AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

AGENDA

23 November 2026

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CITY OF GREATER GERALDTON

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING TO BE HELD ON TUESDAY 20 JULY 2026 AT 3.00PM CHAMBERS – CATHEDRAL AVENUE

A G E N D A

1 DECLARATION OF OPENING

2 ACKNOWLEDGEMENT OF COUNTRY

I'd like to respectfully acknowledge the Southern Yamatji as the traditional custodians of the lands we are meeting on today. We acknowledge their connection to the lands, waterways and communities and pay our respects to Elders past, present and emerging as well as recognising any indigenous people present with us now.

3 ATTENDANCE

Present:
Michael Librizzi, Presiding Member
Mayor Jerry Clune
Deputy Mayor Colliver
Cr Milnes
Cr Van Styn

Officers:
R McKim, Chief Executive Officer
P Radalj, Director Corporate Services
N Jane, Chief Financial Officer
T Machukera, Financial Accountant
N Robins, Coordinator Governance & Risk, Minute Secretary
C Lee, Director Infrastructure Services
T Free, Director Development Services
F Norling, Director Community & Culture
N Hope, Manager People, Safety & Wellbeing
D Duff, Manager ERP

By Invitation:

Apologies:

Leave of Absence:

4 CONFIRMATION OF PREVIOUS MINUTES

Recommendation: That the minutes of the City of Greater Geraldton Audit, Risk and Improvement Committee (ARIC) meeting held on 5 October 2026 as attached be accepted as a true and correct record of proceedings.

5 ITEMS FOR AUDIT, RISK AND IMPROVEMENT COMMITTEE REVIEW

AC201 STRATEGIC INTERNAL AUDIT PLAN 2025-2030

AGENDA REFERENCE:	**D-26-140649**
AUTHOR:	**N, Jane, Chief Financial Officer**
EXECUTIVE:	**P Radalj, Director Corporate Services**
DATE OF REPORT:	**17 November 2026**
FILE REFERENCE:	**GO/11/0020**
ATTACHMENTS:	**Yes (x1)** **A. Strategic Internal Audit Plan 2025 - 2030 (revised November 2026)**

EXECUTIVE SUMMARY:
The purpose of this report is to provide the Audit, Risk and Improvement Committee with the revised Strategic Internal Audit Plan 2025 – 2030 (Plan). The key purpose of the Plan is to ensure the implementation and establishment of adequate control systems, appropriate risk management and governance procedures to meet the City's objectives and statutory requirements.

EXECUTIVE RECOMMENDATION:
That the Audit, Risk and Improvement Committee by Simple Majority pursuant to Section 7.1CA of the *Local Government Act 1995* RESOLVES to:

1. RECEIVE the revised Strategic Internal Audit Plan 2025 – 2030.

PROPONENT:
The proponent is the City of Greater Geraldton (the City).

BACKGROUND:
Internal audit provides independent, objective assurance over an organisation's risk management, internal control, governance and the processes in place for ensuring effectiveness, efficiency and economy.
ARIC endorsed the auditable areas for 2027 at the meeting on 20 July 2026 (Item AC192):

- Procurement Compliance
- Service Contract Management
- Property, Lease and Agreement Management; and
- Asset Valuation Processes

Officers held a planning session with the City's appointed Internal Auditors, AMD, in preparation for actioning audit scope. During this discussion, it was agreed that the following changes were required to the Plan:

- Updated Risk Management Framework
- Updated Fraud and Corruption Control Audit Plan
- Bring forward Insurance Protection to coincide with Asset Revaluation Process with the aim of informing the development of an Insurance Strategy
- Add:

  - To Procurement Compliance effectiveness of current systems, processes and procedures
  - To Service Contract Management effectiveness and governance of current systems, processes and procedures
  - To Service Contract Management Regulation 29F readiness
- Move to Tender Management from Procurement Compliance:
  - Assess conditions of Tendering, General Conditions of Contract and any other applicable templates; and
  - Assessment of risk management procedures relating to request for quotation and tender management.

The attached revised Strategic Internal Audit Plan 2025 – 2030 provides detail of the scope for each audit module.

CONNECTED, LIVEABLE, THRIVING, LEADING – ISSUES AND OPPORTUNITIES:

Connected:
There are no adverse impacts. Undertaking Internal audit activities in line with the plan assists in ensuring we are accountable for our actions to the community.

Liveable:
There are no adverse impacts.

Thriving:
There are no adverse impacts.

Leading:
The ARIC plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to risk management, internal controls, and legislative compliance. The Strategic Internal Audit Plan outlines the required and proposed actions over the period of the plan.

Disclosure of Interest:
No Officer involved in the preparation of this report has a declarable interest in this matter.

RELEVANT PRECEDENTS:
The Audit Risk and Improvement Committee endorsed the Strategic Internal Audit Plan 2025 - 2030 at the meeting on 24 February 2026 (AC178) and endorsed the auditable areas for 2027 at the meeting on 20 July 2026 (AC192).

COMMUNITY/COUNCIL MEMBER CONSULTATION:
There has been no community/Council Member consultation.

LEGISLATIVE/POLICY IMPLICATIONS:
Local Government (Audit) Regulations 1996, regulation 16:
An audit, risk and improvement committee has the following functions —

(a) to receive and review reports on, and recommend to the council actions to be taken in relation to —

(i) audits under Part 7 of the Act; and

(ii) compliance audits; and

(iii) reviews under regulation 17;

(b) to otherwise receive and review reports on the appropriateness and effectiveness of, and recommend to the council improvements to, the local government's systems and procedures in relation to —

(i) financial management; and

(ii) legislative compliance; and

(iii) risk management;

(c) to receive and review reports on, and recommend to the council improvements to, the implementation of any actions that the local government —

(i) is required to take under section 7.12A(3); and

(ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and

(iii) has otherwise decided to take in response to a report or recommendation referred to in paragraph (a) or (b); and

(iv) has stated it has done or proposes to do in written advice prepared under section 8.6(1)(a) or 8.23(4)(a);

(d) any other function conferred on the audit, risk and improvement committee under these regulations or another written law.

Local Government (Audit) Regulations 1996, regulation 17:

(1) The CEO must review the appropriateness and effectiveness of the local government's systems and procedures in relation to the following matters —

(a) financial management;

(b) legislative compliance;

(c) risk management.

(2) Under subregulation (1), the CEO may review any or all of the matters referred to in subregulation (1)(a) to (c) at any time but must review each of those matters not less than once in every 4 financial years.

(3) The CEO must report to the audit, risk and improvement committee the results of each review carried out under subregulation (1).

FINANCIAL AND RESOURCE IMPLICATIONS:

Provision is made in the budget to undertake reviews as required.

INTEGRATED PLANNING LINKS:

Strategic Theme: Leading	**A progressive City where informed decisions, strong advocacy and an enabling culture drives sustainable regional growth.**
Goal 2	Efficiently and effectively deliver community services and projects, through optimal use of our resources.
Goal 6	Ensure high quality governance activities enabling transparency and accountability.

REGIONAL OUTCOMES:
There are no impacts to regional outcomes.

RISK MANAGEMENT:
Auditable areas were identified by the Internal Auditor in conjunction with management, and defined in terms of the business risks, critical success factors and specific risk-based criteria. The criteria used to rank each area are as follows:

- Materiality/size – high priority was given to areas which involved larger dollar amounts
- Strategic Importance – effort directed towards activities that are significant to the achievement of corporate objectives
- Control Environment – consideration was given to the status of the current control environment
- Inherent Risk – the level of risk associated with the nature of the underlying assets, or the operations conducted by the activity
- Regulatory Compliance – it is compulsory to comply with relevant legislation and regulations due to the nature of the industry.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:
No alternative options were considered by City Officers.

AMD
Chartered Accountants & Advisors

AMD. Works for me.

STRATEGIC INTERNAL AUDIT PLAN

City of Greater Geraldton
a vibrant future

The Institute of Internal Auditors

WAIPA PREFERRED SUPPLIER

BKR INTERNATIONAL

CHARTERED ACCOUNTANTS
AUSTRALIA NEW ZEALAND

July 2026
Updated November 2026

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1. Executive Summary

1.1. Preparing the Strategic Internal Audit Plan

In accordance with the City of Greater Geraldton's Request for Quotation VP486952 and associated scope of works, AMD Chartered Accountants (AMD) has developed a five year Strategic Internal Audit Plan (the Plan) for the City of Greater Geraldton.

1.2. Audit Plan Period

The Plan covers the five years ending 30 June 2030.

1.3. The Role of Internal Audit

The Institute of Internal Auditors Global Internal Audit Standard defines internal auditing as:

> *"Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."*

Therefore, AMD's internal audit methodology embraces the wider concept of corporate governance and risk, recognising that controls exist in Local Governments to manage risks and promote effective and efficient governance and performance.

Internal Audit services offered by AMD to Local Governments comply with the Global Internal Audit Standards contained in the International Professional Practices Framework issued by the Institute of Internal Auditors.

1.4. Internal Audit Services

The types of Local Government internal audit work will generally encompass:

Assurance Services – Services through which internal auditors perform objective assessments to provide assurance. Examples of assurance services include compliance, financial, operational/performance, and technology engagements.

Advisory Services – Services through which internal auditors provide advice to a Local Government without providing assurance or taking on management responsibilities. The nature and scope of advisory services are subject to agreement with relevant stakeholders. Examples include advising on the design and implementation of new policies, processes, systems, and products; providing forensic services; providing training; and facilitating discussions about risks and controls.

1.5. Audit Planning Approach

To be effective, internal audit needs to contribute to the achievement of City of Greater Geraldton's objectives and statutory requirements, understanding its critical success factors and the key risks and barriers to achieving these.

To develop this Plan, the following activities were conducted:

- Discussions with the City of Greater Geraldton's Manager of Corporate Compliance and Chief Financial Officer;
- Review of City of Greater Geraldton's Annual Report for 2025 and previous audited financial statements;
- Review of risk management policies and procedures and other relevant policies as available on Council's website and obtained during recent audits and reviews;
- Ensuring the identified internal audit modules and related internal audit scope of work as outlined within Request for Quotation VP486952 are addressed within this Strategic Internal Audit Plan; and
- Review of recent changes in Local Government legislation.

The results of the above discussions and review were collated and a list of potential audit areas developed and ranked in order of risk to City of Greater Geraldton.

This draft strategic internal audit plan will be discussed with City of Greater Geraldton management and endorsed by the Audit, Risk and Improvement Committee, prior to adoption and implementation. The specific internal audit modules to be audited each year of the Strategic Internal Audit Plan will be in accordance with those areas requested in Request for Quotation RFQ VP486952 subject to any subsequent amendments as required by management and the Audit, Risk and Improvement Committee.

2. Key Issues

Internal Audit services offered by AMD to Local Governments comply with the Global Internal Audit Standards contained in the International Professional Practices Framework issued by the Institute of Internal Auditors.

It is essential the Internal Audit function addresses the critical risk and key issues facing the Local Government including corporate governance and risk. From our knowledge of City of Greater Geraldton, we have identified the following matters that are critical to the ongoing success of City of Greater Geraldton.

2.1. Compliance

City of Greater Geraldton must comply with a significant number of statutory requirements including but not limited to the Local Government Act 1995, Local Government (Financial Management) Regulations 1996, Local Government (Audit) Regulations 1996 and subsequent amendments. These compliance activities can at times be intensive and sometimes detract key staff from focusing on core activities.

2.2. Financial and the establishment of adequate control systems

City of Greater Geraldton's control environment and system in place are critical to the successful achievement of strategic goals. City of Greater Geraldton's challenge is to design, implement and monitor appropriate internal controls in order to ensure the following:

- Reliable financial and operational information is available at all times;
- Internal controls are effective and efficient;
- Controls are in place to safeguard assets; and
- Controls are in place to ensure compliance with laws, regulations and contracts.

2.3. Technological and Cybersecurity

Local Governments face increasing technological and cybersecurity pressures as they modernise service delivery and manage sensitive community data. Strengthening cyber resilience requires robust governance frameworks, regular risk assessments, and adherence to security standards. Equally important is ensuring that IT infrastructure is up to date, adequately monitored, and supported by clear disaster-recovery and backup protocols. Staff awareness and training play a critical role, as human error remains one of the most common causes of breaches. By investing in secure digital systems, improving data management practices, and fostering a culture of cybersecurity, the City of Greater Geraldton can better safeguard public information and maintain community trust.

2.4. Operational, performance, strategic and corporate governance controls

Efficient and effective evaluation of Local Government business units is essential as it helps identify what is working well, what needs improvement, and whether services are being delivered in line with community expectations and legislative requirements. Regular assessment strengthens accountability, improves resource allocation, and supports better decision-making, ultimately enhancing overall performance and public trust.

In addition, implementation of an effective Corporate Governance framework is critical to the successful achievement of strategic goals. City of Greater Geraldton's challenge is to develop an appropriate Corporate Governance framework that considers organisational ethics, values, performance management and accountability.

2.5. Implementation of appropriate risk management

The systematic and effective management of risk is critical to the successful achievement of strategic goals. City of Greater Geraldton's challenge is to develop an appropriate risk management framework that embeds risk management into the key decision-making processes so that risk is properly considered during the deliberations leading up to a decision. In this manner, risk management becomes part of the management process rather than an afterthought addressed much later.

3. Internal Audit Methodology

3.1. Specific Objectives

Specific objectives of the City of Greater Geraldton's internal audit function are:

- To form a partnership approach to assist the Audit, Risk and Improvement Committee and the CEO to achieve objectives and discharge their responsibilities;
- To provide assurance as to compliance with legislative and funding requirements, policies and procedures;
- To provide assurance as to the reliability of accounting and financial management information;
- To provide independent assurance and review relating to technological and cybersecurity controls;
- To provide independent advice to improve City of Greater Geraldton's operational effectiveness and efficiency; and
- To review and provide advice relating to the effectiveness of risk management systems and internal controls.

To meet the above objectives, the internal audit will:

- Provide appropriate skills to enable the conduct of high-quality assurance services;
- Provide an appropriate balance of management, financial, operational, information technology and risk management skills amongst internal audit staff; and
- Optimise the use of information technology and other tools to enable assurance services to be performed in the most efficient and effective manner.

All internal audits will be performed in accordance with the Global Internal Audit Standards contained in the International Professional Practices Framework issued by the Institute of Internal Auditors.

3.2. Partnership Approach

To achieve internal audit objectives, audits would normally be structured into key service groups in order to provide a comprehensive but cohesive internal audit service. In this way the overall audit service is consultative, risk-based and objective-driven to provide a partnership approach and a quality service to management and the Audit, Risk and Improvement Committee.

4. Internal Audit Risk Assessment

4.1. Approach to Risk Assessment

In developing this Strategic Internal Audit Plan, AMD has adopted a risk assessment approach based on auditor judgement rather than using computerised planning tools. In conjunction with management, auditable activities were defined in terms of the business risks, critical success factors and specific risk-based criteria. The criteria used to rank each area are as follows:

Criteria	Reason for inclusion
Materiality/size	High priority was given to areas which involved larger dollar amounts
Strategic Importance for City of Greater Geraldton	Effort directed towards activities that are significant to the achievement of corporate objectives
Control Environment	Consideration was given to the status of the current control environment
Inherent Risk	The level of risk associated with the nature of the underlying assets or the operations conducted by the activity
Regulatory Compliance	It is compulsory to comply with relevant legislation and regulations due to the nature of the industry.

This draft strategic internal audit plan will be discussed with City of Greater Geraldton management and endorsed by the Audit, Risk and Improvement Committee, prior to adoption and implementation. The specific internal audit modules to be audited each year of the Strategic Internal Audit Plan will be in accordance with those areas requested in Request for Quotation RFQ VP486952 subject to any subsequent amendments as required by management and the Audit, Risk and Improvement Committee.

4.2. Guidance as to Risk Classification

Our guidance to risk classification when performing the City of Greater Geraldton's internal audit review is based on the following:

Risk is the probability that an event or action may adversely effect the organisation. Risk is assessed based on the relationship between consequence and likelihood.

- Consequence is the severity of the impact that would result if the event were to occur.
- Likelihood is the chance that the event may occur given knowledge of the organisation and its environment.

Our risk rating for each audit issue will be based on the City of Greater Geraldton's Risk Management Framework as follows:

CONSEQUENCE	LIKELIHOOD DESCRIPTORS		
	UNLIKELY (1) Risk is unlikely to occur	POSSIBLE (2) Risk could occur, but not certain	LIKELY (3) Risk is likely to occur
INSIGNIFICANT (1) Little or no effect on objectives	LOW (1)	LOW (2)	MEDIUM (3)
MINOR (2) Effects are noticeable but not critical to objectives	LOW (2)	MEDIUM (4)	HIGH (6)
MODERATE (3) Serious impact to the course of action or objectives	MEDIUM (3)	HIGH (6)	HIGH (9)
MAJOR (4) Extensive and critical impact to the course of action or objectives	MEDIUM (4)	HIGH (8)	EXTREME (12)

5. Internal Audit Strategic Audit Plan

Years 2026 to 2030
Based on our knowledge of operations, the internal audit cycle, as set out as follows, will be adopted for City of Greater Geraldton. The proposed allocation of audit days is designed to focus resources according to business, assessment of the auditable risk, audit objectives and planned coverage.

Based on the specific internal audit areas as requested within the City of Greater Geraldton Request for Quotation RFQ VP486952 plus subsequent discussions, the following Internal Audit modules will be assessed for the five years to 2030.

Auditable Areas	Year				
	2026	2027	2028	2029	2030
Prepare Strategic Internal Audit Plan	✓				
Annual Review of Strategic Internal Audit Plan		✓	✓	✓	✓
Review of Prior Year audit recommendations	✓	✓	✓	✓	✓
Planning	✓	✓	✓	✓	✓
Asset Revaluation Process		✓			
Insurance Protection		✓			
Procurement Compliance		✓			
Property, Lease & Agreement Management		✓			
Service Contract Management		✓			
Audit Regulation 17 Review			✓		
Fraud and Corruption Control Plan Audit			✓		
PRIS Management			✓		
Project Management			✓		
Tender Management			✓		
Risk Management				✓	
Security and Emergency Procedures Management				✓	
Vehicle and Fleet Management				✓	
Review of previous internal audits 2021 – 2025			✓		
Review and Reporting	✓	✓	✓	✓	✓

We confirm that timing and scope of the Audit Regulation 17 review has been updated to reflect the changes outlined within the Local Government Regulations Amendment Regulations (No. 4) 2025 which became effective 1 January 2026.

We will review the internal audit modules to be assessed in each year of the rolling Strategic Internal Audit Plan and amend the above as required based on discussions with management and the Audit, Risk and Improvement Committee.

In accordance with the Request for Quotation VP486952, we confirm other internal audit functions as requested by the City of Greater Geraldton will be included within the Strategic Internal Audit Plan.

Detailed procedures to assess the above internal audit modules are outlined below:

INTERNAL AUDIT MODULES	
Broad Area	**Including but not limited to review of the following areas:**

Asset Revaluation process	The City periodically undertakes asset revaluation (Land, Buildings and Infrastructure assets) using independent valuation experts to ensure assets are carried at fair value in accordance with AASB 13 Fair Value Measurement).
	• Review of the City's process in respect of the following:
	  ○ Identification of assets requiring revaluation;
	  ○ Approval of revaluation scope and timing;
	  ○ Appointment of qualified, independent valuers;
	  ○ Issue of valuation brief/instructions to valuers;
	  ○ Provision of accurate asset data to valuer;
	  ○ Receipt and review of valuation report;
	  ○ Managements resolution of any issues arising from the review of the report;
	  ○ Final approval and accounting treatment; and
	  ○ Financial statement disclosure.
	• Review of valuation policy for alignment with accounting standards including compliance with the relevant Local Government Regulations and Accounting Standards.
	• Review of the process for the selection of experts including verification of valuer qualifications, accreditation and experience, verification of independence and assessment of any conflict of interest, and confirmation of engagement terms documentation.

	• Review of the process for the selection of experts including verification of valuer qualifications, accreditation and experience, verification of independence and assessment of any conflict of interest, and confirmation of engagement terms documentation. • Review of any instructions provided to valuers including asset class information and location, basis for valuation, timing, assessment of compliance with the requirements of Accounting Standards and Local Government Regulations as applicable. • Review of reconciliations to asset register. • Evaluation of managements documentation in respect of methodologies applied by the valuer, key assumptions and inputs and any analysis completed by management. • Review of accounting treatment including review of revaluation journals processed, movements in reserves, depreciation impacts. • Review of financial statement disclosures in respect of valuations.

Procurement Compliance	• Obtain procurement policy and procedures and confirm policies have been reviewed and approved. Ensure procurement thresholds are defined.
	• Assess the effectiveness of current systems, processes and procedures.
	• Confirm staff have access to procurement procedures and review procurement training records.
	• Review and assessment of delegations of authority, ensuring in accordance with the Act.
	• Review delegations of responsibilities with respect to quotations and tenders.
	• Review conflict of interest framework with respect to procurement processes including ensuring declarations are completed where required.
	• Identify and review any supplier relationships involving employees or elected members.
	• Select a sample of procurements for testing including:
	  ○ compliance with quotation requirements;
	  ○ procurements approved within delegation;
	  ○ conflict declarations where applicable;

	○ purchase orders raised before commitment; and ○ contract variations appropriately approved; ○ procurements contain complete evidence and supporting documentation. • Review of two recent "Request for Quotation" procurements from inception to contractor selection, including: ○ Project identification, assessment of need, project planning and risk analysis; ○ Council approval; ○ Allocation of management responsibility; ○ Compliance with legislation; ○ Permits and approvals; ○ Tendering process and compliance with Council internal policy; ○ Contractor selection, including conflict of interest identification processes; ○ Project risk management and monitoring procedures; ○ Project and contract documentation, including contracts variations; ○ Budget and financial approval; ○ Completion and hand over procedures; and ○ Post project finalisation review. • Assessment of tender and request for quote processes and procedures including compliance with the Act / Regulations. • Assessment of a recently sought tender ensuring compliance with legislative requirements and internal policies, including: ○ Compliance with legislation; ○ Tendering process and compliance with Council internal policy; ○ Contractor selection, including conflict of interest identification processes; ○ Project risk management and monitoring procedures; ○ Project and contract documentation; ○ Budget and financial approval; ○ Completion and hand over procedures; and

	○ Post project finalisation review. • Review tender register and ensure adequately maintained.
Property, Lease and Agreement Management	• Review of lease management framework and related policies and procedures. • Assessment of risk management procedures relating to lease management. • Assessment of overall lease management allocation of responsibility and monitoring. • Review of lease register, ensuring current and up to date. • Ensure requirements of proposed draft Regulation 29F to ensure policies and procedures comply with amended requirements (subject to further updates and confirmation of final Regulations as published). • Review of five council leases ensuring: ○ Lease request and identification, assessment of need, risk analysis and conflict of interest identification process; ○ Review process for determining annual lease payable (community organisation versus private business) and subsequent reviews; ○ Allocation of management responsibility; ○ Compliance with legislation; ○ Lease risk management and monitoring procedures; ○ Lease documentation including variations; ○ Invoicing of lease fee including debt recovery procedures where relevant; ○ Ongoing lease assessment and monitoring including insurance requirements; and ○ Post lease review.
Service Contract Management	• Review of contract management framework and related policies and procedures. • Assessment of Risk Management Procedures relating to quoting and service contract management. • Assessment of the effectiveness and governance of current systems, processes and procedures. • Review of four ongoing and / or recently completed contracts ensuring:

	○ Service identification, assessment of need and risk analysis; ○ Council approval; ○ Allocation of management responsibility and direction of work; ○ Compliance with legislation; ○ Procurement process and compliance with the City of Greater Geraldton's internal policies; ○ Contractor selection, including conflict of interest identification processes; ○ Contract risk management and monitoring procedures; ○ Contract documentation including contract variations; ○ Budget and financial approvals; ○ Completion and hand over procedures; ○ Ongoing contractor performance assessment and monitoring; and ○ Post contract review. • Assessment of the City's readiness for compliance with the Local Government (Administration) Regulations reforms in respect of Contract for Goods and Services registers.
Audit Regulation 17 Review Local Government (Audit) Regulations 1996 (as amended)	The scope of the review is based on Regulation 17 of the Local Government (Audit) Regulations 1996 (and as amended) which requires: • The CEO to review the appropriateness and effectiveness of a Local Government's systems and procedures in relation to – ○ Financial management; ○ Legislative compliance; and ○ Risk management. • The review may relate to any or all of the matters referred to in sub-regulation 1(a) to (c), but each of those matters is to be the subject of a review at least once every four years; • The CEO is to report to the Audit, Risk and Improvement Committee the results of that review. **Financial Management** As part of the review in respect to financial management, we will perform the following procedures:

	• Review of segregation of financial roles and functions, processing and authorisation controls; • Review of documented finance policies and procedures; • Assess approval of financial records; • Assess whether the review of financial control accounts and trial balances is regular and appropriate; • Assess key management internal reviews undertaken in respect to comparison and analysis of financial results with budgeted amounts; • Document financial systems detailing controls, procedures and reconciliations in relation to all sources of income; • Site visits to cash collection points to review the controls and procedures over the collection, receipting, recording and banking of cash collected offsite. Discussions to be held with management prior to the commencement of this module to ascertain the sites that are to be reviewed; • Test collection, receipting, invoicing and posting procedures over cash receipts on a sample basis; • Review credit control procedures in respect to sundry debtors and rates debtors; • Review the security of cash and banking procedures to ensure the appropriate controls and procedures are in place; • Site visit to the Geraldton depot to review security over stocks held and allocation / costings of stocks used (including fuel and inventory stocks); • Review of payroll controls and procedures to ensure effective controls are in place, and complete tests on a sample basis to ensure these controls were operating effectively; • Review of controls and procedures over the authorisation of purchase orders and making of payments, with a sample of payments tested; • Review of credit card processes and procedures, and testing transactions on a sample basis; • Review the procedures for preparation of monthly accounts and general ledger account reconciliations;

	• Review the procedures for preparation of the annual Financial Statements and annual Budget, including assessment of accounting policy, notes and applicable reporting requirements and efficiency of the process; • Review the budget review to ensure compliance with Regulation 33A of the Local Government (Financial Management) Regulations 1996 and assessment of budgetary expenditure controls in place; • Review of information technology systems to assess physical security, access security, data backups, contingency plans, compliance and systems development in the context of financial management; • Analysis and testing to review the allocation of overheads and administration costs; • Review of registers maintained (including key register, tender register etc) and review of Council minutes; • Review policies and procedures in respect to the financial management of insurance, recording claims and insuring newly acquired assets; and • Review processes in respect to BAS, FBT Return and other statutory returns preparation. **Legislative Compliance** As part of the review in respect to legislative compliance, we will perform the following procedures: • Assess internal monitoring of compliance with legislation and regulations; • Assess the local government's completion of the annual Compliance Audit Return and reporting the results of that review to the Audit, Risk and Improvement Committee and Council; • Assess communications between key management and the Audit, Risk and Improvement Committee to ensure the Audit, Risk and Improvement Committee is informed in respect to the effectiveness of the local government's compliance and recommendations for changes as required; • Reviewing the local government's procedures in respect to receiving, retaining and handling complaints, including confidential and anonymous employee complaints;

	• Reviewing key managements internal review processes in respect to the identification of adverse trends and management plans to address these; • Reviewing management's compliance with statutory documents including budgets, annual reports, asset management, long term plans etc. • Reviewing management disclosures in financial reports of the effect of significant compliance issues (if any); • Ensuring the internal and / or external audit contracts include an assessment of compliance and ethics risks in the development of the audit plan and in the conduct of audit projects, and report compliance and ethical issues to the Audit, Risk and Improvement Committee; and • Review of the Audit, Risk and Improvement Committee's processes and procedures in respect to compliance with legislative and regulatory compliance ensuring no misuse of position through adequate disclosure of conflicts of interest. **Risk Management** As part of the review in respect to risk management, we will perform the following procedures: • Review whether the Local Government has an effective risk management system and that material operating risks to the Local Government are appropriately considered; • Review whether the Local Government has a current and effective business continuity plan (including disaster recovery) which is tested from time to time; • Assess the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, particularly in the following areas: o Potential non-compliance with legislation, regulations and standards and local government's policies; o Important accounting judgements or estimates that prove to be wrong; o Litigation and claims; o Misconduct, fraud and theft; and

	○ Significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational heal and safety, and how they are managed by the local government; • Ensure regular risk reports are being prepared, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported; • Assess the adequacy of Local Government processes to manage insurable risks and ensure the adequacy of insurance cover, and if applicable, the level of self-insurance; • Review the effectiveness of the local government's internal control system with management and the internal and external auditors; • Assess whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk; • Assess the local government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied; • Assess Audit, Risk and Improvement Committee meeting practices ensuring periodically meeting with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment; and • Ascertain whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented communicated, monitored and these is regular reporting and ongoing management of fraud and misconduct risks. As part of our review, we will compare City of Greater Geraldton current systems and procedures to Local Government best practice as outlined within relevant Local Government Guidelines issued by the Department of Local Government, Industry Regulation and Safety.
Fraud and Corruption Control Plan	With reference to the City's Fraud and Corruption Control Plan and related documents, internal audit will include assessment of the 4 pillars of fraud management (Planning, Prevention, Detection and Responding) as follows:

	• Assessment of the City's planning for fraud and corruption control, including whether fraud and corruption risks are appropriately considered and integrated within relevant corporate frameworks, policies and procedures, including:
	  ○ Risk Management Framework and risk registers, including identification and assessment of fraud and corruption risks;
	  ○ Public Interest Disclosure policies and procedures;
	  ○ Code of Conduct and standards of employee behaviour;
	  ○ Conflicts of interest, gifts, benefits and contributions to travel arrangements;
	  ○ Employee and contractor induction and ongoing fraud and corruption awareness training;
	  ○ Mechanisms for employees and other parties to report suspected fraud, corruption or misconduct;
	  ○ Allocation of responsibility and accountability for fraud and corruption control;
	  ○ Reporting and oversight by management and the Audit, Risk and Improvement Committee or equivalent; and
	  ○ Adequacy of relevant insurance arrangements.
	• Assessment of the adequacy and effectiveness of preventative controls designed to reduce opportunities for fraud and corruption, including;
	  ○ Relevant fraud, corruption, misconduct and integrity policies and procedures;
	  ○ Segregation of duties and delegated authority arrangements;
	  ○ Procurement, purchasing and payment controls;
	  ○ Employee recruitment, screening and conflict-of-interest declarations;
	  ○ Supplier establishment and amendment controls;
	  ○ Management of gifts, benefits and hospitality;
	  ○ Management of secondary employment and conflicts of interest;
	  ○ Controls over high-risk transactions and activities; and
	  ○ Communication of fraud and corruption responsibilities to employees, contractors and relevant third parties.

	• Assessment of the City's arrangements for responding to suspected or actual instances of fraud and corruption, including:
	  ○ Documented procedures for receiving, assessing, escalating and investigating allegations;
	  ○ Roles and responsibilities for managing suspected fraud and corruption;
	  ○ Preservation of confidentiality, evidence and procedural fairness;
	  ○ Requirements for referral or notification to relevant external authorities;
	  ○ Disciplinary, recovery and other remedial actions;
	  ○ Maintenance of fraud, corruption and misconduct incident registers;
	  ○ Reporting to senior management and the Audit, Risk and Improvement Committee; and
	  ○ Processes for conducting post-incident reviews and incorporating lessons learned into the City's risk management and control environment.
	• Assessment of whether the City periodically reviews and improves its fraud and corruption control framework, including:
	  ○ Regular review of the Fraud and Corruption Control Plan and supporting policies;
	  ○ Monitoring of identified fraud and corruption risks and controls;
	  ○ Assessment of emerging fraud and corruption risks;
	  ○ Reporting of fraud and corruption control activities and incidents to appropriate governance bodies; and
	  ○ Implementation and monitoring of actions arising from fraud risk assessments, investigations, internal audits or external reviews.

Privacy and Responsible Information Sharing ("PRIS") Management	• Assessment of compliance with the PRIS Act including:
	
	<u>Governance, Roles & Accountability</u>
	  ○ Appropriate appointment of the Privacy Officer and where applicable, an Information Sharing Officer, including confirming duties are documented and communicated;
	  ○ Review management oversight mechanisms for privacy risks and information sharing activities; and

	○ Review position descriptions, induction and ongoing training to ensure privacy responsibilities are addressed. <u>Information Privacy Principles (IPPs) Compliance</u> ○ Evaluation of controls for collecting, using, storing and disclosing personal information including understanding the personal information flow between Local Government business units; ○ Review of collection notices; ○ Test a sample of records for compliance regarding collection, consent requirements, accuracy, security and correct retention / disposal; ○ Review system access controls including user access management, privileged access, processes while employees on leave; ○ Assess encryption, authentication and physical security controls; and ○ Ensure information disclosure is compliant and appropriately documented. <u>Privacy and Breach Response Policy</u> ○ Assess Privacy Policy compliance with the IPPs and ensure publicly available (website); ○ Assess Information Breach Response Policy including breach identification, escalation, evidence preservation, communication, reporting and record keeping. ○ Review and assessment of information breach registers; ○ Assess readiness and compliance with breach reporting requirements (mandatory data breach notification scheme from 1 January 2027); ○ Review breach response policies and procedures to ensure they meet PRIS Act thresholds (“serious data breach”). ○ Sample test incident logs for completeness, timeliness, assessment and appropriate escalation controls; ○ Evaluate reporting mechanisms and communication processes; and

	○ Review recent incidents to ensure the City has completed root-cause analysis and implementation of corrective actions. <u>Privacy Impact Assessments</u> ○ Assess the adequacy of any Privacy Impact Assessments ("PIA") carried out ensuring PIA's were completed prior to implementation, approved by senior management and documentation retained; ○ Evaluate PIA quality including risk identification documentation, mitigation plans, evidence of stakeholder consultation and implementation of actions; and ○ Ensure PIA triggers are defined and documented within project management processes. <u>Information Sharing Framework and Agreements</u> ○ Review sample information sharing agreements; ○ Review register of information sharing agreements; ○ Sample testing of information sharing agreement operational compliance including lawful basis for sharing, data minimization processes, security requirements, retention / destruction obligations and roles, responsibilities and breach procedures; and ○ Evaluate protections regarding information sharing including channel security, audit trails and contractual controls. <u>Contracted Service Providers</u> ○ Assess privacy obligation communications with contractors; ○ Review contract templates to ensure mandatory PRIS Act clauses are included; ○ Test a sample of existing provider contracts to confirm they include IPP requirements, breach notification obligations, permitted use and disclosure requirements and security / retention requirements; and ○ Review transitional procedures to ensure contracts and contract register up to date.

	<u>Training, Awareness and Culture</u> ○ Assess whether staff understand privacy obligations; and ○ Review training registers for privacy modules. <u>Records Management</u> ○ Review record keeping systems and retention schedules for compliance with the PRIS Act; ○ Review disposal logs to confirm timing, authorized, secure disposal of personal information; and ○ Test for accuracy and completeness of records including audit trails, modification and deletion. <u>Monitoring, Reporting and Continuous Improvement</u> ○ Assessment of ongoing compliance of privacy management; ○ Review internal reporting to leadership on privacy risks, breaches, PIAs and compliance concerns; ○ Evaluate whether audit recommendations of PIA action items have been addressed and implemented; and ○ Assess mechanisms for responding to complaints received directly or by regulators.
Project Management	• Review of project management framework and related policies and procedures. • Assessment of Risk Management Procedures relating to project management. • Review of two recent projects from inception to contractor selection, including: ○ Project identification, assessment of need, project planning and risk analysis; ○ Council approval; ○ Allocation of management responsibility; ○ Compliance with legislation; ○ Permits and approvals;

	○ Tendering process and compliance with the City of Greater Geraldton's internal policies; ○ Contractor selection and inductions, including conflict of interest identification process; ○ Project risk management and monitoring procedures; ○ Project and contract documentation, including contract variations; ○ Budget and financial approvals; and ○ Completion and hand over procedures. • Post project finalisation review.
Tender Management	• Review and assessment of delegations of authority, ensuring in accordance with the Act. • Review delegations of responsibilities with respect to quotations and tenders. • Assessment of Risk Management Procedures relating to tender management. • Assessment of tender and request for quote processes and procedures including compliance with the Act / Regulations. • Assessment of two tenders recently sought ensuring compliance with legislative requirements and internal policies, including: ○ Compliance with legislation; ○ Tendering process and compliance with Council internal policy; ○ Contractor selection, including conflict of interest identification processes; ○ Project risk management and monitoring procedures; ○ Project and contract documentation; ○ Budget and financial approval; ○ Completion of hand over procedures; and ○ Post project review. • Review tender register and ensure adequately maintained. • Assess "conditions of tendering", "General Conditions of Contract" and any other applicable templates. • Assessment of Risk Management Procedures relating to request for quotation and tender management.

	• Assess “conditions of Tendering”, “General Conditions of Contract” and any other applicable templates. • Assessment of risk management procedures relating to request for quotation and tender management.

Insurance Protection	• Obtain insurance-related policies and procedures.
	• Confirm responsibility for insurance management has been assigned.
	• Assess if adequate insurance coverage has been maintained, including assessment of asset values.
	• Assess the process for insurance renewal and assessment of insurance risks on a regular basis.
	• Assess whether appropriate action has been undertaken to mitigate insurance risk.
	• Review the register of insurance claims to ensure up to date and claims are assess whether:
	  ○ Claims were reported promptly;
	  ○ Supporting documentation was retained;
	  ○ Claims were appropriately authorised;
	  ○ Claims were tracked to resolution; and
	  ○ Actions arising were captured where appropriate.
	• Review processes and procedures in respect to insuring new assets acquired.
	• Review processes for assessing insurance values for revalued assets.
	• Assess whether insurance matters are reported to Executive and/or Audit, Risk and Improvement Committee.

Risk Management	• Review whether the City of Greater Geraldton has an effective risk management system and that material operating risks to the City are appropriately considered. • Review of existing Risk Management policies and procedures ensuring current, appropriate and complied with. • Review compliance with statement policy.

	• Assess the internal processes for determining and managing material operating risks in accordance with the City's identified tolerance for risk, particularly in the following areas:
	  ○ Potential non-compliance with legislation, regulations and standards and City policies;
	  ○ Important accounting judgements or estimates that prove to be wrong;
	  ○ Litigations and claims;
	  ○ Misconduct, fraud and theft; and
	  ○ Significant business risks, recognizing responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the City.
	• Review Risk Register including assessment of risks, risk category, risk cause, risk consequence, likelihood, risk rating and controls to mitigate risk.
	• Review documentation of how the City identifies risk and applies controls to prevent risks from occurring.
	• Ascertain whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented, communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.
	• Assess whether management has controls in place for unusual types of transactions and / or any potential transactions that might carry more than an acceptable degree of risk.
	• Review the mechanisms in place at Council / Audit, Risk and Improvement Committee level to facilitate the decision making / review process relating to major capital upgrades and projects.
	• Ascertain and review Council's decision making processes relative to the amount of risk associated with a project, and assess how risks are communicated and managed by management throughout the duration of the project.
	• Obtain and review the regular risk reports, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported.
	• Ensure that documentation provided to Council for decision making purposes is adequate and timely.

	• Assess Council meeting practices ensuring periodically meeting with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the City's control environment. • Ensure communications between management and Council are effective. *Our internal audit regarding risk review will be in accordance with best practice principles and guidelines in accordance with ISO 31000:2018 – Risk Management and as outlined within the Institute of Company Directors framework.*
Security and Emergency Procedures Management	• Assessment of current security policies and procedures. • Assessment of current accident and incident reporting policies, procedures and applicable forms. • Review of security contracts in place with external providers, including communication of security contact details with relevant stakeholders. • Review of reporting mechanisms regarding accidents, incidents and threats to security. • Assessment of a recent security threat ensuring compliance with stated policy and best practice. • Assessment of compliance with applicable laws, legislation and access rights. • Review of remote access controls. • Review of current emergency plans ensuring appropriately reviewed, up to date and authorized. • Assessment of mechanisms to ensure the emergency plans are communicated to staff, contractors, volunteers and other relevant stakeholders. • Assessment of regularly testing of emergency plans. • Review of recent emergency / incident to ensure compliance with emergency plans and post incident evaluation completed.

Vehicle & Fleet Management	• Assessment of fleet management including:
	  ○ 10 year plan
	  ○ Safety;
	  ○ Vehicle efficiencies;

	○ Fleet efficiency management plan; and ○ Vehicle procurement options. • Assessment of vehicle / fleet lifecycle processes and procedures including: ○ Vehicle needs analysis; ○ Vehicle selection; ○ Equipment options and accessories; ○ Registration and identification of vehicles; and ○ Insurance and warranty registration. • Review of vehicle / fleet operations including: ○ Vehicle maintenance policies and procedures; ○ Environmental driving and fuel economy; ○ Breakdowns; ○ Vehicle trailers; ○ Fuel consumption and analysis; ○ Driver responsibilities and penalties; ○ Motor vehicle crashes / incidents and reporting; ○ Care and security of vehicles; ○ Vehicle identification and markings; ○ Use of private vehicles for City business; and ○ Alternative vehicles and transport; • Review procedures for acquisition and disposal of vehicles including: ○ Acquisition and disposal criteria and timing of changeover; ○ Preparing vehicles for disposal; and ○ Replacement policy. • Lease vs ownership comparison of current fleet including cost benefit analysis. • Compare fleet management policies with current best practice. • Review cost efficiency of fleet management policies. • Review compliance with stated policy.

Review of previous internal audits 2021-25	• Review of the City's responses to prior year internal audit recommendations. • Obtain and review the register of prior year internal audit recommendations and assessment of the progress of actions completed by management.

6. Measurement of Internal Audit Effectiveness

6.1. Effective Measures

In order to ensure that internal audit is effective, a mechanism for measuring this effectiveness is required. The proposed measurement of internal audit's effectiveness will comprise of:

- Comparison of actual audit areas completed for the year compared to those planned, together with explanations for audits not performed.
- Comparison of actual time on audits with budgets and explanation of major variances;
- The degree of acceptance of audit recommendations.
- Productivity of internal audit staff, measured by proportion of time spent on audit tasks compared to administrative tasks.
- The value of cost savings achieved as a result of audit recommendations. Cost savings will be quantified, wherever possible, but in many cases this can be very difficult due to changes in circumstances or the intangible nature of the benefit, for example, a reduction in risk of error or fraud due to improved controls.
- Feedback from the Audit, Risk and Improvement Committee on the effectiveness of the internal audit function.

7. Internal Audit Reporting

7.1. The Audit, Risk and Improvement Committee

The Audit, Risk and Improvement Committee is responsible for ensuring the activities of internal audit satisfy City of Greater Geraldton's expectations to maintain an effective, independent internal audit function.

The Audit, Risk and Improvement Committee is also responsible for:

- Endorsing and monitoring the Strategic Internal Audit Plan and related internal audit module procedures;
- Ensuring the satisfactory clearance of internal audit reports;
- Ensuring internal audit has an appropriate level of skills; and
- Facilitating a satisfactory working relationship between internal audit function and management.

7.2. Reporting of Audit Results

Internal audit must always maintain operational independence. However, whilst recognising this internal audit should adopt a partnership approach with management to ensure that audit findings are accurate and recommendations are practical/commercial.

Internal audit operationally reports to the Audit, Risk and Improvement Committee. A structured reporting mechanism and format has been established. All audit reports group audit findings into three risk weightings being as follows:

High Risk Issues which would cause considerable concern and have a material impact on City of Greater Geraldton's performance. Depending on their nature, major findings will be reported to management and the Audit, Risk and Improvement Committee as soon as practicable.

Medium Risk Issues which impact upon the performance of City of Greater Geraldton and while "not individually significant", are of concern and should be actioned as a matter of priority.

Low Risk Issues which must be dealt with but are not of primary concern.

An internal audit report will be issued. The report should be commercially oriented and balanced, providing positive comments, if appropriate, together with matters requiring management's attention.

This report is structured as follows:

Part A
Is a clear focused business-oriented report for senior management, and members of the Audit, Risk and Improvement Committee, comprising of a summary of findings, incorporating our overall opinion and conclusions with management comment.

Part B
Contains the findings, action plan showing the individual recommendations, agreed action and management responsibilities.

The process for reporting internal audit results applies the following procedures:

- Maintain an ongoing liaison with management during the execution of the internal audit;
- Discuss the draft internal audit report with management to obtain acceptance and commitment and incorporate management's response; and
- Issue the final report to the Audit, Risk and Improvement Committee.

Our report will also include:

- A report on the status of previous audit findings;
- A report on the progress of internal audit against the strategic and annual audit plans; and
- Variations from Strategic Internal Audit Plan.

AC202 2025-26 AUDIT EXIT MEETING WITH OAG AND RSM

AGENDA REFERENCE:	**D-26-140672**
AUTHOR:	**N Jane, Chief Financial Officer**
EXECUTIVE:	**P Radalj, Director Corporate Services**
DATE OF REPORT:	**6 November 2026**
FILE REFERENCE:	**GO/11/0020-003**
ATTACHMENTS:	**Yes (4) 3 x Confidential** **A. Exit Meeting Agenda** **B. Confidential – Annual Audit Strategy** **C. Confidential – Auditors Closing Report** **D. Confidential – Interim Audit Management Letter**

EXECUTIVE SUMMARY:
The purpose of this report is to enable an Audit Exit Meeting to be conducted for the 2025-26 Financial Audit. It provides an opportunity for the Office of the Auditor General (OAG) and contract auditor RSM Australia, to discuss the draft Closing Report and Management Letter (attachment C), and to address any matters arising from the audit process.

EXECUTIVE RECOMMENDATION:
That the Audit, Risk and Improvement Committee by Simple Majority pursuant to Section 7.1CA of the *Local Government Act 1995* RESOLVES to:

1. RECEIVE the Office of the Auditor General overview of the audit findings for the year ended 30 June 2026, as outlined in the draft Audit Closing Report; and
2. PROVIDE FEEDBACK to the Office of Auditor General on the findings and any other matter related to the Audit.

PROPONENT:
The proponent is the City of Greater Geraldton (the City).

BACKGROUND:
The Auditor General is responsible for auditing of local governments within Western Australia under the *Local Government (Audit) Regulations 1996*. The Auditor General engaged RSM to conduct the financial audit for the City on their behalf initially for the three years to 30 June 2023 and extended to include a further three years to 30 June 2026.

In accordance with section 7.12A(2) of the *Local Government Act 1995* (the Act), a local government is to meet with its auditor at least once each year. The Audit, Risk and Improvement Committee met with representatives of the Auditor General and contract auditors RSM Australia on 24 February 2026 for the Audit Entrance Meeting (AC177). At this meeting the Audit Planning Memorandum for the year ended 30 June 2026 was received (attachment B).
The interim audit was conducted by RSM on behalf of the OAG and included an onsite visit from 18 to 22 May 2026.

Section 6.4(3)(b) of the Act requires submission of the annual financial report to the auditors by 30 September following each financial year. The 2025-26 Financial Report was prepared and submitted on 29 September 2026, in compliance with the Act.

The final audit was conducted by RSM on behalf of the OAG. The audit was mostly remote, with an onsite visit from 5 to 9 October 2026. RSM performed testing on all areas of the accounts, in line with the Planning Memorandum, with a focus on areas they consider to be of high risk.

CONNECTED, LIVEABLE, THRIVING, LEADING – ISSUES AND OPPORTUNITIES:

Connected:
Independent audit assurance supports community confidence that funding for community programs, events and grants is accurately recorded and reported.

Liveable:
Audit assurance over the City's significant infrastructure and community assets supports sound asset management and long-term financial planning.

Thriving:
Credible, independently audited financial reporting supports the City's financial sustainability and the confidence of funding partners in its capacity to deliver Corporate Business Plan projects.

Leading:
This item supports the Leading theme by providing transparency and accountability over the City's financial reporting.

Disclosure of Interest:
No Officer involved in the preparation of this report has a declarable interest in this matter.

RELEVANT PRECEDENTS:
Each year audit entrance and exit meetings are held with the Office of the Auditor General, the contract auditor and the Audit, Risk and Improvement Committee.

Item AC131 – Audit Entrance meeting with OAG and RSM (held on 26 April 2023).
Item AC132 – Audit Exit meeting with OAG and RSM (held on 12 December 2023).
Item AC144 – Audit Entrance Meeting with OAG and RSM (held on 23 April 2024).
Item AC159 – Audit Exit Meeting with OAG and RSM (held on 26 March 2025).
Item AC161 – Audit Entrance Meeting with OAG and RSM (held on 22 April 2025).
Item AC174 – 2024-25 Audit Exit Meeting with OAG and RSM (held on 2 December 2025).
Item AC177 – Audit Entrance Meeting with OAG and RSM (held on 24 February 2026).

COMMUNITY/COUNCIL MEMBER CONSULTATION:
There has been no community/Council Member consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

Local Government Act 1995

6.4. Financial report

(3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —

(a) the accounts of the local government, balanced up to the last day of the preceding financial year; and

(b) the annual financial report of the local government for the preceding financial year.

7.12AB. Conducting a financial audit

The auditor must audit the accounts and annual financial report of a local government at least once in respect of each financial year.

7.12AD. Reporting on a financial audit

(1) The auditor must prepare and sign a report on a financial audit.

(2) The auditor must give the report to —

(a) the mayor, president or chairperson of the local government; and

(b) the CEO of the local government; and

(c) the Minister.

Local Government (Audit) Regulations 1996

16. Functions of audit, risk and improvement committee

An audit, risk and improvement committee has the following functions —

(a) to receive and review reports on, and recommend to the council actions to be taken in relation to —

(i) audits under Part 7 of the Act

FINANCIAL AND RESOURCE IMPLICATIONS:
Provision is made in the annual budget to undertake the audit function.

INTEGRATED PLANNING LINKS:

Strategic Theme: Leading	**A progressive City where informed decisions, strong advocacy and an enabling culture drives sustainable regional growth.**
Goal 2	Efficiently and effectively deliver community services and projects, through optimal use of our resources.
Goal 3	Financial sustainability, actively seeking and leveraging external funding to deliver for the community.
Goal 5	Provide the community with clear and accessible information about the City's programs, services and decisions.
Goal 6	Ensure high quality governance activities enabling transparency and accountability.

REGIONAL OUTCOMES:
There are no impacts to regional outcomes.

RISK MANAGEMENT:
The Audit, Risk and Improvement Committee forms part of the lines of defence which work together to manage risks and ensure that controls are implemented and effective.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:
No alternative options were considered by City Officers.

Exit Meeting Agenda

FINANCIAL ATTEST AUDIT OF CITY OF GREATER GERALDTON FOR THE YEAR ENDED 30 JUNE 2026

ATTENDEES:

City of Greater Geraldton:

Committee Members Michael Librizzi, Presiding Member Mayor J Clune Deputy Mayor N Colliver Cr T Milnes Cr S Van Styn Attendees Chris Lee, A/Chief Executive Officer Paul Radalj, Director of Corporate Services Nita Jane, Chief Financial Officer Temba Machukera, Financial Accountant N Robins, Coordinator Governance & Risk, Minute Secretary T Free, Director Development Services F Norling, Director Community & Culture N Hope, Manager People, Safety & Wellbeing D Duff, Manager ERP

Auditors

Mark Ambrose	Senior Director, Office of the Auditor General
Amit Kabra	Partner, RSM Australia Pty Ltd
AJ Neo	Director, RSM Australia Pty Ltd

Meeting Date & Time: Monday, 23 November 2026, 3:00 PM

Location: Teleconference

Agenda

1 Introduction

2 Matters arising from the audit

2.1 Presentation of Audit Closing Report

2.2 Findings: Information Systems

Findings	
1.	Data Loss Protection
2.	SynergySoft – Access Management
3.	TechOne Access Management

3 Actions for next year audit

4 General and closing comments

AC203 ARIC ANNUAL REPORT TO COUNCIL

AGENDA REFERENCE:	**D-26-140710**
AUTHOR:	**L Maldea, Manager Corporate Compliance**
EXECUTIVE:	**P Radalj, Director Corporate Services**
DATE OF REPORT:	**9 November 2026**
FILE REFERENCE:	**GO/11/0020-003**
ATTACHMENTS:	**No**

EXECUTIVE SUMMARY:
The purpose of this report is to seek Audit, Risk and Improvement Committee (ARIC) endorsement of the Annual Report of activities, for the period of 1 July 2025 to 30 June 2026.

EXECUTIVE RECOMMENDATION:
That the Audit, Risk and Improvement Committee by Simple Majority pursuant to Section 7.1CA of the *Local Government Act 1995* RESOLVES to:

1. ENDORSE the summary of the Audit, Risk and Improvement Committee activities for the period of 1 July 2025 to 30 June 2026.
2. SUBMIT the summary of the Audit, Risk and Improvement Committee activities for the period of 1 July 2025 to 30 June 2026 to Council as the Audit, Risk and Improvement Committee Annual Report of Activities.
3. CONFIRM satisfactory performance of functions outlined in the City of Greater Geraldton Terms of Reference 2026.

PROPONENT:
The proponent is the City of Greater Geraldton (the City).

BACKGROUND:
In accordance with the Local Government Act 1995 section 7.1A(1):
"A local government must establish a committee of its council under section 5.8 to be called the audit, risk and improvement committee."

The City of Greater Geraldton ARIC Terms of Reference requires:
"5.2 The Committee shall report annually to the Council summarising its activities during the previous financial year. This includes a self-assessment of its performance and confirmation that all functions outlined in these terms of reference have been satisfactorily addressed."

Below is a summary of the activities of the ARIC for the period of 1 July 2025 to 30 June 2026 for the purpose of providing the above-mentioned report to Council:

Audit Committee Meeting – 30 September 2025

Report No.	Title	Decision
AC166	**Progress Report on Audit Recommendations – August 2025**	1. RECEIVE the Progress Report on Management Actions from Financial, Information System and internal audits.
AC167	**Audit Committee Annual Report to Council**	1. ENDORSE the summary of the Audit Committee activities for the period 1 July 2023 to 30 June 2025 2. SUBMIT the summary of Audit Committee activities for the period 1 July 2023 to 30 June 2025 to Council as the Audit Committee Annual Report of activities.
AC168	**External Audit – RSM Contract Extension**	1. ACKNOWLEDGE the advice from Office of the Auditor General that an additional one year contract has been awarded to RSM to undertake the 2026 financial audit.
AC169	**Cybersecurity – Risk Reduction Activities**	1. NOTE the risk reduction activities and their progress. 2. REQUEST councillors be included in online PSAT training and testing.
AC170	**Application of Council Policy 4.28 Managing Unreasonable Customer Conduct**	1. NOTE the information provided below in relation to Council Policy 4.28 Managing Unreasonable Customer Conduct. 2. REQUIRE the CEO to report back annually to the Audit Committee at the first meeting held after the close of the relevant financial.
AC171	**WHS Implementation Plan**	1. RECEIVE the 2024-25 Work Health & Safety Implementation Plan Status Update; 2. RECEIVE the WHS Foundation Audit Report; and 3. RECEIVE the LGIS 3 Steps to Safety Audit Report.
AC172	**Risk Management Update**	1. NOTE the status of the risk management review currently being undertaken
AC173	**IBIS ERP Project Update**	1. NOTE the progress, successes, and challenges of the IBIS ERP Project.

ARIC Meeting – 2 December 2025

Report No.	Title	Decision
AC174	**2024-25 Audit Exit Meeting with OAG and RSM**	1. RECEIVE the Office of Auditor General overview of the audit findings for the year ended 30 June

		2025 (as outlined in the draft Audit Closing Report); and 2. PROVIDE FEEDBACK to the Office of Auditor General on the findings and any other matter related to the Audit.
AC175	**2024-25 Annual Financial Report**	1. RECEIVE the Annual Financial Report for the financial year ended 30 June 2025; 2. RECEIVE the Auditors Closing Report for the financial year ended 30 June 2025; 3. NOTE that the Auditor has provided an unqualified audit opinion for the Annual Financial Report for the year ended 30 June 2025; 4. RECOMMEND to Council the adoption of the audited Financial Report for the year ended 30 June 2025; 5. NOTE the findings identified during the audit; and 6. REQUEST the identified findings to be listed for review until completed.
AC176	**Office of the Auditor General - Performance Audit - Maintaining Regional Local Roads**	1. RECEIVE the performance audit report from the Office of the Auditor General on Maintaining Regional Local Roads; and 2. REQUEST an update on progress implementing the report recommendations at the next Audit Committee meeting.

ARIC Meeting – 24 February 2026

Report No.	Title	Decision
AC177	**Audit Entrance Meeting with OAG and RSM**	1. RECEIVE the Audit Planning Memorandum for the year ending 30 June 2026; and 2. PROVIDE FEEDBACK on the Audit Planning Memorandum.
AC178	**Strategic internal Audit Plan 2025-2030**	1. ENDORSE the Strategic Internal Audit Plan 2025-2030 as presented;

		2. NOTE the appointment of AMD Chartered Accountants and Advisors as the appointed Internal Auditor; and 3. REQUEST an update on progress at the next Audit, Risk and Improvement Committee meeting.
AC179	**Progress Report on Audit Recommendations – February 2026**	1. RECEIVE the progress Report on Audit Recommendation for February 2026.
AC180	**Work Health & Safety (WHS) Implementation Plan**	1. RECEIVE the Work Health & Safety Implementation Plan and Inspection Schedule; 2. RECEIVE the City Safety Strategy 2025 - 2029; and 3. RECEIVE the HS-PLN-039 Safety Management Plan.
AC181	**Risk Management Update**	1. NOTE the status of the risk management review currently being undertaken; 2. ENDORSE the draft risk management suite of documents for Council approval at the next Ordinary Meeting of Council: a. Risk Management Framework; b.Council Policy 4.7 Risk Management Policy; Council Policy 4.25 Business Continuity Management; and 3. ACKNOWLEDGE the City's Strategic Risk Register and Major Projects Risk Register and request an update at the next Audit, Risk and Improvement Committee meeting.
AC182	**2026 ARIC Terms of Reference**	1. APPROVE the updated Audit, Risk and Improvement Committee Terms Of Reference 2026.
AC183	**IBIS ERP Project Update**	1. NOTE the progress and near term objectives of the IBIS ERP Project.
AC184	**Confidential – 2026 Cybersecurity Risk Reduction Activities**	1. NOTE the risk reduction activities and their progress.
AC185	**Confidential - Geraldton Airport – Extension to Period**	1. RECEIVE the update noting that approval has been granted for an extension to the period for

	for Testing of Aerodrome Emergency Plan	conducting a full-scale emergency exercise to 22 June 2027.

CONNECTED, LIVEABLE, THRIVING, LEADING – ISSUES AND OPPORTUNITIES:

Connected:
There are no adverse impacts.

Liveable:
There are no adverse impacts.

Thriving:
There are no adverse impacts.

Leading:
The ARIC supports the goals of financial sustainability, risk management, improvement, clear and accessible information about the City's decisions and high-quality governance activities that enable transparency and accountability.

Disclosure of Interest:
No Officer involved in the preparation of this report has a declarable interest in this matter.

RELEVANT PRECEDENTS:
The Audit Committee Annual Report of Activities 2023-2024 and 2024-2025 was reviewed by the Audit Committee on 30 September 2025, report AC167, and the Council on 16 December 2025.

COMMUNITY/COUNCIL MEMBER CONSULTATION:
There has been no community or Council Member consultation.

LEGISLATIVE/POLICY IMPLICATIONS:
Local Government Act 1995, section 7.1A.
Local Government (Audit) Regulations, Regulation 16.

FINANCIAL AND RESOURCE IMPLICATIONS:
There are no financial or resource implications.

INTEGRATED PLANNING LINKS:

Strategic Theme: Leading	**A progressive City where informed decisions, strong advocacy and an enabling culture drives sustainable regional growth.**
Goal 5	Provide the community with clear and accessible information about the City's programs, services and decisions.
Goal 6	Ensure high quality governance activities enabling transparency and accountability.

REGIONAL OUTCOMES:
There are no impacts to regional outcomes.

RISK MANAGEMENT:
The primary objective of the ARIC is to assist the Council in fulfilling their oversight responsibilities in relation to risk management, internal control, compliance with legislative provisions, and financial and performance reporting. The Annual Report of ARIC activities enable Council to review the annual activities of ARIC and corresponding recommendations and is a requirement under clause 5.2 of the Audit Committee Terms of Reference.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:
No alternative options were considered by City Officers.

AC204 IBIS ERP PROJECT UPDATE

AGENDA REFERENCE:	**D-26-136521**
AUTHOR:	**D Duff, Manager ERP Project**
EXECUTIVE:	**P Radalj, Director Corporate Services**
DATE OF REPORT:	**5 November 2027**
FILE REFERENCE:	**GO/11/0020-003**
ATTACHMENTS:	**No**

EXECUTIVE SUMMARY:
The purpose of this report is to provide the Audit, Risk and Improvement Committee with a progress update on the IBIS ERP Project

EXECUTIVE RECOMMENDATION:
That the Audit, Risk and Improvement Committee by Simple Majority pursuant to Section 7.1CA of the *Local Government Act 1995* RESOLVES to:

1. NOTE the progress and near term objectives of the IBIS ERP Project.

PROPONENT:
The proponent is the City of Greater Geraldton (the City).

BACKGROUND:
Officers last reported on the IBIS ERP Project at the Audit, Risk and Improvement Committee meeting of 20 July 2026. At that time, several key objectives were identified for delivery over the subsequent reporting period. Progress against those objectives is outlined below.

IBIS Annual Upgrade
To support the Compliance Management Package 1 go-live timeline in February 2027, the annual IBIS version upgrade was brought forward at short notice. This necessitated a 30-day delay to the Revenue Management implementation schedule. While the revised timeline initially provided additional contingency for the Revenue Management workstream, unforeseen issues arising within the development environment following the upgrade significantly reduced this buffer.
The annual upgrade was successfully completed on 25 October. However, the compressed timeframe and subsequent environment-related issues placed additional pressure on both the project team and business-as-usual (BAU) resources. The flexibility, collaboration and resilience demonstrated by staff in regression testing and identifying and resolving issues have been instrumental in maintaining project momentum.

Revenue Management Modules – Final Stage of Production Ready
The Revenue Management workstream remains a critical dependency for the delivery of the Compliance Management modules. The Property, Names, Debtors (Miscellaneous) and Cash Receipting modules have entered the final

stages of User Acceptance Testing (UAT), end-user training and data migration defect resolution.
Configuration has been deployed to the production environment and is awaiting final refinements and data migration activities. Subject to the successful completion of these activities, the modules remain on track to go live on the evening of 4 December.

Compliance Management Modules (package 1) – Progressing to UAT & Training
Configuration of the Compliance Management suite, including Permits and Licences, Animals, Infringements and Enforcement functions, is substantially complete. Final refinements are currently being applied before the solution is promoted to a refreshed environment for System Integration Testing (SIT) during December.
SIT will validate end-to-end business processes ahead of User Acceptance Testing and user training activities, which are scheduled for January and February 2027. The Package 1 implementation remains on track for go-live at the end of February 2027.
Data preparation, cleansing and mapping activities are largely complete, with reconciliation and defect resolution activities remaining.

Request Management and Digital Experience Platform (DxP) – Progressing to UAT & Training
Configuration of the Request Management and Digital Experience Platform (DxP) solutions is also substantially complete and ready to enter the System Integration Testing phase alongside the Compliance Management modules.
User Acceptance Testing and training sessions are currently being scheduled for January and February 2027. To support community readiness and adoption, a series of explainer videos are being developed and distributed through Council communication channels. Publication of Customer Portal registration guidance will complete the communication readiness activities required for go-live.
The Request Management implementation will also deliver an enhanced Councillor Help Desk experience, improving visibility, responsiveness and tracking of Councillor requests.

Enterprise Asset Management (EAM) – In Progress
Progress continues on the delivery of Enterprise Asset Management (EAM) capabilities. Broader integration activities remain dependent on the resolution of several business and service delivery decisions identified in previous reporting periods and are expected to recommence in early 2027.
Resource capacity pressures have continued to present challenges to the EAM delivery schedule; however, focus has remained on progressing priority activities and maintaining readiness for the next phase of integration work.
During the reporting period, GIS spatial data integration was successfully completed, providing a key enabling capability across Asset Management, Works Management, and future Property and Rating functions. This represents an important foundation for future integrated service delivery and supports the broader objectives of the IBIS program.

Project Lifecycle Management (PLM) – Stage 1 Complete. Stage 2 in Progress.

Stage 1 of the Project Lifecycle Management (PLM) solution was successfully implemented in November. This phase introduced a centralised Capital Nomination process, replacing disparate forms and manual spreadsheets with a single, structured platform for the capture and assessment of proposed capital initiatives.

Stage 2 is now underway and will extend these capabilities by introducing the Investment Prioritisation and Optimisation (IPO) framework. This will provide a more structured and transparent approach to evaluating, prioritising and funding capital projects, supporting the development of Council's capital works program and improving alignment between strategic priorities, available funding and project delivery capacity.

The third and final phase, scheduled for delivery during 2027, will introduce end-to-end project delivery capabilities, completing the PLM solution and establishing a consistent governance framework across the entire capital planning and delivery lifecycle.

This phased approach is progressively enhancing Council's ability to plan, prioritise, govern and deliver capital investment in a more strategic, data-driven and transparent manner.

Project Priority Objectives – Next 6 Months (December – May 2026)

The next six months represent the most significant delivery period of the IBIS program to date, with ten modules scheduled to progress through final readiness activities and go-live. This includes the Revenue Management suite, Compliance Management Package 1, Request Management and Digital Experience Platform (DxP), along with continued expansion of Enterprise Asset Management (EAM) capabilities and delivery of Phase 2 of Project Lifecycle Management (PLM).

In parallel with these implementation activities, focus will increasingly shift toward detailed planning and design activities for the Rates capability, which remains a key strategic milestone of the broader ERP program. Preparations for subsequent Compliance Management releases will also be advanced to maintain delivery momentum.

Key objectives during this next period include:

- Successful delivery and stabilisation of scheduled module go-lives.
- Continued delivery of EAM and PLM initiatives.
- Detailed planning and readiness activities for the Rates implementation.
- Progression of future Compliance Management package 2.
- Ongoing support of business-as-usual operations while managing a significant program delivery workload.

This approach ensures the program continues to balance new capability delivery with operational sustainability and organisational readiness.

CONNECTED, LIVEABLE, THRIVING, LEADING – ISSUES AND OPPORTUNITIES:

Connected:
A modern ERP system enhances connectivity by integrating data across departments, enabling timely and coordinated responses that make public spaces safer, services more inclusive, and residents more engaged.

Liveable:
A modern ERP promotes a more liveable City through improved service delivery and an expansion of online services.

Thriving:
There are no adverse impacts.

Leading:
An ERP makes Council operations more transparent, accountable, and data driven, ensuring decisions reflect community priorities and resources are used wisely.

Disclosure of Interest:
No Officer involved in the preparation of this report has a declarable interest in this matter.

RELEVANT PRECEDENTS:
An IBIS ERP Project update was provided to the Audit Committee at a previous meeting held 20 July 2026.

COMMUNITY/COUNCIL MEMBER CONSULTATION:
Council awarded RFT 2122 03 ERP Software Replacement to TechnologyOne at its meeting 29 March 2022 (Item No. CCS682).

LEGISLATIVE/POLICY IMPLICATIONS:
There are no legislative or policy implications.

FINANCIAL AND RESOURCE IMPLICATIONS:
$3.25million has been allocated in the 2026-27 Annual Budget for IBIS project implementation which includes both internal and external resourcing costs. Actual expenditure to date is $842,000 with a further $1,270,000 in current commitments.

INTEGRATED PLANNING LINKS:

Strategic Theme: Leading	**A progressive City where informed decisions, strong advocacy and an enabling culture drives sustainable regional growth.**
Goal 2	Efficiently and effectively deliver community services and projects, through optimal use of our resources.
Goal 3	Financial sustainability, actively seeking and leveraging external funding to deliver for the community.
Goal 5	Provide the community with clear and accessible information about the City's programs, services and

	decisions.

REGIONAL OUTCOMES:
There are no impacts to regional outcomes.

RISK MANAGEMENT:

Risk Management

The IBIS ERP Program continues to progress, with several major capabilities now operational and delivering business benefits. As the program moves through a significant period of implementation activity, the primary risks being actively monitored and managed include:

- Data migration readiness, quality and integrity, recognising the complexity of transitioning large volumes of historical data from legacy systems into a modern ERP platform. Existing source data contains varying levels of completeness, consistency and standardisation, requiring ongoing cleansing, reconciliation and validation activities to support successful implementation outcomes.
- Rates data migration and billing readiness, including the accuracy and completeness of property, assessment and financial data required to support future rates generation and billing processes. Given the critical nature of rates revenue to Council operations, a heightened level of testing, reconciliation and assurance will be applied.
- Resource availability and business capacity to support configuration, testing, training, data validation and implementation activities while maintaining operational service delivery.
- Integration and change complexity across the expanding IBIS ecosystem, recognising that each new capability must be carefully integrated with existing operational modules, interfaces, data flows and business processes. As more functionalities become established within the platform, the risk of unintended downstream impacts increases, requiring enhanced focus on end-to-end testing, integration assurance and coordinated release management to maintain system stability and business continuity.
- Timely resolution of business process, policy and governance decisions required to enable the remaining EAM integration scope.
- Balancing project delivery and operational support demands, as the increasing number of live modules expands the level of business-as-usual support required from both project and operational resources.

Management considers these risks to be well understood and actively managed through the program's governance, assurance and decision making frameworks. Data migration remains the most significant delivery risk due to the complexity of transforming and validating legacy information; however, extensive testing, reconciliation and business led validation activities are in

place to mitigate this risk. Implementation sequencing and resource capacity may continue to necessitate adjustments to delivery schedules.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:
No alternative options were considered by City Officers. This report is provided to the Audit Committee as an update only.

AC205 2025-26 ANNUAL FINANCIAL REPORT

AGENDA REFERENCE:	**D-26-140730**
AUTHOR:	**N Jane, Chief Financial Officer**
EXECUTIVE:	**P Radalj, Director Corporate Services**
DATE OF REPORT:	**9 November 2026**
FILE REFERENCE:	**GO/11/0020-003**
ATTACHMENTS:	**Yes (x2) x1 Confidential** **A. 2025-26 Annual Financial Report (as provided – does not include the Audit Report which is provided after the Exit Meeting)** **B. Confidential – Auditors Closing Report** ***Note: no separate Management Letter***

EXECUTIVE SUMMARY:
The purpose of this report is to seek Audit, Risk and Improvement Committee acceptance of the 2025-26 Annual Financial Report and Auditor's Report.

EXECUTIVE RECOMMENDATION:
That the Audit, Risk and Improvement Committee by Simple Majority pursuant to Section 7.1CA of the *Local Government Act 1995* RESOLVES to:

1. RECEIVE the Annual Financial Report for the financial year ended 30 June 2026
2. RECEIVE the Auditors Closing Report for the financial year ended 30 June 2026
3. NOTE the Auditor has provided an unqualified audit opinion of the Annual Financial Report for the year ended 30 June 2026
4. RECOMMEND to Council the adoption of the audited Financial Report for the year ended 30 June 2026
5. NOTE the findings identified during the audit; and
6. REQUEST progress reports on the identified findings and associated recommendations until completed.

PROPONENT:
The proponent is the City of Greater Geraldton (the City).

BACKGROUND:
Section 6.4.(3)(b) of the *Local Government Act 1995* requires submission of the annual financial report by 30 September following each financial year. The 2025-26 Financial Report was prepared and submitted on 29 September 2026, in compliance with the *Act.*

The final audit was conducted by RSM on behalf of the OAG. The audit was mostly remote, with an onsite visit from 5 to 9 October 2026. They performed testing on all areas of the accounts, with a focus on areas they consider to be of high risk.

At the conclusion of the audit, the following final reports have been issued:

- Independent Auditor's Report
- Management Letter
- Auditors Closing Report

These reports along with the Audited Financial Report for the year ended 30 June 2026 are attached for the information of the Audit, Risk and Improvement Committee.

The OAG intends to issue an unqualified audit opinion for the year ended 30 June 2026. An unqualified opinion indicates that the financial report is considered to fairly present the City's financial position and financial performance in accordance with the applicable financial reporting framework.

The Auditors Closing Report (Attachment B) briefs the Committee on the results of the audit, outstanding mattes, key audit focus areas and other communications from the audit process.

There are no unadjusted audit differences for the 2025-26 financial audit, therefore there are no differences requiring consideration by the Audit, Risk and Improvement Committee.

CONNECTED, LIVEABLE, THRIVING, LEADING – ISSUES AND OPPORTUNITIES:

Connected:
The report outlines the financial allocations and expenditures for programs and activities that support the City's commitment to building an engaged and diverse community. The City invests in programs and infrastructure that promote safety, inclusion, and social cohesion.

Liveable:
This report outlines financial activity related to the City's efforts to create a greener, healthier, and more sustainable environment. The City is committed to enhancing liveability through strategic investments in green infrastructure, sustainable practices, and community wellbeing.

Thriving:
This report outlines financial activity related to programs and projects that contribute to a thriving local economy. The City continues to invest in initiatives that foster economic vitality and supports local businesses.

Leading:
The Audit, Risk and Improvement Committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting.

Disclosure of Interest:
No Officer involved in the preparation of this report has a declarable interest in this matter.

RELEVANT PRECEDENTS:
Item AC135 – 2022-23 Annual Financial Report (held on 23 January 2024)
Item AC160 – 2023-24 Annual Financial Report (held on 22 April 2025)

Item AC175 – 2024-25 Annual Financial Report (held on 2 December 2025)

COMMUNITY/COUNCIL MEMBER CONSULTATION:
No community consultation has been undertaken.

The annual financial report and audit report are included in the City's Annual Report, which will be presented to Council for adoption, then released to the community as a public document.

The annual report is subsequently presented to an annual meeting of electors and made available on the City website

LEGISLATIVE/POLICY IMPLICATIONS:
Local Government Act 1995

Financial Reporting
Section 6.4 requires the City to prepare an annual financial report for the preceding financial year, in the manner and form prescribed, and to submit it with the City's accounts to its auditor by 30 September following the financial year, or such extended time as the Minister allows. The City submitted its 2025-26 accounts and annual financial report to the Office of the Auditor General on 29 September 2026.

Audit
The City's financial audit is conducted by the Auditor General under Part 7, Division 3A of the Act. Section 7.12AB requires the auditor to audit the City's accounts and annual financial report at least once in respect of each financial year. Under section 7.12AD, the auditor must prepare and sign a report on the financial audit and give it to the Mayor, the CEO and the Minister for Local Government.
Section 7.12A sets out the City's duties in relation to the audit. The City must:

- Do everything in its power to assist the auditor to conduct the audit and to ensure the audit is conducted successfully and expeditiously (section 7.12A(1));
- Meet with the auditor at least once in every year (section 7.12A(9));
- Examine the audit report, determine whether any matters raised require action, and ensure that appropriate action is taken (Section 7.12A(3));
- Where the Independent Auditor's Report identifies significant matters, prepare a report addressing each matter and the action taken or intended to be taken, and give a copy to the Minister within three months after receiving the auditor's report (section 7.12A(4)); and
- Publish that report on the City's official website within 14 days after giving it to the Minister (section 7.12A(5)).

Audit, Risk and Improvement Committee
Section 71A requires the City to establish an Audit, Risk and Improvement Committee. The Committee must have an independent presiding member. Decisions of the Committee are made by simple majority (Section 7.1CA)

Annual Report

The audited annual financial report and the auditor's report form part of the City's Annual Report (section 5.53). Under section 5.54, Council must accept the Annual Report by absolute majority no later than 31 December after the financial year or, if the auditor's report is not available in time, no later than two months after it becomes available.

Following acceptance, the CEO must give public notice of the availability of the Annual Report (Section 5.55) and publish it on the City's official website within 14 days (section 5.55A). The annual general meeting of electors must be held no more than 56 fays after Council accepts the Annual Report (section 5.27).

Local Government (Audit) Regulations 1996, regulation 16 outlines the functions of the audit risk and improvement committee including its role to receive and review reports on and recommend to the council actions to be taken in relation to audits.

FINANCIAL AND RESOURCE IMPLICATIONS:

The 2025-26 Annual Financial Report shows that the City's net operating result was significantly better than the original budget. The favourable result is primarily attributable to the following:

- **Operating Grants, Subsidies and Contributions** – an increase in the prepayment of the Financial Assistance Grants (FAGs), resulting in higher operating grant revenue than originally budgeted; and
- **Employee Costs** – an underspend against budget due to ongoing and higher than anticipated vacancies across the organisation during the year.

Separately, a change in how grant revenue is recognised moved $2m from capital grants to operating grants. This improved the net result from operating activities but did not affect the City's cash flow or overall comprehensive income position.

As a result of the improved 2025-26 outcome, the City's opening position for the 2026-27 financial year has been revised. This revised opening position will be adjusted in the 2026-27 budget during the Mid-Year Budget Review.

Carrying this improved result into the 2026-27 financial year is expected to strengthen the City's liquidity position, which had declined over the past couple of years. This provides the City with greater financial capacity and flexibility going forward.

INTEGRATED PLANNING LINKS:

Strategic Theme: Leading	**A progressive City where informed decisions, strong advocacy and an enabling culture drives sustainable regional growth.**
Goal 5	Provide the community with clear and accessible information about the City's programs, services and

	decisions.
Goal 6	Ensure high quality governance activities enabling transparency and accountability.

REGIONAL OUTCOMES:
There are no impacts to regional outcomes.

RISK MANAGEMENT:
Findings outlined in the management letter have been assigned a risk rating by the auditor. These ratings are based on the audit team's assessment of risks and concerns with respect to the probability and consequences of adverse outcomes if action is not taken.

Consideration is given to potential adverse outcomes in the context of both quantitative and qualitative impact.

Management have provided responses to each of the findings.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:
No alternative options were considered by City Officers.



City of Greater Geraldton

FINANCIAL REPORT

for the year ended 30 June 2026

Growing Greater Geraldton, together

City of Greater Geraldton
a vibrant future

City of Greater Geraldton

Financial Report

for the year ended 30 June 2026

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Content Overview

i) These financial statements are General Purpose Financial Statements and cover the City's operations.

ii) All figures presented in these financial statements are presented in Australian dollars.

iii) Council has the power to amend and reissue the financial statements.

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City of Greater Geraldton

Financial Report
for the year ended 30 June 2026

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

Statement by CEO

The accompanying financial report of the City of Greater Geraldton 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 2026 and the financial position as at 30 June 2026.

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

Signed on the 29th day of September 2026

Chief Executive Officer

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City of Greater Geraldton

Statement of comprehensive income

for the year ended 30 June 2026

	Note	2026 Actual $	2026 Budget $	2025 Actual $
Revenue				
Rates	29,2a	57,189,857	57,425,406	54,383,897
Grants, subsidies and contributions	2a	19,757,739	13,684,105	9,531,832
Fees and charges	2a	32,041,141	31,796,011	30,488,004
Interest revenue	2a	3,476,889	3,368,407	3,925,280
Other revenue	2a	782,404	550,500	1,202,682
		113,248,030	106,824,429	99,531,695
Expenses				
Employee costs	2b	(39,525,449)	(41,127,002)	(36,861,651)
Materials and contracts	2b	(30,086,579)	(31,129,860)	(29,019,681)
Utility charges	2b	(3,257,904)	(3,285,807)	(3,215,464)
Depreciation	9a	(24,923,277)	(24,801,228)	(25,115,295)
Finance costs	2b	(840,420)	(431,438)	(870,480)
Insurance	2b	(1,085,736)	(1,118,670)	(1,046,742)
Other expenditure	2b	(5,617,620)	(6,243,900)	(4,465,785)
		(105,336,985)	(108,137,905)	(100,595,098)
Operating result from continuing operations		7,911,045	(1,313,476)	(1,063,403)
Capital grants, subsidies and contributions	2a	10,779,743	11,622,368	13,226,902
Profit on asset disposals	9b	77,087	69,937	218,552
Loss on asset disposals	9b	(122,740)	(101,633)	(57,191)
Fair value adjustments to financial assets at fair value through profit or loss	2c	340,013	–	(15,981)
		11,074,103	11,590,672	13,372,282
Net result for the period	28b	18,985,148	10,277,196	12,308,879
Other comprehensive income for the period				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	18	27,539,494	–	23,059,611
Total other comprehensive income for the period	18	27,539,494	–	23,059,611
Total comprehensive income for the period		46,524,642	10,277,196	35,368,490

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

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City of Greater Geraldton

Statement of financial position

as at 30 June 2026

	Note	2026 Actual $	2025 Actual $
Assets			
Current assets			
Cash and cash equivalents	3	24,458,418	19,252,160
Trade and other receivables	5	10,576,115	10,967,706
Other financial assets	4a	13,618,631	22,080,510
Inventories	6	938,815	865,484
Contract assets		2,386,018	4,092,928
Total current assets		51,977,997	57,258,788
Non-current assets			
Trade and other receivables	5	585,688	567,355
Other financial assets	4b	22,355,041	17,116,657
Property, plant and equipment	7	237,648,850	205,619,102
Infrastructure	8	748,216,142	733,101,682
Intangible assets	12	159,460	159,460
Total non-current assets		1,008,965,181	956,564,256
Total assets		1,060,943,178	1,013,823,044
Liabilities			
Current liabilities			
Trade and other payables	13	17,394,625	20,822,013
Contract liabilities	14	1,819,538	364,385
Borrowings	15	2,988,622	2,728,485
Employee related provisions	16	6,285,580	5,999,700
Total current liabilities		28,488,365	29,914,583
Non-current liabilities			
Borrowings	15	12,604,500	10,593,121
Employee related provisions	16	525,748	438,288
Other provisions	17	9,494,576	9,571,705
Total non-current liabilities		22,624,824	20,603,114
Total liabilities		51,113,189	50,517,697
Net assets		1,009,829,989	963,305,347
Equity			
Retained surplus		404,623,125	385,559,743
Reserve accounts	32	41,942,104	42,020,338
Revaluation surplus	18	563,264,760	535,725,266
Total equity		1,009,829,989	963,305,347

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

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City of Greater Geraldton

Statement of changes in equity

for the year ended 30 June 2026

	Note	Retained surplus $	Reserve accounts $	Revaluation surplus $	Total Equity $
Balance as at 1 July 2024		372,267,608	43,003,594	512,665,655	927,936,857
Comprehensive income for the period					
Net result for the period		12,308,879	–	–	12,308,879
Other comprehensive income for the period					
Increase/(decrease) in asset revaluation surplus	18	–	–	23,059,611	23,059,611
Total comprehensive income for the period		12,308,879	–	23,059,611	35,368,490
Transfers from reserve accounts	32	15,063,201	(15,063,201)	–	–
Transfers to reserve accounts	32	(14,079,945)	14,079,945	–	–
Balance as at 30 June 2025		385,559,743	42,020,338	535,725,266	963,305,347
Balance as at 1 July 2025		385,559,743	42,020,338	535,725,266	963,305,347
Comprehensive income for the period					
Net result for the period		18,985,148	–	–	18,985,148
Other comprehensive income for the period					
Increase/(decrease) in asset revaluation surplus	18	–	–	27,539,494	27,539,494
Total comprehensive income for the period		18,985,148	–	27,539,494	46,524,642
Transfers from reserve accounts	32	12,949,055	(12,949,055)	–	–
Transfers to reserve accounts	32	(12,870,821)	12,870,821	–	–
Balance as at 30 June 2026		404,623,125	41,942,104	563,264,760	1,009,829,989

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

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City of Greater Geraldton

Statement of cash flows

for the year ended 30 June 2026

	Note	2026 Actual $	2025 Actual $
Cash flows from operating activities			
Receipts			
Rates		57,383,005	54,813,561
Grants, subsidies and contributions		23,721,856	7,142,034
Fees and charges		31,469,613	29,490,763
Interest revenue		3,476,889	3,925,280
Goods and services tax received		206,878	–
Other revenue		781,543	1,202,682
Total receipts		117,039,784	96,574,320
Payments			
Employee costs		(38,985,312)	(36,994,142)
Materials and contracts		(31,627,837)	(19,325,675)
Utility charges		(3,257,904)	(3,215,464)
Finance costs		(828,606)	(883,891)
Insurance paid		(1,085,736)	(1,046,742)
Goods and services tax paid		–	(895,150)
Other expenditure		(8,089,254)	(7,295,780)
Total payments		(83,874,649)	(69,656,844)
Net cash provided by operating activities	19b	33,165,135	26,917,476
Cash flows from investing activities			
Payments for purchase of property, plant & equipment	7a	(11,805,970)	(9,354,255)
Payments for construction of infrastructure	8a	(33,605,176)	(31,718,904)
Proceeds from financial assets at amortised cost		3,422,913	4,964,035
Proceeds from capital grants, subsidies and contributions		10,779,743	13,226,902
Proceeds from sale of property, plant & equipment		837,503	781,969
Proceeds from financial assets at amortised cost - self supporting loans		126,544	124,784
Proceeds on other loans and receivables		14,051	–
Net cash (used in) investing activities		(30,230,392)	(21,975,469)
Cash flows from financing activities			
Repayment of borrowings	31a	(2,728,485)	(3,142,208)
Payments for principal portion of lease liabilities	31d	–	(8,285)
Proceeds from new borrowings	31a	5,000,000	–
Net cash (used in) financing activities		2,271,515	(3,150,493)
Net increase /(decrease) in cash held		5,206,258	1,791,514
Cash at beginning of year		19,252,160	17,460,646
Cash and cash equivalents at the end of the year	3	24,458,418	19,252,160

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

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City of Greater Geraldton

Statement of financial activity

for the year ended 30 June 2026

	Note	2026 Actual $	2026 Budget $	2025 Actual $
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	29	56,970,025	53,264,422	54,181,282
Rates excluding general rates	29	219,832	4,160,984	202,615
Grants, subsidies and contributions		19,757,739	13,684,105	9,531,832
Fees and charges		32,041,141	31,796,011	30,488,004
Interest revenue		3,476,889	3,368,407	3,925,280
Other revenue		782,404	550,500	1,202,682
Profit on asset disposals		77,087	69,937	218,552
Fair value adjustments to financial assets at fair value through profit or loss	4b,2c	340,013	–	(15,981)
		113,665,130	106,894,366	99,734,266
Expenditure from operating activities				
Employee costs		(39,525,449)	(41,127,002)	(36,861,651)
Materials and contracts		(30,086,579)	(31,129,860)	(29,019,681)
Utility charges		(3,257,904)	(3,285,807)	(3,215,464)
Depreciation		(24,923,277)	(24,801,228)	(25,115,295)
Finance costs		(840,420)	(431,438)	(870,480)
Insurance		(1,085,736)	(1,118,670)	(1,046,742)
Other expenditure		(5,617,620)	(6,243,900)	(4,465,785)
Loss on asset disposals		(122,740)	(101,633)	(57,191)
		(105,459,725)	(108,239,538)	(100,652,289)
Adjustment for cash budget requirements:				
Non-cash amounts excluded from operating activities				
Non-cash amounts excluded from operating activities	30	25,100,820	24,806,468	25,418,269
Amount attributable to operating activities		33,306,225	23,461,296	24,500,246
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		10,779,743	11,622,368	13,226,902
Proceeds from disposal of assets		837,503	467,900	781,969
Proceeds from financial assets at amortised cost - self supporting loans	31a	126,544	126,544	124,784
Proceeds from council loans		14,050	9,179	18,960
		11,757,840	12,225,991	14,152,615
Outflows from investing activities				
Acquisition of property, plant and equipment	7a	(13,291,848)	(12,081,000)	(9,391,387)
Acquisition of infrastructure	8a	(32,599,203)	(39,033,000)	(30,928,843)
Advances to Community Groups		–	–	–
		(45,891,051)	(51,114,000)	(40,320,230)
Amount attributable to investing activities		(34,133,211)	(38,888,009)	(26,167,615)
FINANCING ACTIVITIES				
Inflows from financing activities				
Proceeds from borrowings	31a	5,000,000	5,000,000	–
Transfers from reserve accounts	32	12,949,055	14,184,401	15,063,201
		17,949,055	19,184,401	15,063,201
Outflows from financing activities				
Repayment of borrowings	31a	(2,728,485)	(2,728,485)	(3,142,208)
Payments for principal portion of lease liabilities	31d	–	–	(8,285)
Transfers to reserve accounts	32	(12,870,821)	(688,750)	(14,079,945)
		(15,599,306)	(3,417,235)	(17,230,438)
Amount attributable to financing activities		2,349,749	15,767,166	(2,167,237)

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City of Greater Geraldton

Statement of financial activity

for the year ended 30 June 2026

	Note	2026 Actual $	2026 Budget $	2025 Actual $
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	30	4,209,932	780,957	8,044,538
Amount attributable to operating activities		33,306,225	23,461,296	24,500,246
Amount attributable to investing activities		(34,133,211)	(38,888,009)	(26,167,615)
Amount attributable to financing activities		2,349,749	15,767,166	(2,167,237)
Surplus/(deficit) after imposition of general rates	30	5,732,695	1,121,410	4,209,932

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

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City of Greater Geraldton

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

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City of Greater Geraldton

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 1. Basis of preparation

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

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

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

The *Local Government (Financial Management) Regulations 1996* provide that:
- land and buildings classified as property, plant and equipment;or
- infrastructure; or
- vested improvements that the local government controls ;

and measured at reportable value, are only required to be revalued every five years. Revaluing these non-financial assets every five years is a departure from *AASB 116 Property, Plant and Equipment*, which would have required the City to assess at each reporting date whether the carrying amount of the above mentioned non-financial assets materially differs from their fair value and, if so, revalue the class of non-financial assets.

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 33 of the financial report.

Initial application of accounting standards
During the current year, no new or revised Australian Accounting Standards and Interpretations were applied for the first time.

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 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*
- *AASB 18 (NFP/super) Presentation and Disclosure in Financial Statements - (Appendix D) [for not-for-profit and superannuation entities]*

The City has not yet determined the impact of the above amendments.

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 affect the application of policies and reported amounts of assets and liabilities, income and expenses.

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Note 1. Basis of preparation (continued)

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 7
- Infrastructure - note 8
- Expected credit losses on accounts recievables - note 5
- Impairment losses of non-financial assets - note 7 and 8
- Investment property - note 11
- Estimated useful life of intangible assets - note 12
- Measurement of employee benefits - note 16
- Measurement of provisions - note 17

Fair value hierarchy information can be found in note 27.

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 2. Revenue and expenses

(a) Revenue

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

Revenue category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/refunds/ warranties	Timing of revenue recognition
Grants, subsidies or contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time /Single point in 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 and issue of the licence, registration or approval
Fees and charges - waste management, QPT & Aquarena entry fees	Waste treatment, recycling and disposal service at disposal sites. Swimming pool entry & QPT show entry.	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Kiosk and visitor centre, QPT & Aquarena stock	Single point in time	Payment in full at point of sale	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

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

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

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

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

Nature	Contracts with customers	Capital grant/ contributions	Statutory requirements	Other	Total
For the year ended 30 June 2026					
Rates	–	–	57,189,857	–	57,189,857
Grants, subsidies and contributions	19,196,970	–	–	560,769	19,757,739
Fees and charges	31,658,276	–	371,047	11,818	32,041,141
Interest revenue	–	–	564,384	2,912,505	3,476,889
Other revenue	–	–	–	782,404	782,404
Capital grants, subsidies and contributions	–	10,737,471	–	42,272	10,779,743
Total	50,855,246	10,737,471	58,125,288	4,309,768	124,027,773
For the year ended 30 June 2025					
Rates	–	–	54,383,897	–	54,383,897
Grants, subsidies and contributions	8,963,973	–	–	567,859	9,531,832
Fees and charges	30,050,681	–	437,323	–	30,488,004
Interest revenue	–	–	458,625	3,466,655	3,925,280
Other revenue	–	–	–	1,202,682	1,202,682
Capital grants, subsidies and contributions	–	13,226,902	–	–	13,226,902
Total	39,014,654	13,226,902	55,279,845	5,237,196	112,758,597

	2026 Actual $	2026 Budget $	2025 Actual $
Interest revenue			
Interest on reserve account	1,759,130	1,735,000	1,983,711
Investments - other funds	1,139,895	1,140,000	1,465,339
Rate overdue interest	376,047	350,000	320,007
Rate instalment interest	163,892	115,000	114,753
Pensioner Deferred Interest	24,445	18,000	23,865
Financial assets at amortised cost - self supporting loans	10,942	7,355	13,587
Trade and other receivables overdue interest	9	–	–
Other interest revenue	2,529	3,052	4,018
Total interest earnings	3,476,889	3,368,407	3,925,280

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 2. Revenue and expenses (continued)

(a) Revenue (continued)

	2026 Actual $	2026 Budget $	2025 Actual $
Other revenue			
Other revenue	782,404	550,500	1,202,682
	782,404	550,500	1,202,682

(b) Expenses

Materials and contracts

Auditors remuneration			
- Audit of the annual financial report	106,100	120,000	100,132
- Internal Audit	–	–	26,608
- Other audit services - grant aquittals	6,480	23,000	43,764
Total Auditors remuneration	112,580	143,000	170,504
Other			
Contractors	22,572,194	25,185,456	21,173,607
Consultants	2,347,520	749,607	2,499,814
Materials purchased	3,333,636	2,959,582	1,593,616
Other	1,720,649	2,092,215	3,582,140
Total	30,086,579	31,129,860	29,019,681

Employee costs

Wages and salaries	26,281,456	34,389,456	24,901,019
Employee leave entitlements	6,888,737	–	6,046,681
Superannuation	5,457,623	5,810,287	4,970,379
Workers' compensation insurance	468,962	443,871	462,579
Protective clothing and uniforms	95,951	62,802	88,335
Recruitment costs	79,166	80,000	55,904
Training costs (other than salaries and wages)	197,591	205,886	285,428
Other employee costs	55,963	134,700	51,326
Total employee costs	39,525,449	41,127,002	36,861,651

Utility charges

Water, Electricity & Gas	3,257,904	3,285,807	3,215,464
Total	3,257,904	3,285,807	3,215,464

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 2. Revenue and expenses (continued)

(b) Expenses (continued)

	Note	2026 Actual $	2026 Budget $	2025 Actual $
Finance costs				
Borrowings	31a	437,643	431,438	511,709
Leases	31d	–	–	64
Other - Meru Rehabilitation Provision - unwinding of discount	17	402,777	–	358,707
Total		840,420	431,438	870,480
Insurance				
Insurance		1,085,736	1,118,670	1,046,742
Total		1,085,736	1,118,670	1,046,742

	Note	2026 Actual $	2026 Budget $	2025 Actual $
Other expenditure				
Contributions & Donations		2,581,690	2,740,562	934,561
Councillor & Mayoral Allowance	22a	555,834	584,164	515,585
Other		2,480,096	2,919,174	3,015,639
Total Other expenditure		5,617,620	6,243,900	4,465,785

(c) Other "Non Operating" result items

Fair value adjustments to financial assets at fair value through profit or loss				
The profit relates to the increase in the fair value of the Council's investments (Local Gvt House Trust)	4b	340,013	–	–
The loss relates to the decrease in the fair value of the Council's investments. (Local Gvt House Trust)	4b	–	–	(15,981)
		340,013	–	(15,981)

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 3. Cash and cash equivalents

	Note	2026 $	2025 $
Cash at bank and on hand		19,458,418	19,252,160
Term deposits		5,000,000	–
Total cash and cash equivalents	19a	24,458,418	19,252,160
- Unrestricted cash and cash equivalents		16,325,192	12,069,108
- Restricted cash and cash equivalents	19a	8,133,226	7,183,052
Total		24,458,418	19,252,160

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interests. 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 and for which no liability has been recognised.

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Note 4. Other financial assets

	Note	2026 $	2025 $
(a) Current assets			
Financial assets at amortised cost		13,618,631	22,080,510
Total current financial assets		13,618,631	22,080,510
Financial assets at amortised cost			
Term deposits		13,516,461	21,939,374
Self supporting loans	30	87,749	126,544
Other financial assets		14,421	14,592
		13,618,631	22,080,510
Held as			
- Unrestricted other financial assets at amortised cost		102,170	141,136
- Restricted other financial assets at amortised cost	19a	13,516,461	21,939,374
Total		13,618,631	22,080,510

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Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 4. Other financial assets (continued)

	Note	2026 $	2025 $
(b) Non current assets			
Financial assets at fair value through profit or loss		698,301	358,288
Financial assets at amortised cost		21,557,913	16,645,661
Financial assets previously classified as loans and receivables		98,827	112,708
Total non-current financial assets		22,355,041	17,116,657
Financial assets at fair value through profit or loss			
Units in Local Government House Trust		698,301	358,288
		698,301	358,288
Financial assets at amortised cost			
Self supporting loans receivable		307,913	395,661
Other long term financial assets - Term deposits		21,250,000	16,250,000
		21,557,913	16,645,661
Financial assets previously classified as loans and receivables			
Loans Receivable - Sports Clubs		98,827	112,708
		98,827	112,708
Held as			
- Unrestricted other financial assets at amortised cost		1,105,041	866,657
- Restricted other financial assets at amortised cost	19a	21,250,000	16,250,000
Total		22,355,041	17,116,657

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 31(a) as self supporting loans. Fair value of financial assets at fair value through profit and loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

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City of Greater Geraldton

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 4. Other financial assets (continued)

MATERIAL ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 27 (i)) due to the observable market rates.

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

Financial assets at fair value through profit or loss

The City has elected to classify 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 Council has not elected to recognise as fair value gains and losses through profit or loss.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 25.

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Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 5. Trade and other receivables

	2026 $	2025 $
Current		
Rates and statutory receivables	3,620,619	3,575,667
Trade receivables	3,232,236	3,042,888
GST receivable	1,087,454	1,294,332
Accrued income	1,250,781	1,171,105
Prepayments	1,398,495	1,900,003
Less: provision for expected credit loss	(13,470)	(16,289)
	10,576,115	10,967,706
Non-current		
Pensioner's rates and ESL deferred	585,688	567,355
	585,688	567,355

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.
Trade receivables are recognised at original invoice amount less any provision for expected credit loss amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

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 and other 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 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 including grants for the construction of recognisable non financial assets.

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

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

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

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

Impairment and risk exposure
Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 6. Inventories

	2026 $	2025 $
Current		
Fuel and materials	877,717	809,891
Resaleable Merchandise	61,098	55,593
Total current inventories	938,815	865,484

MATERIAL ACCOUNTING POLICIES

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

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

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 7. Property, plant and equipment

(a) Movements in balances

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

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	Note	Assets not subject to operating lease				Plant and equipment		Total property, plant and equipment
		Land	Buildings	Artwork	Property - Work in progress	Furniture and equipment	Plant and equipment	
		$	$	$	$	$	$	$
Balance at 1 July 2024		66,829,280	119,768,667	588,250	1,664,759	2,600,958	10,192,956	201,644,870
Additions		24,704	2,167,288	–	1,479,900	1,703,170	4,016,325	9,391,387
Disposals	9b	–	–	–	–	(343,005)	(1,563,339)	(1,906,344)
Depreciation on Disposal		–	–	–	–	332,120	953,615	1,285,735
Revaluation decrements transferred to revaluation surplus	18	–	(314,539)	–	–	–	–	(314,539)
Depreciation	9a	–	(2,499,687)	–	–	(783,679)	(1,161,509)	(4,444,875)
Reclassifications between Asset Classes		–	(24,735)	(588,250)	–	586,465	(10,612)	(37,132)
Balance at 30 June 2025		66,853,984	119,096,994	–	3,144,659	4,096,029	12,427,436	205,619,102
Comprises:								
Gross balance amount at 30 June 2025		66,853,984	124,015,633	–	3,144,659	7,074,503	21,240,014	222,328,793
Accumulated depreciation at 30 June 2025		–	(4,918,639)	–	–	(2,978,474)	(8,812,578)	(16,709,691)
Balance at 30 June 2025		66,853,984	119,096,994	–	3,144,659	4,096,029	12,427,436	205,619,102
Balance at 1 July 2025		66,853,984	119,096,994	–	3,144,659	4,096,029	12,427,436	205,619,102
Additions to Works in Progress		–	–	–	13,291,848	–	–	13,291,848
Disposals	9b	(585,000)	–	–	–	(28,216)	(269,940)	(883,156)
Revaluation increments transferred to revaluation surplus	18	25,805,725	–	–	–	–	–	25,805,725
Revaluation decrements transferred to revaluation surplus	18	–	(36,376)	–	–	(650)	–	(37,026)
Depreciation	9a	–	(2,595,923)	–	–	(873,232)	(1,192,611)	(4,661,766)
Reclassifications between Asset Classes		–	(1,528,259)	–	–	42,382	–	(1,485,877)
Additions/ Transfer from Works in Progress		1,703,091	3,793,415	–	(10,049,562)	3,279,647	1,273,409	–
Balance at 30 June 2026		93,777,800	118,729,851	–	6,386,945	6,515,960	12,238,294	237,648,850
Comprises:								
Gross balance amount at 30 June 2026		93,777,800	126,219,134	–	6,386,945	10,192,372	21,664,402	258,240,653
Accumulated depreciation at 30 June 2026		–	(7,489,283)	–	–	(3,676,412)	(9,426,108)	(20,591,803)
Balance at 30 June 2026		93,777,800	118,729,851	–	6,386,945	6,515,960	12,238,294	237,648,850

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Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 7. Property, plant and equipment (continued)

(b) Carrying Amount Measurements

Asset class	Note	Carrying amount 2026 $	Carrying amount 2025 $	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		93,777,800	66,853,984	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology.	Independent registered valuer	June 2026	Price per square metre / market borrowing rate.
Total land	7a	93,777,800	66,853,984					
Buildings - non-specialised		1,769,445	648,415	2	Market approach using recent observable market data for similar properties / income approach using discounted cashflow methodology.	Independent registered valuer	June 2023	Price per square metre / market borrowing rate.
Buildings - specialised		116,960,406	118,448,579	3	Cost approach using current replacement cost.	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs.
Total buildings	7a	118,729,851	119,096,994					

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

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

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Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 8. Infrastructure

(a) Movements in balances

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

	Note	Infrastructure Roads $	Infrastructure Lighting $	Recreation $	Car Parks $	Meru Landfill $	Airport $	Effluent Scheme $	Other Infrastructure $	Work in progress $	Total infrastructure $
Balance as at 1 July 2024		558,300,819	4,449,622	71,981,579	17,365,385	17,763,238	23,409,379	532,545	–	4,865,632	698,668,199
Additions		17,661,289	1,092,378	3,004,685	211,668	–	105,444	2,074	–	8,851,306	30,928,844
Revaluation increments transferred to revaluation surplus	18	–	–	–	–	–	24,969,584	–	–	–	24,969,584
Revaluation decrements transferred to revaluation surplus	18	(778,315)	(228,385)	(584,005)	–	–	(4,729)	–	–	–	(1,595,434)
Depreciation	9a	(13,097,486)	(378,833)	(2,891,426)	(862,557)	(2,112,911)	(1,252,257)	(64,101)	–	–	(20,659,571)
Meru capping provision		–	–	–	–	752,930	–	–	–	–	752,930
Reclassifications between Asset Classes		69,408	(8,181)	239,887	–	(285,870)	33,975	(12,089)	–	–	37,130
Balance at 30 June 2025		562,155,715	4,926,601	71,750,720	16,714,496	16,117,387	47,261,396	458,429	–	13,716,938	733,101,682
Comprises:											
Gross balance amount at 30 June 2025		588,475,172	5,637,036	77,107,328	18,428,675	21,694,720	47,261,396	586,474	–	13,716,938	772,907,739
Accumulated depreciation at 30 June 2025		(26,319,457)	(710,435)	(5,356,608)	(1,714,179)	(5,577,333)	–	(128,045)	–	–	(39,806,057)
Balance at 30 June 2025		562,155,715	4,926,601	71,750,720	16,714,496	16,117,387	47,261,396	458,429	–	13,716,938	733,101,682
Balance as at 1 July 2025		562,155,715	4,926,601	71,750,720	16,714,496	16,117,387	47,261,396	458,429	–	13,716,938	733,101,682
Additions to Works in Progress		–	–	–	–	–	–	–	–	32,599,203	32,599,203
Revaluation increments transferred to revaluation surplus	18	–	–	–	–	2,474,154	–	443,072	–	–	2,917,226
Revaluation decrements transferred to revaluation surplus	18	(326,904)	(466,818)	(313,391)	(12,883)	–	(26,435)	–	–	–	(1,146,431)
Depreciation	9a	(13,344,508)	(440,997)	(3,074,252)	(985,093)	(1,030,537)	(1,291,716)	(64,132)	(30,276)	–	(20,261,511)
Meru capping provision		–	–	–	–	(479,906)	–	–	–	–	(479,906)
Reclassifications between Asset Classes		2,009,520	485,625	2,086,338	2,533,988	(1,056,187)	(4,573,405)	–	–	–	1,485,879
Additions/ Transfer from Works in Progress		22,532,885	412,445	3,057,494	416,396	118,425	125,117	–	5,750,544	(32,413,306)	–
Balance at 30 June 2026		573,026,708	4,916,856	73,506,909	18,666,904	16,143,336	41,494,957	837,369	5,720,268	13,902,835	748,216,142
Comprises:											
Gross balance amount at 30 June 2026		612,666,664	5,947,844	81,880,631	21,365,005	18,143,283	42,785,636	837,369	5,750,544	13,902,835	803,279,811
Accumulated depreciation at 30 June 2026		(39,639,956)	(1,030,988)	(8,373,722)	(2,698,101)	(1,999,947)	(1,290,679)	–	(30,276)	–	(55,063,669)
Balance at 30 June 2026		573,026,708	4,916,856	73,506,909	18,666,904	16,143,336	41,494,957	837,369	5,720,268	13,902,835	748,216,142

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Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 8. Infrastructure (continued)

(b) Carrying Amount Measurements

Asset class	Fair value hierarchy	Valuation technique	Basis of valuation	Date of last valuation	Inputs used
(i) Fair Value - as determined at the last valuation date					
Roads	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Recreation	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Car Parks	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Meru Landfill	3	Cost approach using current replacement cost	Independent registered valuer	June 2026	Construction costs and current condition, residual values and remaining useful life assessments inputs
Airport	3	Cost approach using current replacement cost	Independent registered valuer	June 2025	Construction costs and current condition, residual values and remaining useful life assessments inputs
Effluent Scheme	3	Cost approach using current replacement cost	Independent registered valuer	June 2026	Construction costs and current condition, residual values and remaining useful life assessments inputs
Lighting	3	Cost approach using current replacement cost	Independent registered valuer	June 2023	Construction costs and current condition, residual values and remaining useful life assessments inputs
Other Infrastructure	3	Cost approach using current replacement cost	Management Valuation	June 2026	Actual Cost

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

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

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Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 9. Fixed assets

	Note	2026 Actual $	2026 Budget $	2025 Actual $
(a) Depreciation				
Buildings	7a	2,595,923	2,484,527	2,499,687
Furniture & Equipment	7a	873,232	588,318	783,679
Plant & Equipment	7a	1,192,611	1,022,060	1,161,509
Infrastructure - Roads	8a	13,344,508	13,198,918	13,097,486
Infrastructure - Lighting	8a	440,997	367,083	378,833
Infrastructure - Recreation	8a	3,074,252	3,424,989	2,891,426
Infrastructure - Car Parks	8a	985,093	851,535	862,557
Infrastructure - Meru Landfill	8a	1,030,537	1,121,111	2,112,911
Infrastructure - Airport	8a	1,291,716	1,678,743	1,252,257
Infrastructure - Effluent Scheme	8a	64,132	63,944	64,101
Infrastructure - Other	8a	30,276	–	–
Right of Use Assets - Furniture & Equipment	10a	–	–	10,849
Total depreciation		24,923,277	24,801,228	25,115,295

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	Years
Buildings	20 to 80 years
Furniture and equipment	3 to 10 years
Plant and equipment	5 to 15 years
Infrastructure - Roads	20 to 80 years
Infrastructure - Recreation (Parks)	10 to 80 years
Infrastructure - Car Parks	10 to 80 years
Infrastructure - Meru Landfill	10 to 45 years
Infrastructure - Airport	10 to 100 years
Infrastructure - Effluent Scheme	20 to 60 years
Infrastructure - Footpaths	15 to 40 years
Infrastructure - Drainage	50 to 80 years
Infrastructure - Lighting	10 to 25 years
Infrastructure - Bridges & Major Culverts	20 to 100 years
Infrastructure - Other	10 to 30 years
Right of use - Furniture and Equipment	Based on the remaining lease

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Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 9. Fixed assets (continued)

(b) Disposal of assets

The following assets were disposed of during the year.

	Note	Net book value			Sales price			Profit			(loss)		
		2026 Actual $	2026 Budget $	2025 Actual $	2026 Actual $	2026 Budget $	2025 Actual $	2026 Actual $	2026 Budget $	2025 Actual $	2026 Actual $	2026 Budget $	2025 Actual $
By asset class													
Property, plant and equipment	7a												
Land		585,000	–	–	531,818	–	–	–	–	–	(53,182)	–	–
Plant and equipment		269,940	422,765	609,724	304,106	467,900	781,969	75,508	69,937	218,552	(41,342)	(24,802)	(46,307)
Furniture and equipment		28,216	–	10,884	1,579	–	–	1,579	–	–	(28,216)	–	(10,884)
Infrastructure	8a												
Infrastructure - parks and ovals		–	76,831	–	–	–	–	–	–	–	–	(76,831)	–
Total by asset class		883,156	499,596	620,608	837,503	467,900	781,969	77,087	69,937	218,552	(122,740)	(101,633)	(57,191)

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City of Greater Geraldton

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 9. Fixed assets (continued)

MATERIAL ACCOUNTING POLICIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is the balancing figure; or
(ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Impairment
In accordance with *Local Government (Financial Management) Regulations 17A(4C)*, the City is not required to comply with *AASB136 Impairment of Assets* to determine the recoverable amount of its non-financial assets that are land or buildings classified as property, plant and equipment, infrastructure or vested improvements that the local government controls in circumstances where there has been an impairment indication of a general decrease in asset values.

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

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 9. Fixed assets (continued)

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

Note 10. Leases

(a) Right of use assets

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

	Note	Printers $	Total $
2025			
Balance at 1 July 2024		10,849	10,849
Depreciation	9a	(10,849)	(10,849)
Balance at 30 June 2025		–	–
2026			
Balance at 1 July 2025		–	–
Depreciation	9a	–	–
Balance at 30 June 2026		–	–

Amounts included in the statement of comprehensive income related to leases

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

	Note	2026 Actual $	2025 Actual $
Expenses			
Depreciation on right-of-use assets	9a	–	10,849
Finance charge on lease liabilities	31d	–	64
Total amount recognised in the statement of comprehensive income		–	10,913
Total cash outflow from leases		–	64

(b) Lease liabilities

Disclosure
The City had a lease for printing equipment. The term for the lease was 5 years with fixed monthly lease payments. The lease concluded in October 2024.

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.

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Note 10. Leases (continued)

MATERIAL ACCOUNTING POLICIES

Leases

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

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

All contracts that are classified as short-term leases (i.e. a lease with a 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 31(d).

Right-of-use assets - measurement

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

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

Right-of-use assets - depreciation

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

Note 11. Investment property

Council has not classified any Land or Buildings as "Investment Properties".

Note 12. Intangible assets

Laneway Easement

	2026 Actual $	2025 Actual $
Non-current		
Gross book value	159,460	159,460
Total Laneway Easement – net book value	**159,460**	**159,460**
Movements in balances of intangible asset during the financial year are shown as follows:		
Balance at 1 July	159,460	159,460
Amortisation	–	–
Balance at 30 June	159,460	159,460
TOTAL INTANGIBLE ASSETS	159,460	159,460

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 12. Intangible assets (continued)

MATERIAL ACCOUNTING POLICIES

Laneway Easement
The Laneway Easement is not amortised as it is considered to have an indefinite useful life.

Note 13. Trade and other payables

	2026 $	2025 $
Current		
Trade creditors	12,537,014	14,053,526
Accrued interest on debentures	70,312	58,498
Prepaid rates	3,145,319	2,888,886
Accrued Salaries and Wages	321,555	154,758
Unexpended Non-Operating Grants (WATC)	957,583	3,352,088
Accrued Expenses	362,842	314,257
Total current trade and other payables	17,394,625	20,822,013

MATERIAL ACCOUNTING POLICIES

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

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

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

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 City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services.

The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

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

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Note 14. Other liabilities

	2026 $	2025 $
Other liabilities		
Current		
Contract liabilities		
Deposits received in advance of services provided	1,819,538	364,385
Total other liabilities	1,819,538	364,385

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

MATERIAL ACCOUNTING POLICIES

Contract Liabilities

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

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

Capital grant/contribution liabilities

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

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Note 15. Borrowings

	Note	2026 Current $	2026 Non-current $	2026 Total $	2025 Current $	2025 Non-current $	2025 Total $
Unsecured							
Loans	31a	2,988,622	12,604,500	15,593,122	2,728,485	10,593,121	13,321,606
Total unsecured borrowings	31a	2,988,622	12,604,500	15,593,122	2,728,485	10,593,121	13,321,606

Unsecured liabilities

All the City's borrowings are from the Western Australian Treasury Corporation (WATC) and are unsecured.

The City has complied with the financial covenants of its borrowing facilities during the 2025 and 2026 year.

MATERIAL ACCOUNTING POLICIES

Borrowing costs

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

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

Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 27(i)) due to the unobservable inputs, including own credit risk.

Risk

Information regarding exposure to risk can be found at Note 25.

Details of individual borrowings required by regulations are provided at Note 31(a).

Note 16. Employee related provisions

	2026 $	2025 $
Current provisions		
Employee benefit provisions		
Annual leave	2,587,026	2,561,982
Long service leave	3,420,068	3,153,848
Sick Leave	259,965	275,183
Accrued RDO	18,521	8,687
Total current employee related provisions	6,285,580	5,999,700
Non-current provisions		
Employee benefit provisions		
Long service leave	525,748	438,288
Total non-current employee related provisions	525,748	438,288
Total employee related provisions	6,811,328	6,437,988

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

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

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

Other long-term employee benefits
Long-term employee benefits provisions are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate assumptions such as anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 17. Other provisions

	Infrastructure Meru - Rehabilitation	Total
Opening balance at 1 July 2025		
Non-current provisions	9,571,705	9,571,705
	9,571,705	9,571,705
Movement	(77,129)	(77,129)
Balance at 30 June 2026	9,494,576	9,494,576
Comprises		
Non-current	9,494,576	9,494,576
	9,494,576	9,494,576

Other provisions
Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

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Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 18. Revaluation surplus

	2026 Opening Balance $	2026 Revaluation Increment $	2026 Revaluation (Decrement) $	2026 Total Movement on Revaluation $	2026 Closing Balance $	2025 Opening Balance $	2025 Revaluation Increment $	2025 Revaluation (Decrement) $	2025 Total Movement on Revaluation $	2025 Closing Balance $
Land	31,438,951	25,805,725	–	25,805,725	57,244,676	31,438,951	–	–	–	31,438,951
Buildings	62,257,203	–	(36,376)	(36,376)	62,220,827	62,571,742	–	(314,539)	(314,539)	62,257,203
Plant and equipment	1,601,370	–	–	–	1,601,370	1,601,370	–	–	–	1,601,370
Artwork	83,369	–	(650)	(650)	82,719	83,369	–	–	–	83,369
Roads	382,278,085	–	(326,904)	(326,904)	381,951,181	383,056,400	–	(778,315)	(778,315)	382,278,085
Lighting	3,562,085	–	(466,818)	(466,818)	3,095,267	3,790,470	–	(228,385)	(228,385)	3,562,085
Recreation	6,873,696	–	(313,391)	(313,391)	6,560,305	7,457,701	–	(584,005)	(584,005)	6,873,696
Car Parks	18,576,241	–	(12,883)	(12,883)	18,563,358	18,576,241	–	–	–	18,576,241
Meru Landfill	2,700,676	2,474,154	–	2,474,154	5,174,830	2,700,676	–	–	–	2,700,676
Airport	25,968,191	–	(26,435)	(26,435)	25,941,756	1,003,336	24,969,584	(4,729)	24,964,855	25,968,191
Effluent Scheme	385,399	443,072	–	443,072	828,471	385,399	–	–	–	385,399
	535,725,266	28,722,951	(1,183,457)	27,539,494	563,264,760	512,665,655	24,969,584	(1,909,973)	23,059,611	535,725,266

Movements on revaluation of property, plant and equipment (including infrastructure) are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus 40.1.

Vested land, land under golf courses, showgrounds, racecourses or any other sporting or recreational facility of State or regional significance, are no longer required to be recognised.

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City of Greater Geraldton

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 19. Notes to the statement of cash flows

(a) Reconciliation of cash

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

	Note	2026 Actual $	2026 Budget $	2025 Actual $
Cash and cash equivalents	3	24,458,418	18,242,624	19,252,160
Restrictions				
The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:				
- Cash and cash equivalents	3	8,133,226	5,944,692	7,183,052
- Financial assets at amortised cost	4	34,766,461	18,683,397	38,189,374
		42,899,687	24,628,089	45,372,426
The restricted financial assets are a result of the following specific purposes to which the assets may be used:				
Restricted reserve accounts	32	41,942,104	24,628,089	42,020,338
Unspent grants		957,583	–	3,352,088
Total restricted financial assets		42,899,687	24,628,089	45,372,426

(b) Reconciliation of Net Result to Net Cash Provided By Operating Activities

Net result		18,985,148	10,277,196	12,308,879
Non-cash items:				
Depreciation/amortisation	9a	24,923,277	24,801,228	25,115,295
Adjustments to fair value of financial assets at fair value through profit or loss	2c	(340,013)	–	15,981
(Profit)/loss on sale of asset	9b	45,653	31,696	(161,361)
Changes in assets and liabilities:				
(Increase)/decrease in trade and other receivables	5	373,258	(68,078)	(1,462,727)
(Increase)/decrease in other assets		–	(138,530)	–
(Increase)/decrease in inventories	6	(73,331)	(4,284)	(477,928)
(Increase)/decrease in contract assets		1,706,910	4,000	(822,630)
Increase/(decrease) in trade and other payables	13	(3,439,202)	(70,914)	6,230,302
Increase/(decrease) in accrued interest payable	13	11,814	–	(13,411)
Increase/(decrease) in employee related provisions	16	373,340	5,816	(132,491)
Increase/(decrease) in other provisions	17	(77,129)	296	1,111,637
Increase/(decrease) in other liabilities	14	1,455,153	1,026,925	(1,567,168)
Increase/(decrease) in unspent capital grants		–	(3,363,728)	–
Capital grants, subsidies and contributions		(10,779,743)	(8,258,936)	(13,226,902)
Net cash provided by/(used in) operating activities		33,165,135	24,242,687	26,917,476

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Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 19. Notes to the statement of cash flows (continued)

	Note	2026 Actual $	2025 Actual $
(c) Undrawn borrowing facilities credit standby arrangements			
Credit card limit		200,000	200,000
Credit card balance at balance date		(22,785)	(39,482)
Total amount of credit unused		177,215	160,518

Security

The credit card facility with Commonwealth Bank of Australia is an unsecured facility.

Loan facilities			
Loan facilities - current	15	2,988,622	2,728,485
Loan facilities - non-current	15	12,604,500	10,593,121
Total facilities in use at balance date		15,593,122	13,321,606

Note 20. Contingent liabilities

The City of Greater Geraldton entered into an agreement with the Public Transport Authority to indemnify Brookfield Rail for 40% of the cost of modification to the Rail Bridge No. 5371 (Abraham Street) contingent on changes to container heights (double stacking). The term of the indemnity expires on the date of expiry of the current lease Brookfield Rail holds over the Rail Corridor (2049).

The likelihood of such an event occuring is considered to be remote.

Note 21. Capital commitments

	2026 $	2025 $
Capital expenditure commitments		
Contracted for:		
- capital expenditure projects	4,030,422	5,491,927
Total capital expenditure commitments	4,030,422	5,491,927
Payable:		
- not later than one year	4,030,422	5,491,927
Total capital expenditure commitments	4,030,422	5,491,927

The capital expenditure projects outstanding at the end of the current reporting period represent the construction of various City infrastructure assets.

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Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 22. Related party transactions

	2026 Actual $	2026 Budget $	2025 Actual $

(a) Council Member Remuneration

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

Mayor's annual allowance	100,514	100,514	97,115
Deputy Mayor's annual allowance	25,129	25,129	24,278
Council member's meeting attendance fees	358,138	365,709	394,192
Conference & Training Expenses	9,908	24,700	5,550
Travel and accommodation expenses	5,029	7,250	8,522
Council member's superannuation	56,789	58,362	–
Other council member expenses	327	2,500	–
Total	555,834	584,164	529,657

	Note	2026 Actual $	2025 Actual $

(b) Key management personnel

Key Management Personnel (KMP) Compensation

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

Short-term employee benefits		1,475,075	1,500,439
Post-employment benefits		186,748	177,484
Employee - other long-term benefits		33,571	36,333
Council member costs	22a	555,834	529,657
Total		2,251,228	2,243,913

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

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

Other long-term benefits
These amounts represent annual leave and long service leave entitlements accruing during the year.

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

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

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 22. Related party transactions (continued)

(c) Transactions with related parties

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

	2026 Actual $	2025 Actual $
(i) In addition to KMP compensation above, the following transactions occurred with related parties:		
Sale of goods and services	1,776	5,245
	1,776	5,245
(ii) Amounts outstanding from related parties:		
Trade and other receivables	–	–
(iii) Amounts payable to related parties:		
Trade and other payables	–	–

(iv) Related parties
The City's main related parties are as follows:

i. Key management personnel
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 22(a) and 22(b).

ii. Entities subject to significant influence by the City
There were no such entities requiring disclosure during the current or previous year.

Note 23. Joint arrangements

The City has no interest in any Joint Arrangements.

Note 24. Investment in associates

The City has no interest in any Associated Entities.

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City of Greater Geraldton

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 25. Financial risk management

Financial risk management

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

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

The City does not engage in transactions expressed in foreign currencies and is therefore not subject to foreign currency risk.

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

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted average interest rate %	Carrying amounts $	Fixed interest rate $	Variable interest rate $	Non interest bearing $
2026					
Cash and cash equivalents	3.68%	24,458,418	5,000,000	19,458,418	–
Financial assets at amortised cost - term deposits	4.44%	34,766,461	34,766,461	–	–
2025					
Cash and cash equivalents	4.20%	19,252,159	–	19,252,159	–
Financial assets at amortised cost - term deposits	4.78%	38,189,374	38,189,374	–	–

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Note 25. Financial risk management (continued)

Sensitivity

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

	2026 $	2025 $
Impact of a 1% movement in interest rates on profit or loss and equity *	194,458	192,522

(*) Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings.
Details of interest rates applicable to each borrowing may be found at Note 31(a).

(b) Credit risk

Trade and Other Receivables

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

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

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2025 or 1 July 2026 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2026 and 30 June 2025 was determined as follows for trade and other receivables.

	Current $	More than 30 days past due $	More than 60 days past due $	More than 90 days past due $	Total $
30 June 2026					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	26.51%	
Gross carrying amount	2,808,839	329,742	42,843	50,812	3,232,236
Loss allowance	–	–	–	13,470	13,470
30 June 2025					
Trade receivables					
Expected credit loss	83.00%	7.00%	9.00%	1.00%	
Gross carrying amount	2,489,269	232,919	290,488	30,212	3,042,888
Loss allowance	13,509	1,169	1,459	152	16,289

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Note 25. Financial risk management (continued)

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

(c) Liquidity risk

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended if required.

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

	Due within 1 year $	Due between 1 & 5 years $	Due after 5 years $	Total contractual cash flows $	Carrying values $
2026					
Trade and other payables	17,394,625	–	–	17,394,625	17,394,625
Borrowings	2,988,622	9,491,254	3,113,246	15,593,122	15,593,122
	20,383,247	9,491,254	3,113,246	32,987,747	32,987,747
2025					
Trade and other payables	20,822,013	–	–	20,822,013	20,822,013
Borrowings	2,728,485	7,051,075	3,542,046	13,321,606	13,321,606
	23,550,498	7,051,075	3,542,046	34,143,619	34,143,619

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Note 26. Events occurring after the end of the reporting period

There are no events occurring after the end of the financial year which have significantly affected or may significantly affect the operations of the City of Greater Geraldton.

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 27. Other material accounting policies

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

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

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

b) Current and non-current classification
The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the City's operational cycle. In the case of liabilities where the City does not have the 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 resale are classified as current or non-current based on the City's intentions to release for sale.

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

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

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

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

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

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

To the extent possible, market information is extracted from either the principal market for the asset or liability or, in the absence of such a market, the most advantageous market available to the City at the end of the reporting period.

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. The City only considers whether the highest and best use differs from its current use where it is highly probable a non-financial asset will be used for an alternative purpose or the asset is held for the purpose of generating net cash inflows.

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 input that is significant to the measurement and can be categorised 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.

j) Valuation techniques
The City selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques

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Note 27. Other material accounting policies (continued)

selected by the City are consistent with one or more of the following valuation approaches:

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

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

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

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

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount except for non-financial assets that are:
- land and buildings classified as property, plant and equipment;
- infrastructure; or
- vested improvements that the local government controls, in circumstances where there has been an impairment indication of a general decrease in asset values.

These non-financial assets are assessed in accordance with the regulatory framework detailed in Note 9.

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

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City of Greater Geraldton

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 28. Function and activity

(a) Service objectives and descriptions

City operations as disclosed in these financial statements encompass the following service orientated functions and activities.

NAME AND OBJECTIVES	DESCRIPTION
GOVERNANCE	
To provide a decision-making process for the efficient allocation of scarce resources.	Includes the activities of members of Council and the administrative support available to the Council for the provision of governance of the district. Other costs relate to the task of assisting council members and ratepayers on matters which do not concern specific local government services.
GENERAL PURPOSE FUNDING	
To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	
To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	
To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, noise control and waste disposal compliance,medical centre (Mullewa).
EDUCATION AND WELFARE	
To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of QEII seniors centre, Geraldton and Mullewa youth centres and the provision of youth and seniors' services.
COMMUNITY AMENITIES	
To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE	
To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	Maintenance of public halls, civic centres, aquatic centres, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library and other cultural facilities.

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Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 28. Function and activity (continued)

TRANSPORT	
To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc. Provision of airport facilities.
ECONOMIC SERVICES	
To help promote the local government and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.
OTHER PROPERTY AND SERVICES	
To monitor and control operating accounts.	Private works, plant operating costs, overheads and administrative costs.

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City of Greater Geraldton

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 28. Function and activity (continued)

(b) Income and expenses

	2026 Actual $	2026 Budget $	2025 Actual $
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions			
General purpose funding	58,110,933	58,268,106	55,211,300
Law, order, public safety	774,635	484,000	560,255
Health	134,535	120,500	120,092
Education and welfare	83,826	55,700	67,105
Community amenities	17,965,476	17,522,535	17,543,109
Recreation and culture	1,765,132	2,047,317	1,988,503
Transport	9,099,003	9,503,046	8,888,765
Economic services	1,100,207	854,870	950,366
Other property and services	4,861,825	4,354,187	4,888,916
	93,895,572	93,210,261	90,218,411
Grants, subsidies and contributions and capital grants, subsidies and contributions			
General purpose funding	109,866	90,000	153,150
Law, order, public safety	567,327	300,510	310,326
Education and welfare	268,303	301,596	1,727,047
Community amenities	35,914	85,710	92,332
Recreation and culture	1,111,527	796,235	1,254,254
Transport	11,677,572	10,851,135	11,769,490
Economic services	4,374	–	42,398
Other property and services	16,774,418	12,881,287	7,409,740
	30,549,301	25,306,473	22,758,737
Total income	124,444,873	118,516,734	112,977,148
Expenses			
Governance	(1,306,589)	(947,138)	(1,060,664)
General purpose funding	(1,137,356)	(888,467)	(1,533,821)
Law, order, public safety	(4,810,802)	(3,091,307)	(4,348,038)
Health	(976,473)	(783,002)	(1,072,575)
Education and welfare	(2,496,011)	(2,697,647)	(2,539,918)
Housing	(153,579)	(70,071)	(73,042)
Community amenities	(17,410,320)	(16,925,635)	(18,016,146)
Recreation and culture	(21,609,666)	(22,626,428)	(21,071,805)
Transport	(14,289,077)	(27,491,603)	(13,695,457)
Economic services	(2,559,203)	(2,083,986)	(2,479,673)
Other property and services	(38,710,649)	(30,634,254)	(34,777,130)
	(105,459,725)	(108,239,538)	(100,668,269)
Net result for the period	18,985,148	10,277,196	12,308,879

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Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 28. Function and activity (continued)

(c) Assets

	2026 Actual $	2025 Actual $
Governance	9,127,690	9,445,766
General purpose funding	4,249,534	4,143,022
Law, order, public safety	8,107,477	8,494,587
Health	562,494	573,029
Education and welfare	8,830,895	9,136,429
Housing	8,623,752	3,833,035
Community amenities	31,470,694	24,506,482
Recreation and culture	163,807,656	157,666,983
Transport	738,295,280	697,562,245
Economic services	5,533,912	3,736,334
Other property and services	82,333,794	94,725,132
Total assets	1,060,943,178	1,013,823,044

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 29. Rating information

Rate type	Basis of valuation	Rate in $	Number of properties	2025/26 Actual Ratable Value * $	2025/26 Actual Rate Revenue $	2025/26 Actual Interim Rates $	2025/26 Actual Back Rates $	2025/26 Actual Total Revenue $	2025/26 Budget Rate Revenue $	2025/26 Budget Interim Rate $	2025/26 Budget Back Rate $	2025/26 Budget Total Revenue $	2024/25 Actual Total Revenue $
(a) General Rates													
Rate Description													
CGG GRV	Gross rental valuations	0.10390	15,731	349,625,688	36,324,711	(79,834)	9,529	36,254,406	36,324,710	307,000	–	36,631,710	48,362,889
Non Residential	Gross rental valuations	0.12917	1,191	102,377,297	13,224,178	10,602	(9,648)	13,225,132	13,224,178	–	–	13,224,178	–
UV	Unimproved valuations	0.00443	562	768,900,036	3,408,534	(1,103)	1,056	3,408,487	3,408,534	–	–	3,408,534	3,169,723
Total general rates			17,484	1,220,903,021	52,957,423	(70,335)	937	52,888,025	52,957,422	307,000	–	53,264,422	51,532,612
Minimum payment													
CGG GRV	Gross rental valuations	1,300.00	2,272	13,080,920	2,953,600	–	–	2,953,600	2,953,600	–	–	2,953,600	2,273,250
Non Residential	Gross rental valuations	1,300.00	321	1,765,490	417,300	–	–	417,300	417,300	–	–	417,300	–
UV	Unimproved valuations	1,300.00	547	91,601,092	711,100	–	–	711,100	711,100	–	–	711,100	493,500
Total minimum payments			3,140	106,447,502	4,082,000	–	–	4,082,000	4,082,000	–	–	4,082,000	2,766,750
Total general rates and minimum payments			20,624	1,327,350,523	57,039,423	(70,335)	937	56,970,025	57,039,422	307,000	–	57,346,422	54,299,362
Ex-gratia rates													
Rural		–	–	–	219,832	–	–	219,832	200,000	–	–	200,000	202,615
Total amount raised from rates (excluding general rates)			–	–	219,832	–	–	219,832	200,000	–	–	200,000	202,615
								57,189,857				57,546,422	54,501,977
Discounts/Concessions													
General rates								–				(121,016)	(118,080)
Total rates								57,189,857				57,425,406	54,383,897
(b) Rates related information													
Rate instalment interest								163,892				115,000	114,753
Rates instalment charges								98,880				83,700	83,719
Rates overdue interest								376,047				350,000	320,007
Rates written off								382				–	678

(*) Rateable Value at time of raising of rate.

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City of Greater Geraldton

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 30. Determination of surplus or deficit

	Note	2025/26 30 June 2026 Carried Forward $	2025/26 Budget 30 June 2026 Carried Forward $	2024/25 30 June 2025 Carried Forward $
The following amounts have been excluded from the determination of the budgeted deficiency in accordance with *Financial Management Regulation 32.* Reconciling items relate to movements within current assets and liabilities reflected on the statement of financial activity and required to reconcile the Net current assets to the surplus or deficit after imposition of general rates.				
(a) Amounts excluded from operating activities				
Less: Profit on asset disposals	9b	(77,087)	(69,937)	(218,552)
Less: Fair value adjustments to financial assets at fair value through profit or loss	2c	(340,013)	–	15,981
Add: Loss on disposal of assets	9b	122,740	101,633	57,191
Add: Depreciation	9a	24,923,277	24,801,228	25,115,295
Non-cash movements in non-current assets and liabilities:				
Pensioner deferred rates		(18,333)	(26,814)	4,175
Employee benefit provisions	16	87,460	358	85,472
Other provisions	17	402,776	–	358,707
Amounts excluded from operating activities		25,100,820	24,806,468	25,418,269
Non-cash movements in non-current assets and liabilities:				
Reconciling item - movement between current assets				
(b) Surplus/(deficit) after imposition of general rates				
Less: Reserve accounts	32	(20,692,104)	(8,378,089)	(25,770,338)
Less: Current assets not expected to be received at end of year				
- Financial assets at amortised cost - self supporting loans	4a	(87,749)	(97,299)	(126,544)
Add: Current liabilities not expected to be cleared at end of year				
- Current portion of borrowings	15	2,988,622	2,988,912	2,728,485
Other - Council Loans	4a	(9,550)	–	(14,594)
Non-cash movements in non-current assets and liabilities		43,844	–	48,718
Total adjustments to net current assets		(17,756,937)	(5,486,476)	(23,134,273)
Net current assets used in the Statement of Financial Activity				
Total current assets		51,977,997	34,296,974	57,258,788
Less: Total current liabilities		(28,488,365)	(27,689,088)	(29,914,583)
Less: Total adjustments to net current assets		(17,756,937)	(5,486,476)	(23,134,273)
Surplus or deficit after imposition of general rates		5,732,695	1,121,410	4,209,932

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City of Greater Geraldton

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 31. Borrowing and lease liabilities

(a) Borrowings

Purpose	Note	Actual							Budget			
		Principal at 1 July 2024	New loans during 2024-25	Principal Repayments During 2024-25	Principal at 30 June 2025	New loans during 2025-26	Principal Repayments During 2025-26	Principal at 30 June 2026	Principal at 1 July 2025	New loans during 2025-26	Principal repayments during 2025-26	Principal at 30 June 2026
96 Geraldton Yacht Club SSL*		109,485	–	(26,098)	83,387	–	(26,929)	56,458	83,387	–	(26,929)	56,458
268 Foreshore Stabilisation & Protection		137,222	–	(137,222)	–	–	–	–	–	–	–	–
269 Airport Projects		345,344	–	(345,344)	–	–	–	–	–	–	–	–
271 QPT Air-Conditioning Replacement		727,467	–	(358,462)	369,005	–	(369,005)	–	369,005	–	(369,005)	–
272 MUF,Youth Precinct,Beach Access Ramp		2,134,042	–	(276,525)	1,857,517	–	(285,472)	1,572,045	1,857,517	–	(285,472)	1,572,045
274 Olive Street Development		1,232,948	–	(398,286)	834,662	–	(410,850)	423,812	834,662	–	(410,851)	423,811
275 Airport Runway Overlay		5,998,646	–	(326,330)	5,672,316	–	(335,598)	5,336,718	5,672,316	–	(335,598)	5,336,718
276 Animal Management Facility		569,988	–	(282,172)	287,816	–	(287,816)	–	287,815	–	(287,815)	–
277 Beresford Foreshore		976,459	–	(186,690)	789,769	–	(190,895)	598,874	789,769	–	(190,895)	598,874
278 Meru Resource Recovery Facility		3,694,710	–	(706,393)	2,988,317	–	(722,305)	2,266,012	2,988,316	–	(722,305)	2,266,011
279 Wonthella Bowling Club SSL*		80,590	–	(40,196)	40,394	–	(40,394)	–	40,394	–	(40,394)	–
281 Geraldton Hockey Association SSL*		456,914	–	(58,490)	398,424	–	(59,221)	339,203	398,424	–	(59,221)	339,203
283 Meru Cell 6		–	–	–	–	5,000,000	–	5,000,000	–	5,000,000	–	5,000,000
Total Borrowings	15	16,463,815	–	(3,142,208)	13,321,607	5,000,000	(2,728,485)	15,593,122	13,321,605	5,000,000	(2,728,485)	15,593,120

SSL* Self-supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost.

All other loan repayments were financed by general purpose revenue.

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 31. Borrowing and lease liabilities (continued)

(a) Borrowings

Borrowing Finance Cost Payments

Purpose	Institution	Interest rate	Actual for year ending 30 June 2026	Budget for year ending 30 June 2026	Actual for year ending 30 June 2025
96 Geraldton Yacht Club SSL*	WATC	3.16%	2,322	2,424	3,157
268 Foreshore Stabilisation & Protection	WATC	3.09%	–	–	2,520
269 Airport Projects	WATC	3.09%	–	–	6,342
271 QPT Air-Conditioning Replacement	WATC	2.92%	6,187	8,101	16,785
272 MUF,Youth Precinct,Beach Access Ramp	WATC	3.21%	55,726	57,354	64,725
274 Olive Street Development	WATC	3.13%	21,362	22,935	33,974
275 Airport Runway Overlay	WATC	2.82%	156,067	157,610	165,377
276 Animal Management Facility	WATC	1.99%	3,369	4,303	9,030
277 Beresford Foreshore	WATC	2.24%	15,931	16,628	20,151
278 Meru Resource Recovery Facility	WATC	2.24%	60,278	62,916	76,248
279 Wonthella Bowling Club SSL*	WATC	0.49%	55	149	253
281 Geraldton Hockey Association SSL*	WATC	1.25%	4,547	4,782	5,282
283 Meru cell 6	WATC	5.05%	23,171	–	–
WATC Loan Guarantee Fee	WATC	0.00%	88,628	94,236	107,865
Total Finance Cost Payments			437,643	431,438	511,709

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 31. Borrowing and lease liabilities (continued)

(b) New Borrowings - 2025/26

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed Actual	Amount Borrowed Budget	Amount (Used) Actual	Amount (Used) Budget	Total Interest & Charges	Actual Balance Unspent
				%	$	$	$	$	$	$
Meru Cell 6 development	WATC	Debenture	5	5.02%	5,000,000	5,000,000	(5,000,000)	(5,000,000)	715,256	–
					5,000,000	5,000,000	(5,000,000)	(5,000,000)	715,256	–

(c) Unspent Borrowings

No unspent borrowings

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City of Greater Geraldton

Notes to and forming part of the Financial Report
for the year ended 30 June 2026

Note 31. Borrowing and lease liabilities (continued)

(d) Lease liabilities

		Actual							Budget			
Purpose	Note	Principal at 1 July 2024 $	New leases during 2024-25 $	Principal repayments during 2024-25 $	Principal at 30 June 2025 $	New leases during 2025-26 $	Principal repayments during 2025-26 $	Principal at 30 June 2026 $	Principal at 1 July 2025 $	New leases during 2025-26 $	Principal repayments during 2025-26 $	Principal at 30 June 2026 $
Printers		8,285	–	(8,285)	–	–	–	–	–	–	–	–
Total lease liabilities	10b	8,285	–	(8,285)	–	–	–	–	–	–	–	–

Lease Finance Cost Payments

Purpose	Note	Institution	Lease interest rate	Date final payment is due	Actual for year ending 30 June 2026 $	Budget for year ending 30 June 2026 $	Actual for year ending 30 June 2025 $	Lease term
Printers	10b	BOQ	6.14%	24/10/24	–	–	64	60 Months
Total Finance Cost Payments					–	–	64	

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City of Greater Geraldton

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 32. Reserve accounts

	2026 Opening Balance Actual $	2026 Transfer to Actual $	2026 Transfer (from) Actual $	2026 Closing Balance Actual $	2026 Opening Balance Budget $	2026 Transfer to Budget $	2026 Transfer (from) Budget $	2026 Closing Balance Budget $	2025 Opening Balance Actual $	2025 Transfer to Actual $	2025 Transfer (from) Actual $	2025 Closing Balance Actual $
Restricted by legislation/agreement												
(a) Money In Lieu of Public Open Space	1,505,546	138,280	(153,277)	1,490,549	1,773,423	–	(250,000)	1,523,423	1,773,423	94,614	(362,491)	1,505,546
	1,505,546	138,280	(153,277)	1,490,549	1,773,423	–	(250,000)	1,523,423	1,773,423	94,614	(362,491)	1,505,546
Restricted by council												
(b) Parking Land Reserve	1,127,759	–	–	1,127,759	1,127,759	–	–	1,127,759	1,127,759	–	–	1,127,759
(c) Unexpended Capital Works & Restricted Grant Reserve	6,686,601	6,144,723	(4,910,181)	7,921,143	3,655,665	–	(705,088)	2,950,577	13,212,129	4,896,667	(11,422,195)	6,686,601
(d) Employee Entitlements Reserve	3,100,000	–	–	3,100,000	3,100,000	–	–	3,100,000	3,100,000	–	–	3,100,000
(e) Major Initiatives Reserve	18,316,050	2,231,818	(6,695,874)	13,851,994	18,098,658	–	(8,985,361)	9,113,297	11,059,750	8,899,914	(1,643,614)	18,316,050
(f) Asset Renewal Reserve	10,719,564	4,146,000	(1,189,723)	13,675,841	9,803,417	500,000	(4,243,952)	6,059,465	12,354,465	–	(1,634,901)	10,719,564
(g) Point Moore Reserve	264,818	60,000	–	324,818	264,818	38,750	–	303,568	226,068	38,750	–	264,818
(h) Public Art Reserve	300,000	150,000	–	450,000	300,000	150,000	–	450,000	150,000	150,000	–	300,000
	40,514,792	12,732,541	(12,795,778)	40,451,555	36,350,317	688,750	(13,934,401)	23,104,666	41,230,171	13,985,331	(14,700,710)	40,514,792
	42,020,338	12,870,821	(12,949,055)	41,942,104	38,123,740	688,750	(14,184,401)	24,628,089	43,003,594	14,079,945	(15,063,201)	42,020,338

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Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 32. Reserve accounts (continued)

Name of reserve	Purpose of the reserve
(a) Cash In Lieu of Public Open Space reserve.	The purpose of this reserve is to comply with the requirements of Section 154 of the Planning and Development Act 2005 to hold funds for development of public open space.
(b) Parking Land Reserve	The purpose of this reserve is to build up funds that can then be used for the acquisition of land for car parking and provision of parking facilities within the City.
(c) Unexpended Capital Works & Restricted Grant Reserve	The purpose of this reserve is to restrict grant funds received that were unspent in the financial year including any tied contribution from the City plus any unexpended capital works to be carried over to the next financial year.
(d) Employee Entitlements Reserve	The purpose of this reserve is for the funding of payments not predicted or provided for in Council's municipal budget. It is also intended to fund large payments to staff that may occur in any year, principally being long service leave payments but shall include provision for voluntary redundancy payments, accrued non-current annual leave and sick leave entitlements as provided for under the City's Industrial Agreement.
(e) Major Initiatives Reserve	The purpose of this reserve is to provide funding tied to prioritised capital works program and major projects/initiatives. Funds to be mainly derived from net proceeds on land sales.
(f) Asset Renewal Reserve	The purpose of this reserve is to fund infrastructure renewal. Any funds that are unspent from the annual asset renewal program are to be disbursed into this reserve for future renewal programs, unbudgeted emergent and/or emergency renewal works.
(g) Point Moore Reserve	The purpose of this reserve is to build funds from the annual demolition levy applied and to be paid by the Lessee per clause 4.2 of Point Moore Beach Cottages Leases in removal of all improvements and in remediation of sites.
(h) Public Art Reserve	The purpose of this reserve is to fund public art acquisitions and renewals. Any funds that are unspent from the annual public art renewal budget along with an annual allocation are to be disbursed into this reserve for future public art acquisitions and renewals

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City of Greater Geraldton

Notes to and forming part of the Financial Report

for the year ended 30 June 2026

Note 33. Trust funds

	1 July 2025 $	Amounts received $	Amounts paid $	30 June 2026 $
Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:				
Mid West Industry Road Safety Alliance	14,740	–	–	14,740
Revegetation Contributions	185,331	17,043	–	202,374
Cash-in-lieu of public open space	362,539	–	(207,388)	155,151
Unclaimed Monies	18,409	173	–	18,582
Northern Country Zone of WALGA	9,981	–	(9,981)	–
	591,000	17,216	(217,369)	390,847

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City of Greater Geraldton

Financial Report
for the year ended 30 June 2026

Independent auditor's report

Insert Independent Auditor's Report here

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6 GENERAL BUSINESS

- The Local Government Inspectorate has advised that 2026 Compliance Audit Return (**CAR**) deadline will revert to March 2027. The intent is to present the completed 2026 CAR Audit at the ARIC meeting 15 February 2027.
- Discussion proposed for the Committee to consider having more detailed discussions recorded in minutes for ARIC, above the level required under legislation.

7 MEETING CLOSURE