leases	24(b)	(47,107)	0
Non-cash amounts excluded from financing activities		(47,107)	0
(d) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	25	(2,148,466)	(2,125,604)
Add: Current liabilities not expected to be cleared at end of year			
- Current portion of borrowings	12	41,700	41,615
- Current portion of lease liabilities	9(b)	11,174	3,343
- Employee benefit provisions		152,392	162,233
Total adjustments to net current assets		(1,943,200)	(1,918,413)
Net current assets used in the Statement of financial activity			
Total current assets		3,116,955	3,390,318
Less: Total current liabilities		(644,809)	(754,232)
Less: Total adjustments to net current assets		(1,943,200)	(1,918,413)
Surplus or deficit after imposition of general rates		528,946	717,673

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

24. BORROWING AND LEASE LIABILITIES

(a) Borrowings

		Actual							Budget			
Purpose	Note	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 1 July 2024	New loans during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Library and Community Centre		654,693		(38,886)	615,807	0	(41,616)	574,191	615,807	0	(38,886)	576,921
Total		654,693	0	(38,886)	615,807	0	(41,616)	574,191	615,807	0	(38,886)	576,921
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			
Library and Community Centre		41	WATC	6.90%	28/12/2034	\$		\$	\$			
Guarantee fee						(41,785)		(45,142)	(49,024)			
Total						(43,964)		(45,142)	(49,024)			
Total finance cost payments						(43,964)		(45,142)	(49,024)			

* WA Treasury Corporation

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

24. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2023	New leases during 2023-24	Principal repayments during 2023-24	Principal at 30 June 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025	Principal at 1 July 2024	New leases during 2024-25	Principal repayments during 2024-25	Principal at 30 June 2025
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Photocopier		17,792	0	(8,442)	9,350	0	(9,350)	0	9,350	0	0	9,350
New photocopiers		0	0	0	0	28,863	(5,727)	23,136	0	0	0	0
New phone system		0	0	0	0	18,244	(1,916)	16,328	0	0	0	0
Total lease liabilities	9(b)	17,792	0	(8,442)	9,350	47,107	(16,993)	39,464	9,350	0	0	9,350
Lease finance cost payments												
Purpose		Lease number	Institution	Interest rate	Date final payment is due	Actual for year ending 30 June 2025		Budget for year ending 30 June 2025	Actual for year ending 30 June 2024		Lease term	
Photocopier			FujiFilm	10.00%	31/10/2024	\$		\$	\$		36 months	
New photocopiers			FujiFilm	6.00%	31/10/2029	0		0	(1,490)		60 months	
Total finance cost payments						(323)		0	0		(1,490)	

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

25. RESERVE ACCOUNTS

	2025 Actual opening balance	2025 Actual transfer to	2025 Actual transfer (from)	2025 Actual closing balance	2025 Budget opening balance	2025 Budget transfer to	2025 Budget transfer (from)	2025 Budget closing balance	2024 Actual opening balance	2024 Actual transfer to	2024 Actual transfer (from)	2024 Actual closing balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted by council												
(a) Leave reserve	210,835	37,800	0	248,635	210,835	37,800	0	248,635	201,697	9,138	0	210,835
(b) Plant reserve	132,031	55,000	0	187,031	132,031	5,000	0	137,031	126,309	5,722	0	132,031
(c) Infrastructure Building Reserve	962,576	148,562	(443,000)	668,138	962,576	148,562	(443,000)	668,138	859,281	120,756	(17,461)	962,576
(d) Information Technology Reserve	26,170	1,000	0	27,170	26,170	1,000	0	27,170	25,036	1,134	0	26,170
(e) Arts & Culture Reserve	22,023	1,000	0	23,023	22,023	1,000	0	23,023	25,852	1,171	(5,000)	22,023
(f) Legal Costs Reserve	21,617	61,000	0	82,617	21,617	1,000	0	22,617	20,680	937	0	21,617
(g) Roads & Drainage Reserve	620,243	154,000	0	774,243	620,243	154,000	(250,000)	524,243	593,360	26,883	0	620,243
(h) Library Infrastructure Reserve	25,579	2,500	0	28,079	25,579	2,500	0	28,079	36,344	1,646	(12,411)	25,579
(i) Investment Reserve	104,530	5,000	0	109,530	104,530	23,000	0	127,530	100,000	4,530	0	104,530
	2,125,604	465,862	(443,000)	2,148,466	2,125,604	373,862	(693,000)	1,806,466	1,988,559	171,917	(34,872)	2,125,604

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:

Name of reserve account	Purpose of the reserve account
Restricted by council	
(a) Leave reserve	To fund Annual & Long Service Leave entitlements
(b) Plant reserve	To fund replacement and upgrading of Council vehicles and plant
(c) Infrastructure Building Reserve	To fund replacement and upgrading of recreational infrastructure and Municipal Buildings
(d) Information Technology Reserve	To fund replacement and upgrading of Council's Information & Technology Assets
(e) Arts & Culture Reserve	To enable the purchase of Public Art
(f) Legal Costs Reserve	To provide for the future general expenses including building and planning actions
(g) Roads & Drainage Reserve	To fund renewal and expansion of Council's roads & drainage system
(h) Library Infrastructure Reserve	To fund the Shire's portion of Capital items at the Grove Library and /or Community Centre
(i) Investment Reserve	To fund the implementation of an Investment portfolio

9.1.1



Shire of Peppermint Grove

Report to the Audit Committee

For the year ended 30 June 2025

26 November 2025

DRAFT

Private & confidential

26 November 2025

The Audit Committee
Shire of Peppermint Grove
1 Leake Street
Peppermint Grove WA 6011

Dear Audit Committee (the “AC”) members

We have substantially completed our audit of The Shire of Peppermint Grove (the “Shire”) financial report for the year ended 30 June 2025.

The audit has been conducted in accordance with Australian Auditing Standards and practices, to enable the:

- Formation of opinions by the Auditor General;
- Reporting of audit findings, significant control weaknesses and other relevant matters; and
- Auditor General to report on any matter which may affect the Auditor General's responsibilities under the Auditor General Act 2006.

We anticipate that our auditor's report will be unmodified upon finalisation of the outstanding items as included on page 4 of the attached report.

We have set out in this report certain matters in respect of our audit. The information in this report is not intended as a detailed commentary on the results and activities of the Shire during the year.

We would like to take this opportunity to express our appreciation for the professional assistance provided by Jeremy Clapham and the team at the Shire during the course of the audit.

If you wish to discuss this matter further, or require more detailed information, please contact me on +61 8 9322 2022.

Yours faithfully

PITCHER PARTNERS BA&A PTY LTD

Marius van der Merwe
Executive Director

OFFICE OF THE AUDITOR GENERAL

Liang Wong
Director

Adelaide | Brisbane | Melbourne | Newcastle | Perth | Sydney

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→	Identified misstatements	18
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→	Other matters	25

Making
business
personal

Report purpose

This report has been prepared for communication purposes and as a basis for discussion with the Audit Committee of the Shire of Peppermint Grove (“Shire”), which includes specific auditing standard requirements and other relevant matters pertaining to our audit for the year ended 30 June 2025. This report is to assist you in fulfilling your obligation to oversee the financial reporting and disclosure process.

Audit Scope

We were engaged to perform an audit of the financial report of the Shire for the year ended 30 June 2025 in accordance with Australian Auditing Standards with the objective of expressing an opinion on the financial report.

Outstanding Items

At this point in time, we have substantially completed our audit with the following items outstanding and still to be finalised:

- *Receipt of signed Management Representation Letter*
- *Completion of review of subsequent events*
- *Review by signing officer*
- *Signed Financial Statements*

Going concern

During the audit, we obtained managements assessment on going concern and concluded that, managements use of the going concern basis of accounting in the preparation of the financial statements was appropriate.

Significant difficulties encountered

During our audit, we received full cooperation from management and had no unresolved disagreements overs the application of accounting principles, the scope of our review or disclosures to be included in the financial statements.

Audit differences

A summary of our adjusted and unadjusted audit differences is set out on page 19 of this report.

Written Representations

We have requested a letter of representation from management. A copy of the letter has been provided.

Over the horizon

We have highlighted the key accounting and regulatory updates which will have an impact on the Group in future periods

Audit Opinion

Subject to finalisation and satisfactory resolution of the outstanding items noted and after approval of the financial report by the Audit Committee, we expect to sign our auditor’s report which will be unmodified. A copy of the draft audit report is attached.

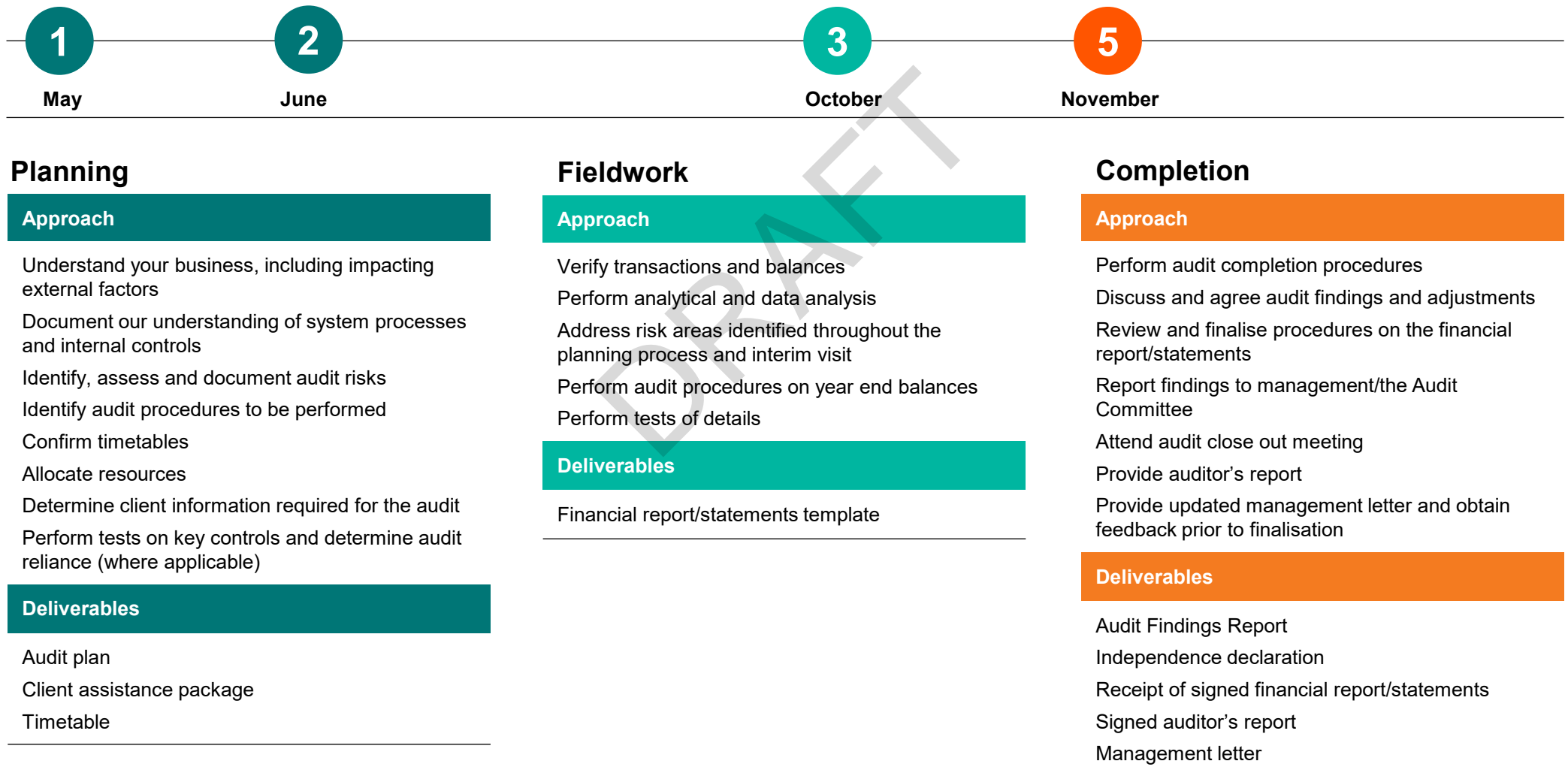
Checklist	
<input checked="" type="checkbox"/>	Independence
<input checked="" type="checkbox"/>	Fraud considered
<input checked="" type="checkbox"/>	Review of board minutes
<input checked="" type="checkbox"/>	Going concern
<input checked="" type="checkbox"/>	Compliance with laws and regulations
<input checked="" type="checkbox"/>	No significant difficulties encountered during the audit
<input checked="" type="checkbox"/>	Significant accounting estimates



Audit completion process and timeline

Key

- Planning
- Fieldwork
- Completion



Auditor Independence

We are satisfied that the provision of other services has not compromised our independence in our audit of the Shire.

Independence declaration

Independence is fundamental to our ongoing relationship with the Shire. We believe that we have complied with all professional regulations relating to auditor independence including those outlined in:

- APES 110 Code of Ethics for Professional Accountants (including independence standards).

Audit and non-audit services

During the year ended 30 June 2025, we did not provide any non-audit services.

Safeguards

- Compliance with the Quality Management Standards:
 - 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*
 - ASQM 2 *Engagement Quality Reviews*
 - APES 320 *Quality Management for Firms that provide Non-Assurance Services*
- Independence Policy
- Prohibited Securities Policy
- Conflict of Interest Policy
- Acceptance & Continuance of Client Relationships

Our services have not involved partners or staff acting in a managerial or decision –making capacity, or being involved in the processing or originating of transactions;

We are not aware of any relationships between Pitcher Partners or other firms that, in our professional judgment, may reasonably be thought to bear on independence.

We consider that our independence in this context is a matter that should be reviewed by both you and ourselves. It is therefore important that the Audit Committee consider the facts of which you are aware and come to a view.

Areas of Audit Focus

As part of our planning procedures, we identified a number of key areas of focus for our audit of the financial statements of the Shire. This report sets our perspective in relation to these areas, including our views on areas which might be conservative and areas where there is potential risk and exposure. Our consideration of these matters and others identified during the period is summarised within the “Areas of audit focus” section of this report.

We request that you review these, and other matters set out in this report to ensure:

- There are no residual further considerations or matters that could impact these issues;
- You concur with the resolution of the issue; and
- There are no further significant issues you are aware of to be considered before the financial report is finalised.

There are no matters, other than those reported by management or disclosed in this report, which we believe should be brought to the attention of the Council and the Audit Committee.

Areas of Audit Focus

Areas of Audit Focus

Areas of focus	Background	Conclusion reached
Revenue recognition for government grants and contributions, rates and fees and charges <i>Key Judgements:</i> <i>Timing of revenue recognition</i> <i>Relevant accounting standards:</i> <i>AASB 15 Revenue from contracts with customers ("AASB 15")</i> <i>AASB 1058 Income of Not-for-Profit Entities ("AASB 1058")</i>	<p>Included in the Statement of Comprehensive Income for the year ended 30 June 2025 is an amount for \$0.06 million (2024: \$0.15 million) relating to operating and non-operating grant, subsidies and contributions, an amount for \$3.77 million (2024: \$3.64 million) relating to rates revenue, and an amount for \$0.38 million (2024: \$0.28 million) for fees and charges.</p> <p>Audit procedures performed to ensure compliance with accounting policies and Australian Accounting standards.</p> <p>We have performed the testing surrounding the control environment for the recognition of revenue to ensure that income relating to all key material revenue streams is being recognised in accordance with <i>Australian Accounting Standards</i> and the terms of the source of income.</p> <p>We have performed substantive tests of details utilising our sampling methodology as well as year end analytical review procedures to add to the level of assurance obtained.</p> <p>We have worked with management to assess the contractual nature of any new revenue streams identified in the year to assess and conclude on the appropriate revenue recognition.</p>	<p>Based on the audit procedures performed, we concur with management's conclusion that government grants, contributions, rates and fees and charges have been appropriately accounted for in accordance with AASB 1058 and AASB 15.</p>

Areas of Audit Focus

Areas of focus	Background	Conclusion reached
Property, plant and equipment and infrastructure assets <i>Key Judgements:</i> Valuation techniques used to determine the fair value of property, plant and equipment and infrastructure assets Useful lives of property, plant and equipment and infrastructure assets and depreciation rates <i>Relevant accounting standards:</i> AASB 116 Property, Plant and Equipment ('AASB 116') AASB 136 Impairment of Assets ('AASB 136') AASB 13 Fair Value Measurement ('AASB 13') <i>Relevant other regulations:</i> Local Government (Financial Management) Regulations 17A(2) (the "LGR")	<p>Included in the Statement of Financial Position for the year ended 30 June 2025 is an amount for \$15.84 million (2024: \$16.06 million) relating to property, plant and equipment and \$17.16 million (2024: \$16.89 million) relating to infrastructure assets.</p> <p>No revaluations of any Property, Plant & Equipment and Infrastructure were performed during the 2024-25 period.</p> <p>Management has performed multiple assessments towards the value of the property, plant and equipment and infrastructure assets. An impairment trigger analysis was performed and concluded that no impairment triggers noted.</p> <p>As part of our audit procedures, we have performed the following:</p> <ul style="list-style-type: none"> • We documented the key controls around property, plant and equipment and infrastructure balances and assess accounting policies associated with fair value assessment to ensure it is in accordance with Australian Accounting Standards. • We reviewed the capitalisation threshold required by Local Government (Financial Management) Regulation 17A(5) and test samples of additions and disposals. • We reviewed management's assessment for impairment indicators and ensure fair value disclosures are properly disclosed in accordance with AASB 13. • We documented the depreciation policy applied and perform depreciation recalculations factoring in management's assessment of the useful life of property, plant and equipment, and infrastructure to ensure reasonableness. 	<p>Based on the audit procedures performed, we concur with managements conclusion that property, plant and equipment and infrastructure assets have been accounted in accordance with AASB 116, AASB 136 and AASB 13.</p>

Areas of Audit Focus

Areas of focus	Background	Conclusion reached
<p>Employee benefits provision</p> <p><i>Key Judgements:</i></p> <p><i>Inflation rate, discount rate and probabilities applied for the long service leave calculation</i></p> <p><i>Relevant accounting standards:</i></p> <p><i>AASB 137 Provisions, Contingent Liabilities and Contingent Assets ("AASB 137")</i></p> <p><i>AASB119 Employee Benefits ("AASB119")</i></p> <p><i>Relevant Regulatory requirement:</i></p> <p><i>Long Service Leave Act 1958 ("LSL Act")</i></p> <p><i>Local Government (Long Service Leave) Regulations ("LG LSL Regulation")</i></p>	<p>Included in the Statement of Financial Position for the year ended 30 June 2025 is an amount for \$0.21 million (2024: \$0.19 million) relating to employee benefit provisions.</p> <p>As part of our audit procedures, we have performed the following:</p> <ul style="list-style-type: none"> • We documented the key controls around the fortnightly payroll process and assessed the accounting policies associated with the rates and probabilities used in the provision calculations to ensure the balance is in accordance with Australian Accounting Standards. • We obtained provision reconciliation workings that reconciled to the trial balance. Employee samples were then further selected, and their calculation inputs were vouched to supporting contracts, pay slips and leave forms to ensure calculations were appropriately performed. • We reviewed management's policies for the classification between current and non-current employee provisions for both annual leave and long service leave accruals to ensure they were in accordance with Australian Accounting Standards. 	<p>Based on the audit procedures performed, we concur with managements conclusion that employee benefit provisions have been accounted in accordance with AASB 137 and AASB 119.</p>

Areas of Audit Focus

Areas of focus	Background	Conclusion reached
Existence and completeness of expenditure <i>Key Judgements:</i> <i>Timing of expense recognition</i> <i>Relevant Regulatory requirement:</i> <i>Local Government Act 1995</i> <i>(the "LGA")</i>	<p>Included in the Statement of Comprehensive Income for the year ended 30 June 2025 is an amount for \$1.76 million (2024: \$1.63 million) relating to employee costs, an amount for \$2.0 million (2024: \$1.88 million) relating to material and contracts, an amount for \$0.50 million (2024: \$0.52 million) relating to depreciation, and an amount for \$0.11 million (2024: \$0.04 million) relating to other expenditure items.</p> <p>Audit procedures performed to ensure compliance with accounting policies and Australian Accounting standards.</p> <p>We have performed the testing surrounding the control environment to ensure appropriate quotations, purchase orders, approvals, and reviews have been performed in accordance with the Shire's adopted purchasing policy for required expenditure items.</p> <p>We have performed substantive tests of details utilising our sampling methodology as well as year end analytical review procedures to add to the level of assurance obtained.</p>	<p>Based on the audit procedures performed, we concur with managements conclusion that existence and completion of expenditure have been accounted in accordance with Australian Accounting Standards.</p>

Areas of Audit Focus

Areas of focus	Background	Conclusion reached												
Quality Delivery of Financial Reporting	Quality and timeliness of financial reporting is key for sound financial management, public accountability and effective decision making. Absence of an effective project plan for year end financial reporting can result in delays, errors, poor quality and increased costs.	Based on the audit procedures performed, we are satisfied that there is no significant deficiency in the quality delivery of financial reporting that would impact the issuance of the audit opinion.												
	<table><tr><th>Areas for management consideration</th><th>Relevant for Shire</th><th>Management response</th></tr><tr><td>Financial report being delivered as “audit ready”</td><td>Yes</td><td>The financial report was received on 01 September 2025, in a form and manner to which we believe constitutes as “audit ready” with minimal changes required as a result of audit procedures undertaken and our review of the financial report as a whole.</td></tr><tr><td>Assessing the impact of material, complex and one-off significant transactions</td><td>No</td><td>Management concluded no impact relating to complex transactions.</td></tr><tr><td>Assessment of fair value of property, plant and equipment and infrastructure assets</td><td>Yes</td><td>Management has performed an impairment indicator analysis and noted no impairment indication.</td></tr></table>		Areas for management consideration	Relevant for Shire	Management response	Financial report being delivered as “audit ready”	Yes	The financial report was received on 01 September 2025, in a form and manner to which we believe constitutes as “audit ready” with minimal changes required as a result of audit procedures undertaken and our review of the financial report as a whole.	Assessing the impact of material, complex and one-off significant transactions	No	Management concluded no impact relating to complex transactions.	Assessment of fair value of property, plant and equipment and infrastructure assets	Yes	Management has performed an impairment indicator analysis and noted no impairment indication.
	Areas for management consideration		Relevant for Shire	Management response										
	Financial report being delivered as “audit ready”		Yes	The financial report was received on 01 September 2025, in a form and manner to which we believe constitutes as “audit ready” with minimal changes required as a result of audit procedures undertaken and our review of the financial report as a whole.										
Assessing the impact of material, complex and one-off significant transactions	No	Management concluded no impact relating to complex transactions.												
Assessment of fair value of property, plant and equipment and infrastructure assets	Yes	Management has performed an impairment indicator analysis and noted no impairment indication.												

Areas of Audit Focus

Areas of focus	Background			Conclusion reached
Quality Delivery of Financial Reporting	Areas for management consideration	Relevant for the Shire	Management response	Based on the audit procedures performed, we are satisfied that there is no significant deficiency in the quality delivery of financial reporting that would impact the issuance of the audit opinion.
	<ul style="list-style-type: none"> Engagement with the Audit Committee early in the financial reporting process to review the project plan and impact on the financial statements of judgments and estimates such as: <ul style="list-style-type: none"> useful lives of assets; depreciation; expected credit loss (ECL); revenue recognition; compliance with contract terms; use of restricted funds; terms of lease agreements; and capitalisation of interest for qualifying assets. 	<p>Yes. Below is relevant for the Shire:</p> <ul style="list-style-type: none"> Useful lives of assets Depreciation Revenue recognition; and Use of restricted funds 	<p>Revenue recognition assessment has been performed for each material source of income.</p> <p>The Shire has monitored the use of the restricted funds in accordance with its approved budgets.</p>	

Other Areas of Audit Focus

Other Areas of focus included in the audit plan	Relevant to the Shire	PP Perspective
AASB 1059 <i>Accounting for Service Concession Arrangements – Grantors</i>	No	No agreements were noted during the course of the audit that would fall under the requirements of AASB 1059 <i>Accounting for Service Concession Arrangements – Grantors</i> . Based on the assessment performed, AASB 1059 has no impact on the financial statements.
Leases	Yes	Lease calculations and the inputs used in the calculations were reviewed. Based on the audit procedures performed, no deficiencies were noted.
IT General control	Yes	The effectiveness of logical access and program change controls was assessed using Pitcher Partners' IT work programs. Based on the audit procedures performed, no deficiencies were noted.
Specific Local Government ("LG") General Purpose Financial Reporting requirements	Yes	The general purpose financial statements were reviewed as part of the audit procedures performed to ensure compliance with local government and Australian Accounting Standards requirements. Based on the audit procedures performed, no disclosure deficiencies were identified.
Existence of cash and cash equivalents	Yes	Cash balances were agreed to bank statements and confirmations and it was ensured that restricted funds are being appropriately accounted for by the Shire.
Related party transactions	Yes	Related party transactions and disclosures were tested and reviewed as part of audit procedures performed. Based on the audit procedures performed, no deficiencies were noted.
Employee expenses, superannuation contributions	Yes	Walkthroughs and tests of key controls of the payroll process were performed to ensure key controls have been adhered to. Substantive testing has been performed on representative samples. Based on the audit procedures performed, no significant control deficiencies were identified

Other Areas of Audit Focus

Other Areas of focus included in the audit plan	Relevant to the Shire	PP Perspective
Others: <ul style="list-style-type: none"> Recognition and recoverability of receivables; Completeness and classification of borrowings; Completeness of creditors, accruals and provisions; and Treatment of associated borrowing costs including capitalisation to any qualifying assets. 	Yes Yes Yes Yes	<p>Audit procedures performed did not identify any specific deficiency matters.</p> <p>Audit procedures performed did not identify any specific deficiency matters.</p> <p>Audit procedures performed to identify unrecorded liabilities did not identify any specific deficiency matters.</p> <p>Audit procedures performed did not identify any specific deficiency matters.</p>

DRAFT

Areas of Audit Focus

Areas of focus	Background	Conclusion reached
30 June 2025 Management Findings	<p>Management findings that have been identified and presented to the Shire of Peppermint Grove's management team during the 30 June 2025 audit engagement.</p> <p>The Management Letter findings are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. The audit has given consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).</p>	Based on the audit procedures performed, we are satisfied that there is no significant management findings to report during the 30 June 2025 engagement.

Matters Identified During 30 June 2025 Audit	Ratings	Status
NIL		

Areas of Audit Focus

Areas of focus	Background	Conclusion reached
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30 June 2024 Management Findings

The Management Letter findings are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. The audit has given consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Matters Identified During 30 June 2024 Audit	Ratings	Status
NIL		

Identified misstatements

The following tables summarize the adjustments that were identified during the year that have been corrected and also not corrected by management.

Corrected misstatements

Misstatements arising during the audit that were corrected by management in the financial report are detailed as follows:

Description	Asset Increase/ (Decrease) \$AUD	Liability (Increase)/ Decrease \$AUD	Profit/(loss) Increase/ (Decrease) \$AUD
Financial Asset	2,148,466		
Cash & cash equivalents	(2,148,466)		
<i>To reclassify the term deposits over 3 months of maturity</i>		-	-
Impact on each class after adjustment has been taken up	-	-	-

Uncorrected misstatements

Accumulated misstatements arising during the audit that have not been corrected in the financial report are detailed as follows:

Description	Asset Increase/ (Decrease) \$AUD	Liability (Increase)/ Decrease \$AUD	Equity (Increase)/ Decrease \$AUD	Profit/(loss) Increase/ (Decrease) \$AUD
NIL	-	-	-	-



Regulatory matters

- *ASIC updates, including focus areas*
- *Future financial reporting developments*

Regulatory matters

Sustainability reporting requirements

From 17 September 2024 the *Corporations Act 2001* (the “Act”) was amended to require mandatory climate reporting for certain entities. Following this, the first Australian Sustainability Reporting Standards (ASRSs) were issued by the Australian Accounting Standards Board (AASB).

What entities are impacted and when?

The Act requires that all entities subject to mandatory climate-related financial disclosures are phased in three groups, over a four-year period, based on size or level of emissions, as set out below.

Entities that are exempt from lodging financial reports under Chapter 2M of the Act are not required to make the disclosures.

Scoping and timing	Required to lodge financial reports under Chapter 2M of the Corporations Act 2001 <u>and</u> falls within one (or more) of the following three categories				
First annual reporting periods beginning on or after	Meet two of three reporting thresholds:			National Greenhouse and Energy Reporting (NGER) Reporters	Registered schemes, registrable superannuation entities or retail CCIVs
	Consolidated revenue	EOFY consolidated gross assets	EOFY employee numbers		
<u>Group 1</u> 1 January 2025	\$500 million or more	\$1 billion or more	> 500	Above NGER publication threshold	Scoped out of Group 1
<u>Group 2</u> 1 July 2026	\$200 million or more	\$500 million or more	> 250	All other NGER reporters	\$5 billion or more assets under management
<u>Group 3</u> 1 July 2027	\$50 million or more	\$25 million or more	> 100	N/A	Refer to Group 3 thresholds

What will need to be reported?

AASB S2 *Climate-related Disclosures* will mandatorily apply to those entities specified in the Act.

It sets out disclosure requirements for climate-related risks and opportunities that could reasonably be expected to affect an entity’s cash flows, access to finance or cost of capital over the short, medium or long term. These disclosures are divided into four key pillars; governance, strategy, risk management and metrics and targets (including measures of Greenhouse Gas Emissions).

Entities outside the thresholds interacting with in-scope entities

Whilst the timing outlined in the table is for mandatory adoption, businesses may early adopt or have trial runs prior to this date. Further, many businesses will be part of supply chains where their customers may have to report and will potentially be asking for information from their suppliers to complete their own disclosures. Therefore, businesses (even those below the Group 3 thresholds) should consider whether they are in a supply chain where they are likely to be asked to provide information by their customers on climate emissions; and if they are, when that is likely to occur and whether they have sufficient systems and expertise to collate and report this information on a timely basis as it may be required to continue to do business with entities in category Groups 1 to 3.

Guidance

PP article – [*Transitioning to an environmentally sustainable economy: Climate reporting is now law*](#)

PP Sustainability Reporting Guide

[Treasury Legislation](#)

[ASIC RG 280 Sustainability reporting](#)



Regulatory matters

Sustainability report requirements (continued)

Reporting location and timing

Climate disclosures are required to be included in an entity's annual report, within a separate annual sustainability report containing climate statements, notes and a directors' declaration about the statements and notes.

Timing for lodgement will be consistent with the current requirements under s319 of the Act in respect of the lodgement of annual reports.

Further guidance

ASIC has issued a regulatory guide to assist entities in their reporting – RG 280 *Sustainability reporting*.

ASIC also encourages entities to consider the greenwashing information sheet ([INFO 271](#)) and findings and recommendations in their interventions report ([REP 763](#)) as they continue to keep greenwashing in their sights.

Assurance requirements

The legislation requires the auditor of an entity's financial report to provide assurance over the mandatory climate information in their annual report.

The assurance requirements are outlined in ASSA 5000 *General Requirements for Sustainability Assurance Engagements*.

ASSA 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* outlines a timeline for phasing in assurance requirements over time from 1 January 2025. For years commencing 1 July 2030 onwards, reasonable assurance is required for all mandatory climate disclosures.

What are the different types of assurance?

Limited assurance engagement = a review of information in a sustainability report.

Reasonable assurance engagement = an audit of information in a sustainability report.

Reporting Year >	Year 1*	Year 2	Year 3	Year 4 onwards **
Governance	Limited	Limited	Limited	Reasonable
Strategy – Risks and Opportunities ***	Limited ****	Limited	Limited	Reasonable
Climate Resilience Assessments / Scenario Analysis	None	Limited	Limited	Reasonable
Transition Plans	None	Limited	Limited	Reasonable
Risk Management	None	Limited	Limited	Reasonable
Scope 1 and 2 Emissions	Limited	Limited	Limited	Reasonable
Scope 3 Emissions	None	Limited	Limited	Reasonable
Climate-related Metrics and Targets	None	Limited	Limited	Reasonable

- This includes Group 1 entities with years commencing 1/1/25 to 30/6/26, Group 2 entities with years commencing 1/7/26 to 30/6/27, and Group 3 entities with years commencing on 1/7/27 to 30/6/28. Note that Group 1 entities with years commencing 1 January to 30 June will be subject to the Year 1 provisions twice. Reporting of Scope 3 emissions is required for years commencing 1/1/26 to 30/6/26 for these Group 1 entities
- ** Years commencing from 1/7/30 to 30/6/31 for Group 3 entities From that time reasonable assurance is required by the Act for all mandatory climate disclosures.
- *** The phasing for assurance on statements where there are no material climate-related risks and opportunities would be the same as for 'Strategy – Risks and Opportunities'
- **** Assurance requirements apply to disclosures complying with sub-paragraphs 9(a), 10(a) and 10(b) of AASB S2

Guidance

PP article – [Climate and sustainability assurance requirements approved by the AUASB](#)

[PP Sustainability Reporting Guide](#)

[ASIC RG 280 Sustainability reporting](#)



Regulatory matters

Sustainability report requirements (continued)

Directors' obligations

While the timeline may vary for each entity which has sustainability reporting obligations, directors have the following obligations:

- Have an understanding of the reporting requirements
- Have an understanding of the climate related risks and opportunities
- Establish systems to identify, assess and monitor the material financial risks and opportunities
- Establish controls, policies and procedures for overseeing and preparing the sustainability report
- Establish controls, policies and procedures for keeping sustainability records
- Apply a critical lens to the disclosures proposed in the sustainability report.

In meeting these obligations directors may make use of experts and consultants but directors must make an independent assessment of the information or advice provided.

What needs to be disclosed

AASB S2, paragraph 2:

This Standard requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. For the purposes of this Standard, these risks and opportunities are collectively referred to as 'climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects'.

This information is disclosed in the following categories:

- Governance
- Strategy Climate related risks and opportunities
- Business model and value chain
- Strategy and decision making
- Financial position and performance and cashflows
- Climate resilience
- Risk Management
- Metrics and targets

Directors' declaration

For those preparing a sustainability report for the financial year commencing between 1 January 2025 and 31 December 2027, the directors' declaration for the sustainability report will declare that they have taken reasonable steps to ensure that the sustainability report (other than the directors declaration) is in accordance with the *Corporations Act 2001* and AASB S2.

Guidance

[AASB S2](#)

[ASIC RG 280 Sustainability reporting](#)

Regulatory matters

Future financial reporting developments – AASB 18

Presentation and disclosure in financial statements

[AASB 18](#) replaces AASB 101 *Presentation of Financial Statements*. A number of requirements in AASB 101 will be carried forward to AASB 18 along with new requirements, to help achieve comparability of the financial performance of similar entities.

Further, some content in AASB 101 will be relocated to AASB 108 *Accounting policies, Changes in Accounting Estimates and Errors*, and AASB 108 renamed to *Basis or Preparation of Financial Statements*.

Amendments are also made to AASB 107 *Statement of Cash Flows* to:

- remove the option for classifying interest and dividend cash flows as operating activities; and
- require the new sub-total 'Operating Profit' to be the starting point for the reconciliation to the net cash flows from operating activities.

Who is impacted?

All entities preparing Tier 1 general purpose financial statements will be initially impacted, including for-profit and not-for-profit entities.

In the coming months, the AASB will consider the impact for Tier 2 entities preparing financial statements in accordance with AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*.

Application and impact

AASB 18 includes:

- Revised structure of the statement of profit or loss. This incorporates two new sub-totals and three new categories of income and expenses depending on an entity's main business activities.
- Disclosure of management-defined performance measures ("MPMs") or non-GAAP measures in the notes to the financial statements. This will include disclosures such as how the measure is calculated, how it provides useful communication and a reconciliation to the most comparable sub-total in AASB 18 or other accounting standards.
- Additional guidance on aggregating and disaggregating information in the financial statements, which focuses on grouping items based on their shared characteristics.

AASB 18 does not impact the recognition and measurement of amounts in the financial statements, including net profit numbers.

However, it will make certain 'non-GAAP' measures part of the audited financial statements, which traditionally may have been presented outside of the financial statements.

Applying the new standard will enable entities to better communicate their story and focus on the result from main business activities. Consistency of presentation in the statement of profit or loss and cash flows will be improved, especially between entities within the same industry.

Effective date

AASB 18 applies to entities preparing Tier 1 general purpose financial statements as follows, with earlier application permitted:

- for-profit entities (other than superannuation entities) for annual reporting periods commencing on or after 1 January 2027, including for interim (or half-year) financial statements.
- not-for-profit entities and superannuation entities for annual reporting periods commencing on or after 1 January 2028.

Retrospective application will be required, so comparative information needs to be presented and disclosed in accordance with AASB 18.

Guidance

Financial Reporting Guide

[*AASB 18 Presentation and disclosure in financial statements – June 2024*](#)



Regulatory matters

Future financial reporting developments - Other standards issued and effective within the next 12 months

New Pronouncement	Effective Date	Application
AASB 2023-5 <i>Lack of Exchangeability</i>	1 January 2025	All entities
AASB 2024-2 <i>Classification and Measurement of Financial Instruments</i>	1 January 2026	All entities
AASB 2024-3 <i>Annual Improvements Volume 11</i>	1 January 2026	All entities
AASB 2025-1 <i>Contracts Referencing Nature-dependent Electricity</i>	1 January 2026	All entities



Other matters

Other matters

Artificial intelligence (including machine learning)

Increased focus due to associated risks

Artificial intelligence (AI) is increasingly becoming part of the business landscape. The release of ChatGPT and other similar AI tools has placed further focus on this area, including the associated business risks.

Machine learning, a type of AI, adapts itself through iterative training using large amounts of data. Each new piece of data refines the system, automatically adjusting network settings for accuracy based on underlying mathematical equations. Machine learning systems lack broader knowledge beyond their trained model. As a result, the quality of the data input into the system, drives the output quality. The model doesn't retain training data; it generates answers from its complex, trained model.

Generative AI, built on foundation models, creates content that rivals human creation which are often deployed via cloud services. This introduces additional risks, such as where the data input is stored and who has access to it.

Common AI-related business risks

Input risk

AI tools are dependent on the input information, which has two broad risk areas: the skill and capability of the user and the training data used to build the AI tool.

Execution / Output risk

AI tools are based on the specific training data, and so there is no guarantee the output is correct. Businesses using AI need to have appropriate processes and controls in place to make sure the AI output is factually correct. This can be especially challenging if using open-source models (which may use irrelevant data to build a response) or inhouse tools (which may use incomplete or insufficient training data).

Confidentiality/Privacy risk

The information input to an AI tool may not be as secure and private as required, particularly if open-source systems are being used. Businesses need to consider what information is used, where and how it is stored and who has access to it.

ESG reporting risk

Looking forward with the focus on ESG reporting, climate and sustainability information related to AI tools may be included in the consideration factors. Businesses will need to have in place the appropriate systems, processes, and controls to obtain the relevant data for reporting purposes.

Considerations

Some of the key points to consider are:

- What, where and how AI is used in your business and supply chains
- Whether an enterprise approach to AI is an option and preferable to open-source AI
- The training required to make the best use of AI in your business
- Whether you may need to seek legal advice in using AI
- The level of assurance (if any) to be obtained on your AI systems

References

[Osborne Clarke - What risks need to be considered by a business using artificial intelligence?](#)

[McKinsey - Confronting the risks of artificial intelligence](#)



Other matters

Cyber Security Act 2024

The *Cyber Security Act 2024* (the “CSA”), enacted on 29 November 2024, is landmark legislation aimed at strengthening Australia’s cyber security practices and implements four initiatives outlined in the Australian Cyber Security Strategy (2023-2030).

The CSA includes measures to:

- Mandate minimum cyber security standards for smart devices;
- Introduce a mandatory ransomware and cyber extortion reporting obligation for certain businesses to report ransom payments;
- Introduce a Limited Use obligation for the National Cyber Security Coordinator to encourage industry engagement with the government following cyber incidents; and
- Establish a Cyber Incident Review Board to conduct reviews of significant cyber incidents and share lessons learned.

Subordinate legislation in the form of Rules has also been created to give effect to some of the measures under the CSA (referred to collectively as “Cyber Security Rules”).

Those charged with governance should consider the applicability of the CSA and Cyber Security Rules and take appropriate action to comply with the requirements (as applicable).

Ransomware payment reporting

Part 3 of the CSA establishes a ransomware and cyber extortion payment reporting obligation on reporting business entities.

The Ransomware payment reporting rules **became effective from 30 May 2025**.

Who must report?

A reporting business entity is one that carries on business in Australia with an annual turnover of the previous financial year that exceeds \$3 million and is not a Commonwealth or State body. It includes responsible entities for critical infrastructure assets to which Part 2B of the *Security of Critical Infrastructure Act 2018* applies.

Conditions for reporting?

The following questions can assist in determining when a report is required:

- 1) Has a cyber security incident occurred, is it occurring or is imminent?
- 2) Does/will the incident have a direct or indirect impact on a reporting business entity?
- 3) Has an extorting entity made a demand for payment or benefit?
- 4) Has a payment or benefit been made in direct response to the demand?

When to report?

Within 72 hours of:

- Making a ransomware payment, or
- Becoming aware that a payment was made on behalf of the entity.

How to report?

Via a portal on the Australian Signals Directorate’s website: <https://www.cyber.gov.au/>

Required information includes details relating to the business and contact, incident and impact, extortion demand and payment and communications with the extorting entity.

Those charged with governance should assess whether the entity is a reporting business entity and if so, understand the ransomware payment reporting obligations and implement appropriate processes, systems and controls to comply.

Guidance

[Australian Cyber Security Strategy \(2023-2030\)](#)

[Cyber Security Act 2024](#)

[Cyber Security \(Ransomware Payment Reporting\) Rules 2025](#)

[Factsheet - Ransomware and cyber extortion payment reporting](#)



Other matters

Wage underpayments and related matters

Wage underpayments and related employee benefits are currently an area where there has been significant legislative change or planned change.

Wage Underpayments

From 1 January 2025 as part of changes to workplace laws, intentional underpayment of wages by employers will become a criminal offence.

Employers will commit an offence if:

- they're required to pay an amount to an employee (such as wages), or on behalf of or for the benefit of an employee (such as superannuation) under the Fair Work Act, or an industrial instrument; and
- they intentionally engage in conduct that results in their failure to pay those amounts to or for the employee on or before the day they're due to be paid.

The new offence only applies to intentional underpayments that happen after these provisions take effect. This includes where the underpayments are part of a course of conduct that started before the provisions take effect.

Penalties

Some of the penalties are outlined below but there are a broad range of potential penalties.

For a company

The following penalties will apply:

- if the court can determine the underpayment, the greater of 3 times the amount of the underpayment and \$7.825 million, or
- if the court can't determine the underpayment, \$7.825 million.

For an individual

The following penalties will apply:

- maximum of 10 years in prison
- if the court can determine the underpayment, the greater of 3 times the amount of the underpayment and \$1.565 million, or
- if the court can't determine the underpayment, \$1.565 million.

Considerations

Those charged with governance should be alert to this topical issue and upcoming changes to workplace laws.

Consider what actions are appropriate, which may include:

- Review the applicable awards and industry agreements
- Review the configuration of payroll systems
- Consider whether controls over wage compliance are adequate.

Remember your obligations are for each employee's wages, and small errors can result in significant penalties even where most employees have been paid correctly.

Guidance

[Fair Work Australia - Criminalising wage underpayments and other issues](#)

Other matters

Wage underpayments and related matters (continued)

Compliance Notices

Since 27 February 2024, a Fair Work compliance notice works in two ways.

The new laws state that compliance notices issued to employers can require the employer to:

- calculate the underpayment amount owed to an employee
- pay the amount owed to the employee

In addition, courts can order employers (who have been issued with a compliance notice) to comply, either wholly or partly, with its terms.

New Discrimination protections

Since 15 June 2023, there are stronger protections against discrimination for employees experiencing family and domestic violence.

This means that it's unlawful for an employer to take adverse action (including dismissal) against an employee because the employee is (or has been) experiencing family and domestic violence.

Voluntary Small Business Wage Compliance Code

A Voluntary Small Business Wage Compliance Code (Voluntary Code) will be established by Fair Work Australia.

Compliance with the Voluntary Code means a small business won't be criminally prosecuted if they underpay their employees.

Considerations

Those charged with governance should be alert to these topical issues and consider how the business will ensure its ongoing compliance with these matters.

Guidance

[Fair Work Australia - Criminalising wage underpayments and other issues](#)

Other matters

Payday Super

In the 2023-24 Budget, the Government announced a reform to align employers' payment of Superannuation Guarantee (SG) contributions with salary and wages, instead of the current quarterly requirement.

This will take effect from 1 July 2026.

Employers to pay SG alongside wages

From 1 July 2026, an employer will be required to make SG contributions on 'payday'.

Payday = the date an employer makes an Ordinary Times Earnings (OTE) payment to an employee.

Each time OTE is paid, there will be a new 7 day 'due date' for contributions to arrive in the employees' superannuation fund.

An employer will be liable for the new SG charge unless SG contributions are received by their employees' superannuation fund within 7 calendar days of payday.

There will be some limited exceptions:

- Contributions for OTE paid within the first two weeks of employment for a new employee will have their due date deferred until after the first two weeks of employment.
- Small and irregular payments that occur outside the employee's ordinary pay cycle would not be considered a payday until the next regular OTE payment or payday occurs.

Updated SG charge

Where employers fail to pay contributions in full and on time, they are liable for the SG charge.

The SG charge will:

- Be updated for the payday super environment and continue to reflect the seriousness of underpayment or late payment of SG;
- Ensure that employees are fully compensated for any delay in receiving their superannuation; and
- Create an incentive for employers to address unpaid superannuation quickly.

All assessments of the updated SG charge will be made by the Australian Taxation Office (ATO).

Components of the updated SG charge	
Outstanding SG shortfall	The SG shortfall will be calculated based on OTE to be consistent with the base used for calculating the SG.
Notional Earnings	The SG shortfall will incur daily interest calculated at the general interest charge rate on a compounding basis. Interest accrues from the day after the due date.
Administrative uplift	An additional charge will be levied to reflect the cost of enforcement. This will be calculated as an uplift of the SG shortfall component of up to 60 per cent.

Additional interest and penalties apply if the assessed SG charge is not paid by the due date.

Recognising late contributions

If funds are not received in an employee's superannuation account within 7 days, the employer will be liable to pay the SG charge, even ahead of the ATO issuing an assessment.

An employer should make contributions to their employee's superannuation fund as soon as possible as this will minimise their liability and penalties. The longer the period of non-compliance, the larger the SG charge will be.

The approach to correcting late contributions will be simplified under payday super.

Considerations

Those charged with governance need to ensure they have appropriate governance and systems in place, so employees receive their full legal entitlements, including salary, wages and SG, on time.

Guidance

[ATO Payday superannuation](#)

[Payday Super fact sheet.pdf](#)



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7. CLOSURE

Meeting Close 8.54 am