

City of Kalamunda

Annual Report

2018-2019



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Message from the Mayor

As the City of Kalamunda Mayor, I am proud to present the City's 2018/2019 Annual Report.

This report highlights the actions Council has taken during the financial year to foster the wellbeing and prosperity of residents by driving economic, social and physical improvements across the region.

These projects and initiatives are based on the wishes of the community as identified by our many community engagement initiatives and reflected in our ongoing strategic plan.

This financial year, we have delivered a number of major projects and upgrades that support the physical and social pursuits of our residents.

We initiated the Kalamunda Connected Strategy that has seen our community continue to work together, support the endeavours of others and engage in active citizenship.

We celebrated our local heroes and good neighbours through our monthly award program recognising those that look out for others and who give freely to their community.

We have worked hard to deliver solutions for the aged care living shortages in our community and are committed to seeing this progress further.

We planned for the major changes taking place around us, including the Forrestfield North precinct around the Forrestfield Train Station and future housing

and industry needs outlined by the Western Australian Planning Commission.

We commenced engagement, planning and delivery of major projects including Activity Centre Plans, Community Facility Plan, Public Open Space Strategy, Tourism Strategy, Environmental Strategy and more.

We have been recognised for progress and innovation, taking home Gold in Tourism WA's Excellence in Local Government Tourism, and winning Judges Excellence at the Urban Development Institute of Australia Awards for our Managed Aquifer Recharge Project.

We have come together to



learn and celebrate, with the City's events program including Perth Hills Spring Festival, Zig Zag Festival, Corymbia Multicultural Festival, Summer Series Movie Festival, Have A Go Hartfield, Seniors Week, Innovative Housing Expo and so many more.

We also saw a number of new strategies adopted for public comment, including the Tourism, Arts and Local Environment Strategies. These Strategies are a culmination of the ideas, feedback and vision of our local community, who participated in their development throughout the year.

Also, we celebrated many significant milestones including:

- 50 years of service by the Lions Club
- 100 years since the first

foundation stones of the original Kalamunda Methodist Church were laid

- 21 successful years of the City's free Plants for Residents Days – since its inception 216,000 plants have found new homes across our City
- 10 year anniversary of the Kalamunda Men's Shed
- Kalamunda Amateur Dramatic Society (KADS) Committee's 50 year anniversary

The City's Managed Aquifer Recharge Project took out the UDIA Judges Excellence Award. The project has received three awards and four finalist nominations and is a case study for state departments and other local authorities facing similar water challenges.

The City's Experience Perth Hills campaign announced as a finalist in WA Tourism's 'Excellence in Local Government Tourism' category.

Council is committed to delivering projects, services and facilities that provide more options for children, young people, families and seniors to connect and socialise.

We invest in innovative ways to support the emotional health and social well-being of our residents and the achievements of this year will serve to strengthen the community and provide a new foundation from which we can build an enriched place for all to enjoy.

Cr Margaret Thomas JP
Mayor
City of Kalamunda





Message from the CEO

This financial year has seen the organisation continue to evolve in response to the needs of the community.

We have maintained and grown the City's strong financial position.

Our financial strategies focus on capitalising on growth and continuing discipline to deliver high quality infrastructure and services.

We have continued our efforts in providing excellence in customer service as an essential function of the City.

We moved forward our business enhancement efforts by setting clear, consistent and measurable criteria for service provision that ensures a professional, meaningful and speedy experience for our residents.

To ensure our community has access to information and services at their convenience, we streamlined our engagement portal to help capture community opinion, feedback and ideas. It is important that we remain flexible as an organisation to meet the shifting priorities and challenges inherent to the needs of a population becoming more mobile every day.

This year, we cemented our corporate structure to ensure agility and ability to meet the needs of our residents.

Across the year, the City worked with the Growth Areas Perth and Peel project, advocating for a \$1 billion special purpose Federal funding allocation to deliver 10-12 major sporting precincts around Perth, including the Ray Owen Master Plan.

Similarly, it was exciting to see Hartfield Park transform with new hockey clubrooms, training lighting, carpark and storage facility delivered to meet community demand.

Over 20 other capital works projects were completed across the City with preparations underway for key infrastructure projects including a shared path on Welshpool Road, between Hale Road and Roe Highway, that will create a vital link from Wattle Grove to the greater path network.

We replaced the Mundaring Weir Road timber bridge with a concrete structure, delivering a low maintenance solution and reducing ongoing costs.

Kostera Oval was earmarked for lighting improvements, bringing the ground to competition standard and the oval extension

to training standard. The increased luminance allowing for more teams to train and play simultaneously.

Sections of Canning Road and Patterson Road underwent shoulder widening, making them safer for road users and tenders were released to secure contractors to build the Kalamunda Community Centre and a number of new road safety improvement projects.

The City also received secured funding advice from the State & Federal Government to allow commitment to the design of the new Kalamunda Community Centre Building in Jorgensen Park replacing an old Kalamunda Learning Centre Facility that was no longer fit for purpose. It is anticipated that construction will commence in 2019/2020 Financial Year. The input to the design from the Kalamunda Community Centre Community Reference Group is gratefully acknowledged.

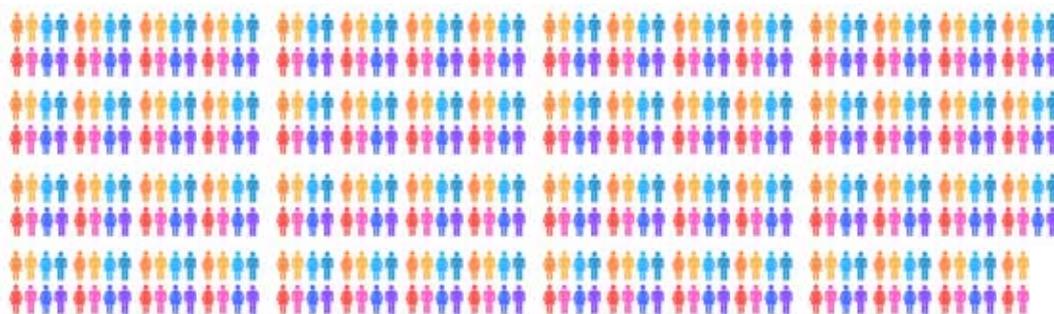
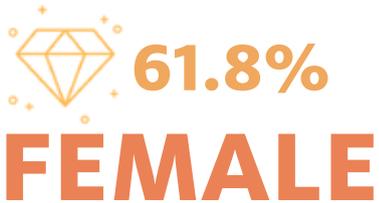
We look forward to continuing to build capacity and excellence while serving our local community.

Rhonda Hardy
Chief Executive Officer
City of Kalamunda

Our Vision

Connected Communities, Valuing Nature and Creating our Future Together.

Our Team



380
Employees
(247.8FTE)

Councillor Attendance

Councillor	No. Eligible to Attend	Audit & Risk Committee	Special Meeting of Council	Electors Meetings	Ordinary Council Meeting	Leave of Absence	Total Meeting Attendance
		(3)	(8)	(2)	(11)		
Cr Michael Fernie	24	3	8	2	11		24
Cr John Giardina	24	1	8	2	10		21
Cr Geoff Stallard	24	3	7	2	8	2	20
Cr Allan Morton	24	3	8	2	9		22
Cr Brooke O'Donnell	24	3	6	2	9	2	20
Cr Lesley Boyd	24	2	6	2	11		21
Cr David Almond	24	2	3	2	7	3	14
Cr Sara Lohmeyer	24	3	8	2	10	1	23
Cr Dylan O'Connor	24	3	8	2	11		24
Cr Tracy Destree	5	1			3		4
Cr Margaret Thomas	24	3	8	1	10	1	22
Cr Cameron Blair	24	2	8	2	9	1	21
Cr Kathy Ritchie	14	1	6	1	6		14

2018/2019

Financial Highlights

Statement of Comprehensive income — Surplus for the year \$3.4 million

Income

- The City ended the Financial Year with \$57.4 million in Operating Revenue.
- In comparison with 2017/18, revenue increased by 0.3%.
- Revenue from Rates increased by 4% overall.
- Contributions and reimbursements decreased by \$0.8 million mainly due to the reduced operational expenditure reimbursements from the CELL9 Trust account.
- Operating grants increased by \$0.2 million mainly due to the increase in Financial Assistance Grants.
- Fees and Charges decreased by \$0.6 million. Fees and charges for 2017/2018 was impacted by a one off transaction.

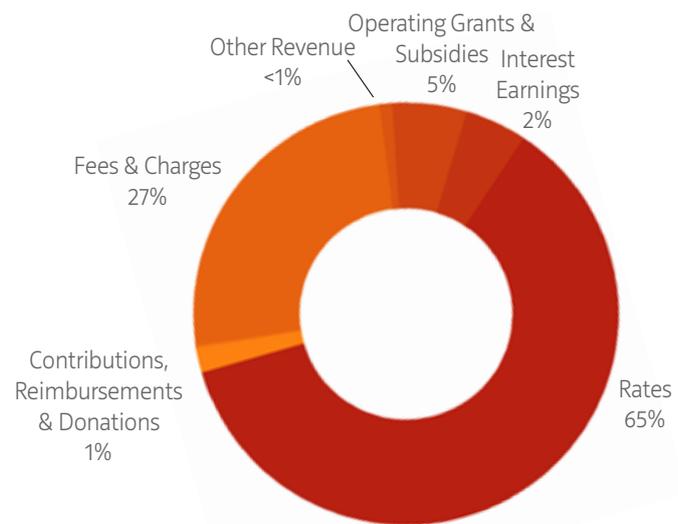


Figure 1. Operating Income for 2018/2019

Operating Revenue — Revenue Comparisons by Nature or Type 2017/2018 to 2018/2019

Revenue from Ordinary Activities	Actual 2018	Budget 2019	Actual 2019
	\$	\$	\$
Rates	35,992,132	36,750,247	37,436,125
Operating Grants and Subsidies	2,683,366	1,451,728	2,854,853
Contributions, Reimbursements and Donations	1,401,505	949,625	621,232
Fees and Charges	16,010,818	15,759,809	15,459,212
Interest Earnings	1,094,348	1,301,727	1,021,116
Other Revenue	62,043	79,473	39,940
Total	57,244,212	56,292,608	57,432,478

Table 1. Operating Revenue Comparisons by Nature or Type comparison 2017/2018 to 2018/2019

Expenditure

- The City ended the Financial Year with \$59.8 million in Operating Expenditure.
- Operating expenditure increased by 2% or \$1.3 million compared to 2017/2018.
- Employment costs increased by \$1.2 million, mainly as a result of end of the year leave provision adjustments.
- Depreciation expense was increased by \$0.7 million due to the higher depreciation resulted from the revaluation surplus of \$198 million in the infrastructure assets category as of 1 July 2018.

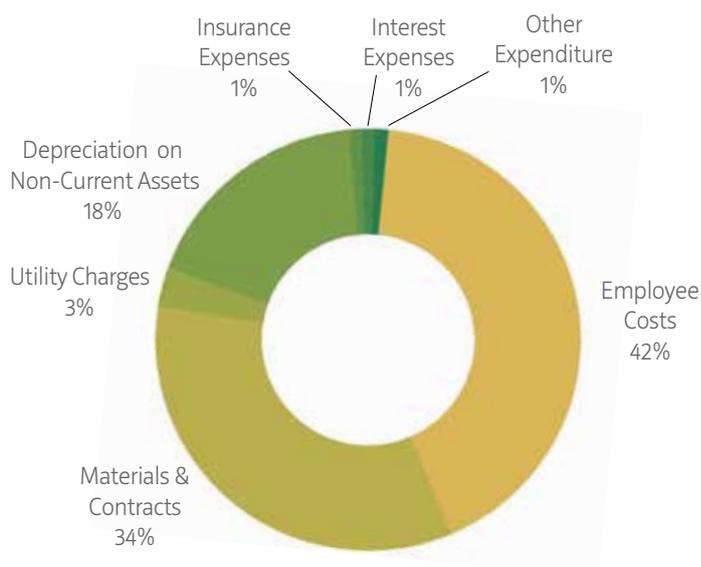


Figure 2. Operating Expenses 2018/2019

Expenditure Comparisons by Nature or Type 2017/2018 to 2018/2019

Expenditure from Ordinary Activities	Actual 2018	Budget 2019	Actual 2019
	\$	\$	\$
Employee Costs	24,026,597	24,447,883	25,253,690
Materials & Contracts	20,563,241	21,933,028	20,391,297
Utility Charges	2,338,226	1,850,990	1,893,592
Depreciation on Non-Current Assets	10,237,301	10,835,774	10,986,630
Interest Expenses	337,878	316,697	298,308
Insurance Expenses	588,539	570,800	606,001
Other Expenditure	461,951	1,698,700	377,878
Total	58,553,733	61,653,872	59,807,396

Table 2. Operating Expenses Comparisons by Nature or Type comparison 2017/2018 to 2018/2019

Other

- Non-operating grants were increased by \$0.8 million mainly as a result of the grant funding received for the construction of the Kalamunda Community Centre.
- The revaluation of infrastructure assets has resulted in a \$0.6 million increase in the revaluation surplus in other comprehensive income.

Net Result

The City continues to strengthen its financial position with a surplus of \$4 million for the year as a Net Result.

Statement of Financial Position —

Net Assets of \$567 million demonstrate financial strength

- The increase in the value of the investment in Associate Eastern Metropolitan Regional Council amounted to \$0.8 million.
- Capital expenditure during the year amounted to \$15.2 million
- The value of the Property, Plant & Equipment and Infrastructure assets increased by \$3.8 million mainly due to the assets additions during 2018/2019.

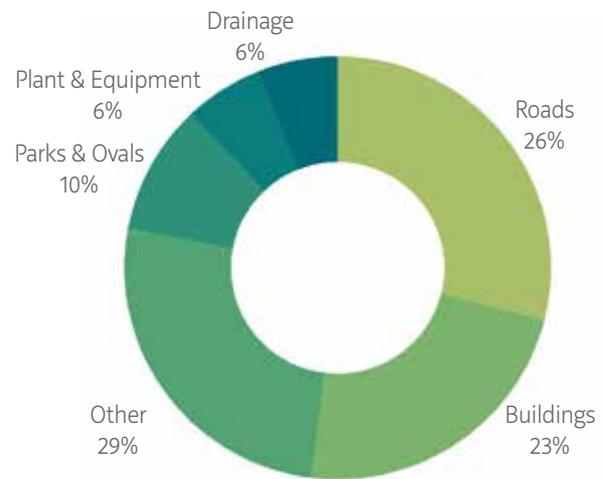


Figure 3. Asset classes invested in during the year

Ratio Analysis

A summary of the key financial indicators is given below:

Financial Ratios	2019	2018	Standard
Current Ratio	1.30	1.43	1.00
Asset Consumption	0.97	0.98	0.50
Asset Renewal Funding Ratio	0.95	0.82	0.75
Asset Sustainability Funding Ratio	0.67	0.51	0.90
Debt Service Cover Ratio	9.58	9.94	2.00
Operating Surplus Ratio	-0.04	0.01	0.01
Own Source Revenue Coverage Ratio	0.90	0.93	0.60

Conclusion

During 2018/2019 the City continued to deliver on key strategies adopted by Council and maintains high level of services across all programs, while ensuring an increased focus on roads and associated infrastructure as well as renewing assets at sustainable levels.

Priority 1

Kalamunda Cares and Interacts

1.1 To be a community that advocates, facilitates and provides quality lifestyles choices

1.1.1 Facilitate the inclusion of the ageing population and people with disability to have access to information, facilities and services

Seniors/Age Friendly

Age Friendly Strategy and Action Plan

The Age Friendly Strategy and Action Plan (AFS) is the City's primary guiding document for older people in our community. AFS focuses on four key areas such as transportation, housing, social participation, communication and information.

WayFairers

The City of Kalamunda has partnered with Inclusion Solutions to deliver the 'WayFairers' project over the next five years. WayFairers will capture underutilised knowledge, skills, experience, interests and talents among older adults aged 50+ by

supporting them to repurpose these attributes into the local community and helping them find a sense of purpose and belonging, while assisting local community organisations through volunteering and sharing their wealth of knowledge and skills.

Services, Events and Activities

The City continues to work in partnership with seniors, volunteers, community groups and businesses to offer a range of services and activities at the Jack Healey Centre and Woodlupine Family and Community Centre. Services include podiatry, hairdressing, computer courses, and the very popular Seniors Coffee Lounge at the Woodlupine Centre.

Seniors were offered the opportunity to attend free information sessions along with a range of events throughout the year.

Seniors Week 2018

The Seniors Week program

included the return of a much-loved opportunity to catch a bus down to Fremantle and enjoy fish and chips at Cicerellos. All events on the program were free of charge and included an art exhibition, Melbourne Cup Luncheon, Supper Club Variety Show, Bingo and free passes to the Active Seniors Program offered at Hartfield Park Recreation Centre.

Rightsizing in Retirement

The Seniors Housing Advisory Centre (SHAC) provided independent information on the benefits and costs of various retirement housing options. SHAC information:

- Helps WA seniors (and their family members) to make informed choices
- Alerts WA seniors to some of the pitfalls, and
- Assists WA seniors to avoid making potentially costly mistakes

StrokeSafe

Seniors attending the free



StrokeSafe session by Stroke Foundation learned:

- What stroke is
- How to recognise the signs of stroke
- What to do if someone is having a stroke
- How to prevent stroke

Dementia Awareness

A free information session was delivered by Dementia Australia. Participants learnt about the causes, symptoms & typical changes that may occur for a person living with dementia.

Surviving the Digital Age

This important presentation provided information on how to stay safe on line and included:

- Choosing suitable passwords
- Preventing viruses & malware
- Using the *Cloud*
- Scams
- Social media hazards

The Active Seniors Program successfully continued at Hartfield Park Recreation Centre with high participation. This program includes Living Longer Living Stronger, Stretch & Tone, Table Tennis, Zumba Gold (High Wycombe Community & Recreation Centre), and Live Active (Ray Owen Sports Centre). Yoga

Gold and Young at Heart classes were both introduced and added to the ongoing activities this year. The City now offers 19 classes per week for the senior population.

Access and Inclusion

Disability Access and Inclusion Plan

Throughout the year the City continued to improve access and remove barriers through the implementation of strategies contained in the Disability Access and Inclusion Plan (DAIP) 2017–2022. Significant progress has been made towards providing better access to the community through the upgrade of parks, playgrounds, building and facilities.

People with a disability have the same opportunity as other people to access the buildings and other facilities of the City of Kalamunda. The City upgraded access to Carmel Hall in Carmel, Gooseberry Hill Hall in Gooseberry Hill and SKAMP Hall in Lesmurdie.

Inclusive Kalamunda

The City of Kalamunda and Inclusion Solutions partnered to deliver a new project with the community to support local Sporting Clubs and Community Groups and create a more welcoming and inclusive culture and environment.

Disability and Carers Advisory Committee

This Committee meets quarterly providing advice and guidance to Council on improving access and inclusion for people with disability living in the City. Committee members include residents with disability, carers, representatives of service providers in a relevant field, Councillors and staff.

Education and Training

Opportunities for staff and community members to attend free information sessions and a range of events were held throughout the year.

Railway Heritage Track and Kalamunda Education Support Centre Student Project

The City again partnered with Kalamunda Senior High School Education Support Centre to provide students with an opportunity to complete voluntary work on the Railway Heritage Track. Throughout the year the students collected rubbish from the track and learned about bird identification, the importance of native wildlife, Aboriginal cultural values and delighted in a visit from Kanyana Wildlife. The project culminated in a celebration and award ceremony.



1.1.2 Empower, support and engage and with young people, families and our culturally diverse community

The City of Kalamunda Youth Plan 2017 – 2022

The City's Youth Plan identifies the youth interests, issues and aspirations of the Kalamunda community and establishes priorities and strategies for provision of youth services.

The youth services team has delivered an extensive program of free activities and events for young people primarily aged 12–25 years including:

Little Libraries

The Little Library book exchange project launched with six, small wooden boxes of books placed throughout the City, including one at Hartfield Park Recreation Centre. Community members can take a book, browse and return it or provide a replacement. These libraries are maintained by community organisations with support from the City regarding re-stocking and maintenance.

Kalamunda Careers Expo

In May, we welcomed more than 700 Year 10 students from Swan City Youth Service, Kalamunda, Lesmurdie, Darling Range and Roleystone schools. Students connected and chatted with more than 35 exhibitors from various universities, TAFES, local businesses and registered training

organisations to help them make informed choices about future careers. Attending students and community members had the opportunity to participate in a 15 minute motivational presentation with local entrepreneur Elizabeth Knight.

In the Mix Music Program

Fifteen young local musicians took part in this year's music program. Five workshops were held and included performances from participants and a masterclass courtesy of the two program mentors from a local Forresterfield company Focus Music. The program culminates in the musicians performing an outdoor concert in front of a live audience at the Corymbia Multicultural Festival.

Corymbia Multicultural Festival

The annual Corymbia Multicultural Festival was held in March. The multicultural, family event included amusement rides, entertainment, food vans, stalls and kids activities. The youth zone, helped run by Youth Action Kalamunda Volunteers, included a DIY Henna Tattoo Workshop, a say hello in 10 different languages challenge, create your own flag, 'Where are you from? World Map' and a chill out zone.

YAK (Youth Action Kalamunda)

The City's Youth Services team facilitates an advisory group for young people aged 12–20 connected to the City. The Kalamunda Youth Network acts

as a voice for young people to propose, plan and deliver youth events and programs in the local community. The group also participated in a team building day at the Kalamunda Water Park with team games and ice-breaker activities before planning and brainstorming for the year ahead. This was an opportunity to meet and greet the Youth Services Team.

Skate, Scooter and BMX clinics

A series of free, ongoing clinics were held this year at Kalamunda, Forresterfield and High Wycombe skate parks. Featuring experts from Freestyle Now who specialise in teaching skaters tips and tricks for skating, scooter and BMX. Participants did not require an RSVP and turned up on the day with their boards, bikes and scooters, ready to jump into the action. Skateboarding WA also ran two Learn to Skateboard workshops, allowing beginners to gain skating confidence.

Barista Workshops

Hosted in partnership with Dome Kalamunda, a qualified barista taught young people aged 16–25 the tricks of the trade and how to make a great coffee using an industrial espresso machine. In the two-hour workshop, participants were also taught customer service and experienced working in a professional environment serving customers.

Young Creatives

In August, the talents of young

artists in the area were showcased at the 'Young Artist Awards'. Emerging artists' pieces were displayed through a professional exhibition at the Zig Zag Gallery in Kalamunda. The opening night was run with assistance from the YAK, included an awards ceremony for winners and a performance from Focus Music.

The Big Draw

Workshops were held in partnership with Hawaiian Shopping Centre where the community had an opportunity to develop skills with a professional artist. Artworks were then entered in a worldwide competition 'The Big Draw'.

Constable Care Child Safety Foundation Partnership

The City continues to partner with the Constable Care Child Safety Foundation to support the delivery of safety, crime prevention and citizenship theatre-in-education performances to schools and libraries. In 2019 the City provided local Primary Schools the opportunity to visit to the Constable Care Child Safety School in Maylands.

WA Youth Week

The purpose of WA Youth Week is to celebrate young people, acknowledging the valuable contribution they make to our community. This year, YAK assisted the Youth Services Team in the delivery of the 'Jump, Climb, Create' Festival at Kostera Oval, Kalamunda. The sports and arts themed event allowed attendees to have a go and try new activities

and encouraged young people to get involved in their community while staying mentally and physically active. Included in the day was kickboxing, hockey, little athletics, football, yoga, a mechanical surfboard, an inflatable obstacle course, weaving, rock painting and wire sculptures. Giveaways included free fruit and book packages from the libraries and a community consultation was conducted about safe communities.

Youth and Community Assistant

The youth team welcomed its seventh Youth & Community Assistant. The annual initiative provides an entry-level employment opportunity for a local, young adult to gain work experience in youth and community services within a local government context. This opportunity continues to provide an invaluable experience for the selected young person, as well as a direct connection for the City with the youth community. Promoted throughout October/November, the 12-month contract position runs from January - December and combines well with part-time study.

Working with Schools

The team work directly with schools attending workshops and events to provide support. Youth Services attended a school health and wellbeing expo, careers day and youth leadership forum. Staff also attend lunch time breaks and assemblies to make students aware of the programs on offer with the City.

Early Years

The City continues to be an active member of the Zig Zag Early Years Partnership providing administrative support to the network. Highlights for the year include a series of 'pop up' play days extremely well attended by families throughout the area, and a Raising Boys-themed workshop. The City continues to support the presence of three Child Health Nurses located at Kalamunda, High Wycombe and Forrestfield. The City facilities host a number of playgroups in the community.

Reconciliation Action Plan (RAP)

In April 2018 the City engaged a consultant to develop its first Reconciliation Action Plan (RAP). The plan will contribute to continuing to develop respectful relationships and create meaningful opportunities with Aboriginal and Torres Strait Islander peoples in the City.

1.1.3 Facilitate opportunities to pursue learning

High quality activities, events and resources have been provided by the City's four libraries throughout the year including:

60th Anniversary of Library Services

The City celebrated 60 years of library services in October. There was a cake cutting and history displays along with author and information talks held across all four libraries to mark the anniversary. Celebrations were well attended with very positive feedback received from all participants.

Better Beginnings

The State Library of Western Australia program helps every child to have the wonderful and very important experience of sharing books and stories with the adults in their life right from the time they are born.

Literacy-support backpacks for ages zero to five are distributed by libraries, with the assistance of Child Health Nurses and teachers. These provide Library information books and other resources to assist parents with reading to their children. Discovery backpacks aimed at children aged two to three and four to five years, are available to borrow from each library.

Rhymetime/Storytime

In Kalamunda, weekly Rhymetime sessions for children ages zero to two and Storytime sessions for children ages two to four continue to attract high attendance across all branches. These are very popular community programs as they impart literacy skills in a fun, relaxed manner and allow parents to meet in an inclusive, social setting.

School Holiday Programs

The School Holiday programs ran

well throughout the year with various events and activities including Captivating Animals, Lego Fun and a variety of craft activities including NAIDOC Week Sand Art and Craft.

Children's Book Week

In August 2018 four authors and illustrators presented 13 sessions across four libraries for 28 classes from nine local schools. Excellent feedback was given from primary school teachers who attended the sessions indicating a very successful Children's Book Week.

National Simultaneous Story Time

This successful annual event in May saw librarians visit schools and kindergartens in the City to read this year's book *Alpacas with Maracas*. 205 children were involved.

Workshops and Author Talks

Many workshops were held on topics including Healthy Living, Aromatherapy, Understanding Dreams, Centrelink information, Dementia Awareness, Aged Care Fees and Charges, Mr Car Man, Living Plastic Free, Gardening, Origami and Bees.

Free English conversation classes held at the Forrestfield Library were offered to community

members whose first language is not English to learn new vocabulary, practise speaking English and meet new people.

Knit'n'Yarn Group meets regularly at the Forrestfield Library on Tuesday afternoons where community members can work on their projects and meet those with similar interests. Hooks and yarn are also on hand for those who wish to make beanies for the homeless and cancer patients.

Many author talks took place at the various library locations including Mohammed Massoud Morsi who gave insight from his trip from Australia to Egypt and read from his latest novel *Palace of Angels*. A variety of other author talks were held at various library locations and received positive feedback from the community.

The Scribblers Golden Feather Treasure Hunt

The City libraries took part in a literary treasure hunt in the lead up to the launch of the Scribbler's Festival - a new Children's Literature Festival - celebrating the magic that happens when a child reads a book. Feather-shaped bookmarks were hidden in children's and young adult books in public libraries across the State.



eResources

A variety of Library eResources are available free of charge for Library members to access 24/7. Kanopy is an on-demand video streaming platform for public libraries and education institutions, delivering one of the largest collections of indie films, classic cinema, festival and educational documentaries.

1.2 To provide safe and healthy environments for community to enjoy

The City's Community Safety team is committed to providing a positive customer experience for all. The team includes Rangers, Fire Control Officers and Emergency Management.

Rangers

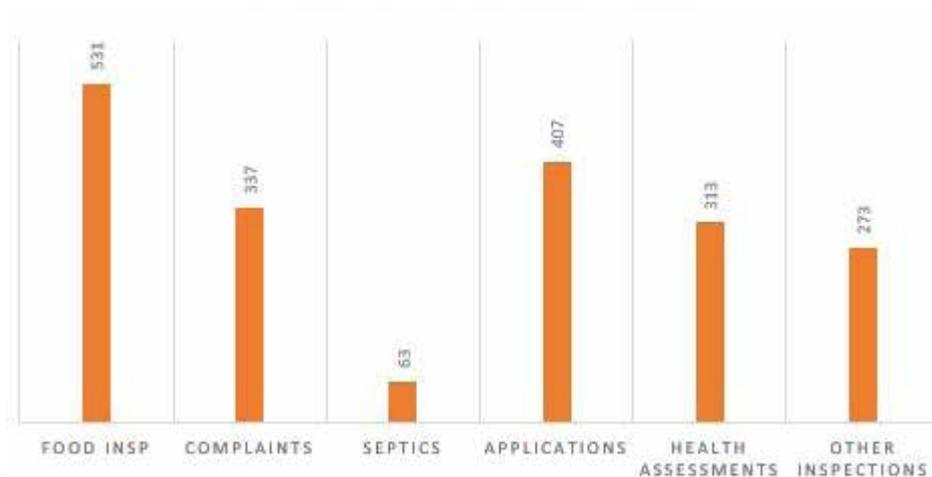
The Rangers are responsible for creating a safer community via the following services:

- Parking
- Dog control
- Registration of dogs and cats
- Abandoned vehicles, and
- Fire hazard inspections.

This year the team's outcomes include:

- 169 cautions issued for parking offences along with 259 infringements
- 8582 dogs and 2030 cats registered within the City
- 11 dogs declared dangerous
- 1056 cautions issued in relation dog attacks

HEALTH TEAM ACTIONS 2018-19



- 189 abandoned vehicles marked and 28 impounded

Environmental Health

The City continues to provide a high-quality Environmental Health service to the community. It is the responsibility of the City to promote and protect public health of residents and visitors. Regular duties include: approval of applications and risk assessments in a broad range of areas including; food premises, public buildings, skin penetration, effluent disposal, water sampling, noise monitoring, pest management, nuisance control and public safety.

The team is also committed to improving the health and wellbeing of the community. A major achievement of 2018 was the adoption of the Community Health and Wellbeing Plan 2018 – 2023.

Community Health & Wellbeing Plan

The plan identifies several actions to promote health and wellbeing within the community. These actions include taking the City's Smoothie Bike to events to promote healthy eating and physical activity, facilitating Foodbank's Food Sensations cooking classes, mental health awareness workshops delivered within the community by supporting NGO's, supporting state and federal health promotion campaigns concerning injury prevention, healthy eating and physical exercise and smoking cessation. The City has also continued its partnerships with the Cancer Council and Act Belong Commit.

Fire Control

The City takes the risk of bush fire very seriously and our fire control officers educate the community on bushfire preparedness, issuing permits to burn and inspecting properties to ensure compliance with the City's annual Fire Hazard Reduction Notice 2019/2020.

Key findings from the year include:

- 100% of properties identified as extreme bush fire hazard inspected
- 100% of properties identified as very high-risk bush fire hazard inspected, and
- 98% of properties identified as high-risk bushfire hazard inspected.

Emergency Management

The local Emergency Management Committee continue to meet quarterly and this year reviewed the City's Local Emergency Management Arrangements (LEMA) which includes all the emergency management documentation, systems, processes agreements and memorandums of understanding affecting the local government district.

The City's Emergency Management team also attended a series of risk workshops throughout the year to rate the City's top five risks with the assistance of the HMAs and other agencies attending the workshops. The top five risks identified for the City were: Fire, Air Crash, Hazmat, Storm and Earthquake.

Another major achievement was the reinvigoration of the Community Safety and Crime Prevention Committee.

Community Safety and Crime Prevention Committee (CSPAC)

The CSPAC provides advice to Council on strategic and/or policy development to guide initiatives to enhance community safety and reduce antisocial behaviour within the City. The committee has been successful in receiving grant funding for more closed-circuit television cameras at more locations throughout the City, including the Lions Lookout, Zig Zag, Lesmurdie Falls and Jack Healy Centre.

Another key action has been the development of a new Community Safety and Crime Prevention Plan, which includes a detailed community engagement process to be completed next year.

Bushfire Risk Mitigation

Officers from Parks and Environmental Services and Community Safety Services have been working on a program for completing the City's asset risk rating assessments, development of bushfire mitigation treatments and finishing the Bushfire Risk Management Plan. This significant piece of work provides detailed information for development application decision making and for funding assistance from the Office of Bushfire Management – with the City identifying \$1.9m of improvements that could be funded by the State Government.

Dawson Road Reserve, Forrestfield

A bike and skating facility was revitalised during a recent clean-up at Dawson Road Reserve, revealing a true hidden treasure for the local kids.

Tillia Court Playground, Forrestfield
Entrance the existing playground at Tillia Court playground.



Maida Vale Reserve Playground

Maida Vale Reserve playground recently underwent a refurbishment. The heavily vandalised rubber soft fall was removed and new re-constituted limestone block surrounds installed, to improve the play area and fall zones for the play items, with improved universal access to the playground for all levels of mobility.



Lake – High Wycombe

The City engaged the services of contractors to mechanically remove the invasive weed species *Typha Orientalis*, growing in the lake on the corner of Benson Way and Stirling Crescent, High Wycombe. The contractor used an amphibious machine to mechanically remove the weeds, roots and all.

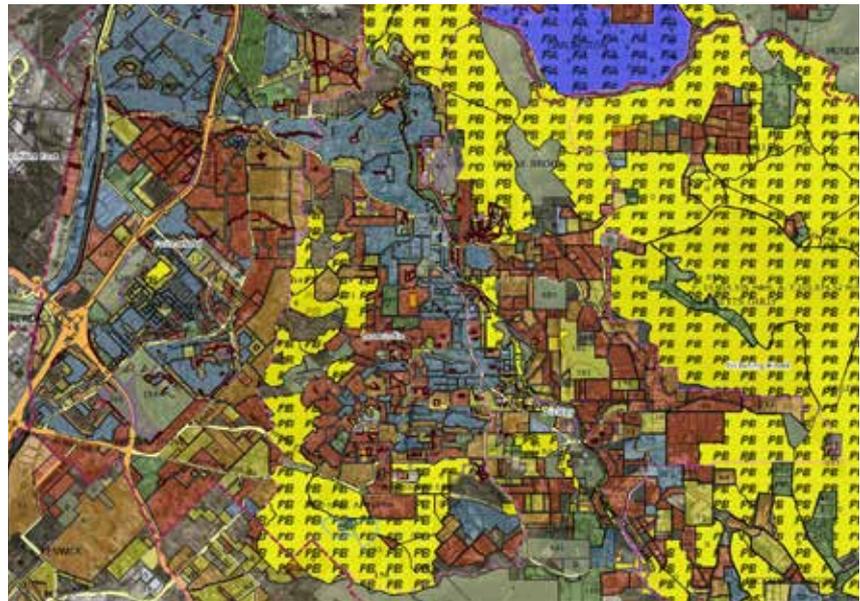


Bushfire Risk Management Plan

In accordance with the requirements of the State Emergency Management Plan for Fire (Westplan Fire) the City created and submitted its Bushfire Risk Management Plan (BRM Plan) for the Office of Bushfire Risk Management's (OBRM) endorsement.

This process included using the Bushfire Risk Management System (BRMS) to map and risk rate assets located in the City's boundaries.

Subsequent to mapping assets to assist in lowering the bushfire risk,



Bushfire Risk Mitigation Plan

treatments have been allocated to assist officers in planning mitigation activities.

These include operations such as prescribed burns, mechanical works inclusive of firebreak maintenance, slashing and removal of dead flammable material.

1.2.2 Advocate and promote healthy lifestyles choices by encouraging the community to become more physically active

Heart Foundation Walking Group

The City's three walking groups are consistently active each week. The groups are free to attend and a great opportunity for participants to socialise whilst looking after their physical and mental health.

KidSport

The City was again successful in obtaining KidSport funding from DLGSCI for the 2018/19 financial year to support juniors

to participate in active sport and recreation clubs. There were 537 vouchers processed from 102 clubs, across 31 sports. The financial aspect of the funding has now been returned to DLGSCI however the City remains a main administrator and promoter.

1.2.3 Provide high quality and accessible recreational and social spaces and facilities

Hartfield Park Recreation Centre

The Active Seniors Program successfully continued with high participation. This program includes Living Longer Living Stronger, Stretch & Tone, Table Tennis, Zumba Gold (High Wycombe Community & Recreation Centre), and Live Active (Ray Owen Sports Centre). Yoga Gold and Young at Heart classes were both introduced and added to the ongoing activities this year. The City now offers 19 classes per week for the senior population.

The School Holiday Programs continued to gain popularity. The interactive program for children aged five to 12 aims to keep them active and creative through the holiday period. Activities included a magic workshop, dance classes, soccer lessons and a disco. There was also a visit from the Kanyana Wildlife Rehabilitation Centre which attracted 363 community members. In March the RPM Studio was upgraded with replacement spin bikes. Group Fitness members were impressed and are enjoying the new equipment. Additional participation has been well received by the centre.

In May, a section of the upstairs mezzanine area was converted into a functional fitness space. The newly-named Hart-Fit Studio is fitted with a variety of functional fitness equipment and a range of classes are now being offered to the community. These classes include 3XR, Suspension, Body Buster, Fit Zone and Young at Heart.

Netball season competitions were well attended, along with the Mums and Bubs Yoga continuing to be popular and beneficial for new mothers in the community.

Creche services are available for community members and pre-primary to year six creche available on school holidays include arts and crafts, movies and sport activities.

Hartfield Park Hockey Facility

The Kalamunda Districts Hockey and Forrestfield Flyers Teeball clubs got a new home, thanks to the completion of a new \$3 million sports facility and playing grounds in Forrestfield.

This much-needed facility enables these clubs to continue to grow, play and train with the space and tools they need.

This facility is the final stage of the \$6 million Hartfield Park Master Plan redevelopment, a project that has transformed the City of Kalamunda's largest sporting and recreation reserve.

High Wycombe Community and Recreation Centre

The 24/7 gym continued to attract new members throughout the year.

The Foothills Cooking Class launched offering an eight-week course for adults to learn necessary kitchen skills.

Kids Cooking Club, aimed at

children aged five to 12, helps participants gain basic kitchen skills while making healthy food. The classes are so well attended additional classes are regularly added.

Perth Hills Trails Loop - Stage 1

The detailed design of Stage 1 of the Perth Trails Loop was completed and is currently being reviewed by the City, with consideration of the environmental elements.

Ray Owen Master Plan

Concept designs for the Ray Owen car park were completed and advertised for public comment.

Consultation sessions were held with the relevant stakeholders regarding the design of the four-court extension of the Ray Owen Sports Centre. The City is now looking to appoint an architect to develop the concept designs.

Maida Vale Reserve Master Plan

The Maida Vale Master Plan was adopted by Council in December 2018, with the City now developing an advocacy program to seek funding for its future implementation.



Official Opening of the new Hockey Facility July 2019

Scott Reserve Master Plan

ABV Consultancy was engaged by the City in July 2018 to develop a Master Plan for Scott Reserve.

The consultant has been working with the City as well as stakeholders and residents throughout 2018/19 to assist in developing a draft concept to be released for public comment in late-2019.

Kalamunda Water Park

The Kalamunda Water Park is managed by Belgravia Leisure in partnership with the City.

The 2018/2019 summer season successfully began in November and finished in March.

Attendances for the season increased by 3.4% (43,050 compared to 41,637 the previous 12-months).

1.3 To support the active participation of local communities

Friends Groups

EMRC End of Year Volunteer Celebration Event

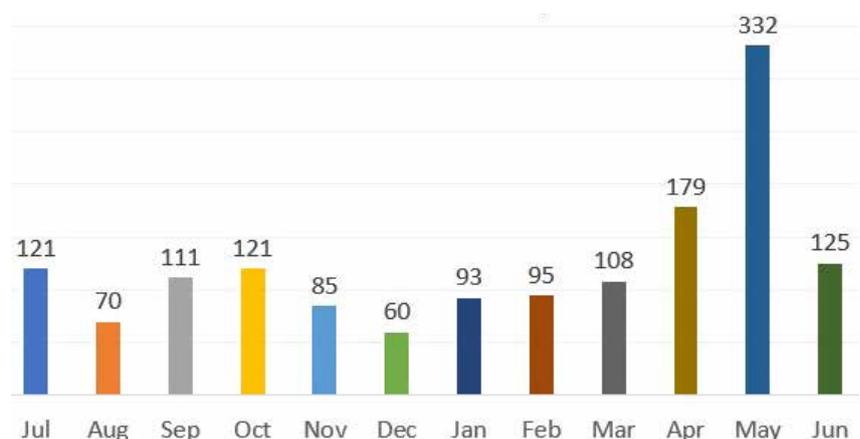
Friends Group members from Kalamunda and across the EMRC came to Hartfield Country Club to celebrate their achievements.

A smoking ceremony and welcome to country was performed by Elder Neville Collard. Kalamunda volunteers kindly contributed a huge amount of their time and helped look after dozens of Local Natural Areas, undertaking rubbish collection, planting tube stock and general maintenance.

Deputy Mayor Cr Dylan O'Conner and City CEO Rhonda Hardy attended.



FRIENDS GROUP VOLUNTEER HOURS 2017-18



EMRC Bush Skills for The Hills 'Green Card' Workshop

The City of Kalamunda, City of Swan and Shire of Mundaring came together to run a workshop on safe environmental volunteering in Gooseberry Hill in February. A total of 30 Friends Group and Catchment Group volunteers learnt about working safely in their local bushland areas and how to enhance the biodiversity in their local reserves. This workshop is part of the 'Bush Skills for the Hills' program, delivered by the Eastern Metropolitan Regional Council (EMRC) and member councils.

1.3.1 Support local communities to connect, grow and shape the future of Kalamunda

Clubs 4 Life

The City successfully applied for DLGSCI Every Club Funding to increase the annual program of workshops for the City's active sport and recreation clubs and community groups. Eight free workshops took place throughout the year with 79 groups and 203 volunteers attending. The training was aimed at assisting and educating active sport and recreation clubs across a wide variety of topics including running

inclusive events, club finances, how to run a great club, funding opportunities, cultural awareness.

Community Funding Program

This program supports local community and sporting groups. In 2018/2019 \$4,500 was distributed to groups to assist in their fundraising efforts. \$13,144 was distributed to Sport and Recreation Clubs to assist them with purchasing of equipment, shade structures, coaching courses or first aid kits. \$8,000 was distributed to community groups to assist them in purchasing much needed equipment, establishment of a kitchen garden, running camps for people with disabilities, youth movie night and a drug education talk for local school children across three high schools.

Kala Sports Star Program

The award night in November celebrated the program's successful 73 grant recipients enabling the City to congratulate local young athletes on the success of their elite sports pursuits. 94 people attended the presentation evening with special guest former West Coast Eagle Matt Priddis providing an entertaining presentation. \$14,600 in total was distributed to athletes over the 2018/2019 financial year.

Strategic Sport and Recreation Committee (SSRC)

The SSRC convened to assess and prioritise Capital Grant applications received from local sporting and recreational groups. The Committee made its final recommendations to Council as part of the budget setting process.

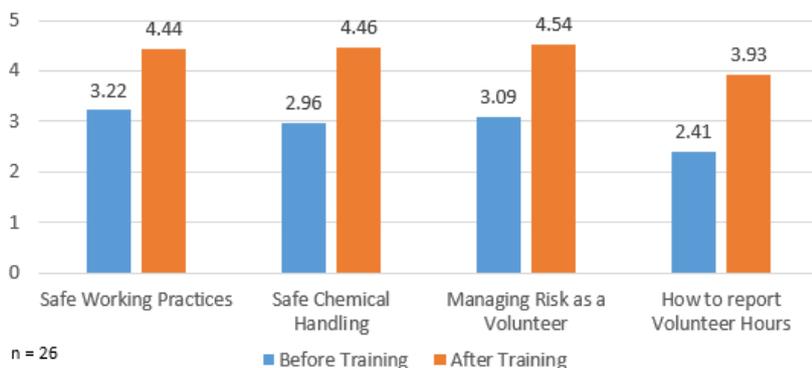
SSRC projects from the previous year were completed including the upgrade of clubrooms, the kitchen



Greencard Workshop participants

CHANGE IN VOLUNTEER KNOWLEDGE FOLLOWING GREENCARD TRAINING WORKSHOP

1 = No Knowledge 5 = Excellent Knowledge



at Ray Owen Pavilion and upgrade of sports floodlighting at Reid Oval.

1.3.2 Encourage and promote the active participation in social and cultural events

Kalamunda Performing Arts

Kalamunda Performing Arts Centre

The Kalamunda Performing Arts Centre continues to be one of the premier attractions for locals and visitors. The venue has beautiful aesthetics with a state-of-the-art 257 seat theatre and is staffed with an administrator and a pool of casual technical staff to meet all event requirements.

It is becoming increasingly used by local community groups, artists, youth, seniors, schools and businesses, ranging from small bookings to full seasonal productions.

In 2018/2019 Kalamunda Performing Arts Centre was pleased to secure a variety of local and interstate headline acts for its program including:

- The Grygoryan Brothers
- The Songs & Tales of Angry Old Men
- Comedy Gold
- Always Patsy Cline
- Lior
- Peter Rowsthorn

More dramatic selections for the year were:

- The One
- Two

Favourite children's shows included:

- Be Our Guest
- Spike the Echidna

The Morning Music program, which runs on the first Wednesday of the

month continues to be a major drawcard. The successful format of a social morning tea, followed by a concert continues to receive great reviews and toe tapping from the regular local and visiting patrons.

Zig Zag Cultural Centre

Perth Hills Visitor Centre

The Zig Zag Cultural Centre, incorporating the Perth Hills Visitor Centre and Zig Zag Gallery, welcomed 43,500 visitors across 2018/19.

The Visitor Centre continues to provide excellent visitor servicing complemented by a stunning array of local and regional products and giftware. Recently incorporated Perth Hills branded items have offered a new opportunity for visitors to remember their visit. The gift shop generated over \$125,000 in merchandise sales for the year supporting a number of local businesses.

The Experience Perth Hills social media offerings continue to encourage visitors to make the trip up the hill to experience all of the offerings at the Perth Hills Visitor Centre.

The Visitor Centre is fortunate to have a willing volunteer-base who supplement the staff and engage with local tourism operators to provide first-hand knowledge and enthusiasm which is key to delivering an informed, remarkable and memorable visitor experience.

Kalamunda History Village

The Kalamunda History Village is a unique and popular tourist and education attraction for locals, visitors and school groups. The Village attracted more than 11,000 visitors in 2018/19.

The figures were slightly down on

the previous 12-months due to the closure of an area of the Village for the remediation and restoration of the G118 Locomotive. This makeover has been completed and the Locomotive open for viewing in the 2019/2020 Financial Year.

This project, a collaboration between Lotterywest and the City has brought new life to the Village and is adored by all the children, who flock to ring the bell.

The education program for the year was fully booked without any advertising a testament to the regard the educational program is held. Demand exceeds the number of available days, with the History Village being the number one 'thing' to do on TripAdvisor in Kalamunda.

Throughout the school holidays bespoke education programs are run and are exceptionally well received. The opening of the History Village on a Thursday has continued to garner support for special interest groups including special needs, seniors groups and childcare groups to immerse themselves in the Village.

Food Trucks Event

A regular Wednesday food fest was held at Fleming Reserve in High Wycombe bringing the community together to enjoy a pop-up food experience.

Cultural Awareness Training

Cultural Awareness Training was held at Hartfield Park in March to help participants develop their knowledge and understanding of Aboriginal culture, with 80 people attending.

Priority 2

Kalamunda Clean and Green

2.1 To protect and enhance the environmental values of the City

Horticulture

The City's Horticultural crews refurbished playground soft fall areas and garden beds at Lenihan Nature playground and Woodlupine Brook Reserve, Wattle Grove.

Several hundred cubic metres of pine bark mulch was spread across the City's reserve gardens, median islands, round-a-bouts, sportsfields and recreation parkland.



Parks and Environment Horticultural crews together with a specialist contractor undertook

a clean-up of the invasive Tambookie Grass which has been choking the water course.



Research Project – Edith Cowan University

The Parks and Environment team initiated a research project with Edith Cowan University to study the effects of controlled burning on populations of the rare flora, Wavey Leaf Smokebush, *Conospermum undulatum*.

Trial plots were established at Hartfield Park and Maida Reserve with observations of Smokebush after hot autumn burn, cool autumn burn, cool spring burn and hot spring burn to be conducted and compared. The hot spring



burn at Hartfield Park is currently being monitored by students. The cool spring burn at both location is planned to begin next week. The project will be submitted to a Scientific Journal upon completion.

Spring brought extra weed control tasks in our reserves and roads. Friends of Railway Heritage Trail met on site to review impacts from the Stage 1 Loop Trail development proposal.

Controlled burn – Research project on Wavey Leaf Smokebush recovery

Three controlled burns (cool spring burns) were carried out as part of the study to better understand how the rare flora responds to fire regimes on Maida Vale Reserve and Hartfield Park, Forrestfield.

Reserve Management Planning

After the first pass fire risk assessment of all 400 reserves, the desktop review of the Local Natural Areas in the City of Kalamunda was finalised.

All data is being updated into the City's mapping systems and when complete all reserves will be included in the City's Asset Management Database. This up to date information will paint a picture of the economic, cultural and environmental values for all City reserves. The information will be used to prepare appropriate maintenance regimes for each reserve.

Along with the reserve information collation, the team continued with preparations of detailed information on natural areas to feed into the ongoing review the Local Biodiversity Strategy (2009). This document will be an important resource for land use planning and reserve management decisions.



Controlled Burn

Community Environmental Education and Training

National Tree Day - Jorgensen Park, Kalamunda

120 local volunteers joined the 2018 National Tree Day plantings. 650 plants were planted to provide creek line habitat for frogs, birds and mammals. More than 6,000 native plants were planted throughout Jorgensen Park as part of the \$14,650 grant received by the City from the Swan Alcoa Landcare Program last financial year.

Plants for Residents

We asked for feedback from 648 residents who attended the 2018 Plants for Residents events in Gooseberry Hill.

Satisfaction levels with the plants provided, plant quality and information provided range from 84-88%. 46% of people attending were new to the program, with 133

people indicating they were keen to receive further information on environmental volunteering. Residents from across the City took advantage of the program, with the highest attendance coming from Forreestfield.

Feedback helps us improve the program to meet the expectations of our community. Each year more residents attend and more plants are required to meet their enthusiasm for planting natives to build habitat, reduce water-use and improve the amenity of their local areas.

Bird Identification Workshop - October 2018

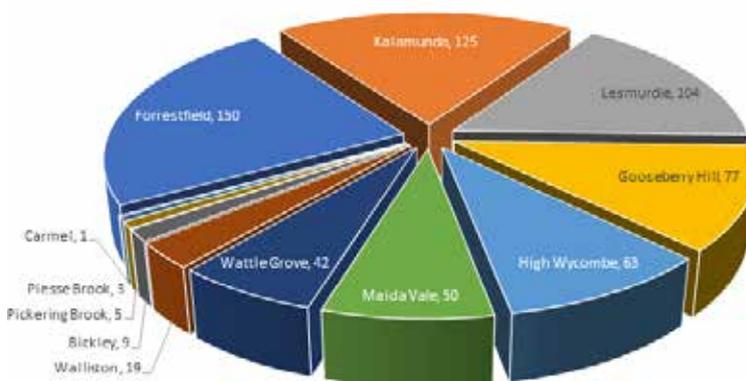
The City teamed up with the Darling Range Branch of the WA Naturalists Club and Rachel and Mike Green to put on their popular "Birds in your garden, street or reserve" workshop.

This workshop coincided with the Aussie Backyard Bird Count (22-28 October) helping people correctly identify birds and learn how to attract them to their garden as well as recognising their calls and learning other interesting facts.



Plants for Residents

SUBURB BREAKDOWN - PLANTS FOR RESIDENTS 2018



Local Bird Walks – October 2018

A guided walk through Hartfield Park, Maida Vale and Ledger Road Reserves, took place with walkers in each group identifying local birds at each site and using the Bird data app to record all the birds.

Backyard Bird Count - October 2018

The #AussieBirdCount was a great way to connect with backyard birds no matter where you happened to be.

Grab-a-Gladdie

Every year in October Pink Gladioli begin flowering in bushland areas across the City. Although considered pretty by some, this invasive South African bulb can overtake native areas and reduce biodiversity values.

The Parks and Environment team worked with local groups to 'Grab-a-Gladdie' and reduce the weed's impact on the City's natural areas.



Pink gladioli



End of Year Celebration of the Kalamunda Senior High School-Education Support Bushland Management Project

Cr Giardina and the City's CEO, members of the Friends of Railway Heritage Trail Reserve, City Officers and parents celebrated the graduation of this year's KSHS-Education Support students.

The students volunteered their time every week this school year to undertake environmental management tasks in the "outdoors classroom".

Students collected rubbish, completed bird surveys, raked and maintained pathways, planted trees, removed weeds and participated in team building exercises. This collaborative program between the school and various City teams left everyone feeling inspired by the students' efforts.

Adopt-a-Patch

All City schools were invited to participate in the Schools Environmental Education Program "Adopt-a-Patch" that started in February. The program aims to educate our local school students

on environmental matters and provide them an entry point to begin volunteering in our community.



The circles in green are schools that submitted an EOI by the deadline. Yellow irregular shapes are Friends Group Reserves. The circles in red are schools that didn't submit an EOI. The size of the circles indicate generally the area that Adopt a Patch would cover.

Commemorative Planting

The City's Commemorative Planting Day celebrated 119 babies born from July 2017 to May 2018. The event was held at Fleming, Sheffield and Bill Shaw Reserves with the families who enthusiastically planted the gardens to celebrate the day.

Strategic Environmental Partnerships

The City's Fire Mitigation team provided assistance to the Department of Primary Industries and Regional Development (DPIRD) to trap European Wasps, a known threat to the natural environment.

The team also gave access to the City's more remote, rural areas so an additional 25 traps could be installed and monitored across the summer months to help control the pest.



Environmental Pets and Weeds

Fox Trapping

Notifications for fox control programs commenced with signs being posted at entrances to the following City reserves:

- Gooseberry Hill Recreation Reserve
- Brine Moran Reserve
- Maida Vale Reserve
- Hartfield Park Reserve

- Smokebush Place Reserve
- Reserve selection was based on fox-monitoring results and recognised as being dog prohibited areas.

Traps were set in the reserves between July and August 2018.

The bushland reserve monitoring program continues to provide information where foxes and native animals are located. The data will feed local reserve management actions, as well as prioritise the City's fox control program.



The fox trapping campaign was completed on the 3 August 2018 with foxes caught at Hartfield Park and Smokebush Place. There are signs of more foxes in the area and monitoring will continue to determine the areas to target with future programs.

The contractor reported the limiting factor was the current constraint in keeping traps away from trails, which is being trialled. These trails are the travel routes of foxes and so trapping relies on the fox being "lured" off the path.

Rabbit Control Program: Calicivirus release

The City is complementing the national rabbit control program

against Australia's most costly and destructive vertebrate pest, the European Rabbit. Rabbits currently cause more than \$200 million of damage to Australian agriculture each year and are a potential threat to at least 304 native threatened species. In mid-December, there was a coordinated statewide-release of the Rabbit Calicivirus (RCV) strain RHDV1 K5.

There were many social media responses to the City's communications and the communications program has been modified in response to the volume and nature of the posts, many of which are associated with a pro-rabbit lobby group.

The City advised all district veterinarians of the release date and for rabbit owners to have their pets vaccinated. Local vets reported an increase in pet rabbit vaccinations in the Kalamunda area and a low response in the foothills. Kalamunda vets offered discounted vaccinations.

Feral Animal Control Program

Promotion of the City's feral pest program continued with meetings being organised with regulatory bodies such as Department of Primary Industries and Regional Development (DPIRD) and research institutions for advice on program improvements.

2.2 To achieve environmental sustainability through effective natural resource management

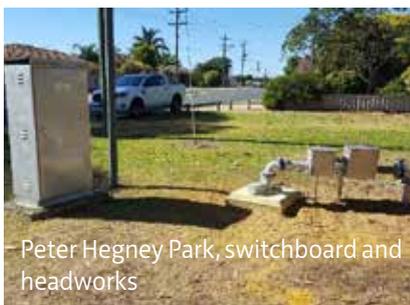
Water Management and Reserve Irrigation

Irrigation crews worked through their schedules with no major issues and continued with the installation of the temporary irrigation system at Alan Anderson Reserve.

The City is trialling a new battery-operated irrigation control valve for remote locations. It has a higher IP rating to limit dirt, dust and water ingress, a longer battery life, more user friendly use and blue tooth connection.

Peter Hegney Park, High Wycombe Bore Headworks Upgrade

The upgraded bore headworks and switch board replacement works were completed at Peter Hegney Park.



Peter Hegney Park, switchboard and headworks

Irrigation and Water Use

The City's Irrigation team had to carefully manage its water allocation, including ground water, for the year.

Kostera Oval Tank Replacement

The underground tank at



Green app control valve

Kostera Oval was replaced with a new storage tank installed alongside the existing three tanks. This eliminated the need for transferring water before pumping out over the grass, giving the City more water storage capacity and ongoing electricity savings.



Kostera Reserve Underground Tank

Cooling the Urban Environment with Trees

Residential Street Tree Planting Program

The City undertakes street tree

planting at the request of residents throughout the year. The species and location are determined by the City and are watered and maintained for two years.

519 trees were planted from July 2018 to June 2019.

2.3 To reduce the amount of waste produced and increase the amount of reuse and recycling of waste

The Kalamunda Clean and Green Local Environment Strategy was adopted by Council at in July 2019 following almost two years of work by the Kalamunda Environmental Advisory Committee (KEAC) and City staff.

Since being tasked by Council with the responsibility to develop the LES, KEAC provided clear and strong direction in producing a

document with scope that will:

- Embrace the totality of the Council's functions with environment broadly interpreted
- Inform parts of the City's Strategic Community Plan, and
- Inform policies that can be recognised in the Local Planning Scheme.

In achieving this it was also very important to KEAC that the document reflected community attitude towards their local environment and was presented in a very simple format that would be engaging for residents to read and be engaged with. This was achieved through an exhaustive community and stakeholder consultation process including:

- September 2017: KEAC Visioning Workshop
- February 2018: Production of Strategy Blueprint
- May 2018: Completion of initial Community and staff Engagement including media releases, surveys, and community visioning workshops
- February 2019: Data analysis and production of Draft LES document
- February 2019: Council endorsement of draft LES for community engagement (OCM 32/2019 refers)
- May 2019: Analysis of submissions and amending draft LES and
- May 2019: Review and recommendations from KEAC for final document

From the final public review phase it is evident the community is generally supportive of the LES and are keen to see its implementation and progress.

Walliston Transfer Station

The City introduced Entry Passes (EP) for residents to access the Walliston Transfer Station. Entry passes were provided to all rate payers, attached to their rates notice.

The Entry Pass, in conjunction with appropriate identification, provides ratepayers and residents unlimited entries for the disposal of certain recyclables including but not limited to green waste, cardboard, e-waste, batteries, glass, and metal.

Limited entries (four per financial year) apply to general waste, whitegoods, timber, mattresses and clean building rubble. Previously, non-Kalamunda residents illegitimately trying to use the facility to dispose of waste significantly increased costs of disposal due to unsustainable volumes. The Entry Pass ensures only City ratepayers/residents access the facility.

As a result, Walliston Transfer Station reduced volumes of building rubble and general waste by one third.

Garage Sale Trail

The Garage Sale Trail is Australia's biggest community and sustainability event and the City is an event signatory until 2020 hosting its own Garage Sale Trail at Walliston Transfer Station.

2.4 To ensure contaminated sites are safe and managed to ultimate use

Contaminated Sites

The City has continued to undertake studies, maintenance and remedial works on contaminated sites under its responsibility.

Extensive investigations have taken place on the Brand Road former landfill sites to assess potential for redevelopment.

The investigations included sampling soil, groundwater and gas from the site as well as assessing the volume and quality of capping over the site.

The City has continued its preventative maintenance program on the Ledger Road Reserve with emu picks, erosion prevention works, and additional fill and mulch being supplied to the site to assist the friend's group with its revegetation efforts.

Priority 3

Kalamunda Develops

3.1 To plan for sustainable population growth

Strategic Planning

The City has an efficient process for managing regular subdivisions and development applications, however the larger and more significant developments can require a greater level of organisation to ensure the City responds to developer needs while also managing and ensuring compliance on behalf of the community.

The following developments required a greater level of internal project management and improved procedures:

- Cambridge Reserve Community Enhancement Project
- Industrial Development Strategy
- Kalamunda Activity Centre Plan
- Forrestfield North Residential Precinct Local Structure Plan

Cambridge Reserve Community Enhancement Project

Cambridge Reserve is approx. 11 ha of open space within Forrestfield, bordered by Anderson Road, Mallow Way, Cambridge Road and York Street. This falls under Local Planning Scheme Zone: Local Open Space Planning (passive recreation reserve).

The Cambridge Reserve Community Enhancement Project seeks to transform Cambridge Reserve into an improved area of open space, which will include development of aged care housing opportunities and amenities.

A draft concept plan was prepared following community engagement to include:

- an activity hub (half-court basketball, seating areas and playground)
- retained bushland
- fenced dog park (this feature was removed in the final concept plan)
- improved landscape around the drainage sump
- formalised walking trails
- aged care development site, and
- residential development.

The draft Concept Plan was advertised for community feedback from July to August 2018.

The City received input from a total of 67 community members through

three methods – completing a survey, writing a submission to the City, and/or attending a workshop.

The process identified that the community would like to see more and improved facilities such as seating, play equipment, shelter and barbeques. The community values the environmental aspect of the reserve, such as its bushland feel, the walking trails, quietness and waterbody. Thirty eight community members attended the workshop at the Woodlupine Family and Community Centre where they completed a number of activities.

The proposed aged care facility and managed bushland were the most valued features of the plan, followed closely by the wetland/water feature and activity hub. Those who did not support the concept design expressed concern about the impact the enhancement would have on them (including increased traffic in their neighbourhood, loss of their view of the park, loss of property value, anti-social behaviour in their neighbourhood) or the impact on



Artist impression of the Cambridge Reserve Community Enhancement Project

the park's environmental values (including removal of vegetation/ bushland for the purpose of development).

Following public advertising, the Concept Plan was modified in response to community feedback, with the most notable changes being the removal of the dog park to cater for environmental values, and changes to the lot configuration and park design. The Concept Plan was presented to Council in February where it was resolved to endorse the Cambridge Reserve Concept Plan and commence the planning and land transfer process.

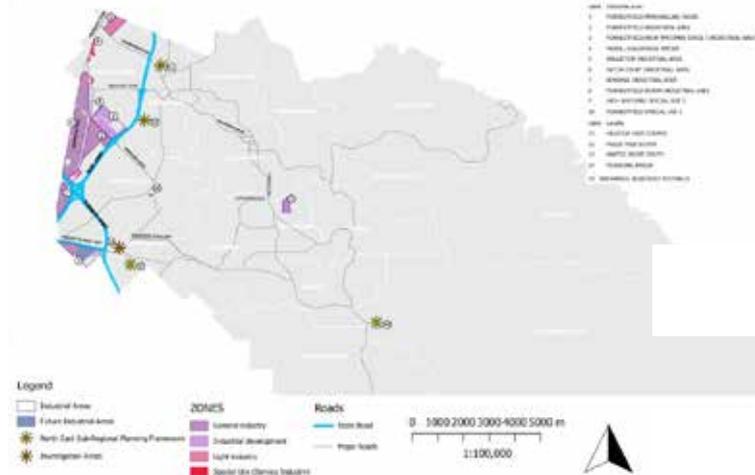
The City continues to work through planning and environmental requirements associated with the proposal through the Department of Planning, Lands and Heritage and Department of Biodiversity, Conservation and Attractions.

Industrial Development Strategy

The Industrial Development Strategy provides direction regarding strategic and statutory planning decision making to facilitate and manage growth and changes to industrial estates over 10 years and beyond, particularly High Wycombe, Forrestfield and Wattle Grove.

The Strategy builds on the City's Strategic Community Plan to facilitate diverse and sustainable industrial development to meet changing social and economic needs and support the success and growth of industry and business. The vision is to enhance and expand existing industrial precincts to support future growth and provide modern, efficient and

INDUSTRIAL DEVELOPMENT STRATEGY



attractive industrial estates for the community.

Key Development Precincts are:

- **Forrestfield Marshalling Yards:** Representing the existing marshalling yards/intermodal freight facility between Perth Airport and Dundas Road;
- **Forrestfield Industrial Area:** Representing the established Forrestfield industrial precinct west of Roe Highway in Forrestfield
- **Forrestfield/High Wycombe Light Industrial Area Stage 1:** Representing the growing industrial precinct to the north of the Forrestfield Industrial Area
- **Maddington Kenwick Strategic Employment Area (MKSEA):** Representing the north-eastern most section of the MKSEA precinct, colloquially known as the 'Kalamunda Wedge' area, a newly established industrial area with future industrial development
- **Walliston Industrial Area:** Representing the established industrial area within Walliston,

which has potential for renewal and intensification

- **Hatch Court / Stirling Crescent Light Industrial Area:** Representing an area identified for light industrial development abutting the City of Swan's Hazelmere Industrial Area and Perth Airport land, subject to further detailed planning
- **Kewdale Industrial Area:** Representing the eastern portion of the established Kewdale Industrial Area between Roe Highway, Tonkin Highway and the Freight Rail Line
- **Forrestfield North Industrial Area:** Representing an area of existing industrial land use to the south west of the Forrestfield North District Structure Plan Area. The Local Structure Planning process will determine the future land use direction for this precinct
- **High Wycombe Special Use 5:** Representing a warehousing precinct along Abernethy Road and Dundas Road, zoned Special Use with the purpose of

- facilitating a business park and
- Forrestfield Special Use 1: Representing a service industry lot within the heart of Forrestfield's established residential area, zoned Special Use

Community engagement was undertaken in mid-2018 which included a focus group comprising of industrial land holders and interested community members, community workshop with over 90 attendees and a survey with 82 respondents.

The Industrial Development Strategy was modified in response to community feedback. The Council resolved to adopt the Industrial Development Strategy at the December Special Council Meeting.

Kalamunda Activity Centre Plan

The Kalamunda town centre requires an Activity Centre Plan, due to its classification as a 'District Centre' under Western

Australian Planning Commission's State Planning Policy 4.2 – Activity Centres for Perth and Peel. The preparation of the Activity Centre Plan will provide the opportunity to deliver a robust planning framework that can facilitate this coordination and much needed activation to key parts of the townsite.

The Draft Activity Centre Plan aims are:

- Reinforcement of Haynes Street as the traditional 'main street' with highly active edges, a mix of uses, pleasant pedestrian environment and a built form outcome that reflects the character of Kalamunda.
- Central mall becoming a food and beverage focus supported by a one-way shared vehicle/ pedestrian street.
- A consolidation of retail and commercial activity within the town centre core expanding from its current approximately

20,000sq.m shop/retail and other retail floor space to an additional 2,800 – 3,800sq.m.

- Creation of a new 'town square' on Railway Parade at the top end of Haynes Street as a multi-use public space creating a focal point for the town centre.
- Consolidation of employment generating land uses including larger format commercial, retail and civic uses around Mead Street leveraging off Kalamunda Central shopping centre.
- Celebration of cultural features by creating synergies between Stirk Park including Stirk Cottage, Zig Zag Cultural Centre and Bibbulmun Track.
- A 'frame' to the town centre core that supports predominantly residential and mixed-use development that contributes to the walkable catchment of the town centre.
- Consolidated parking areas in appropriate locations.

LEGEND

- 1 Town Square
- 2 Public art focal point
- 3 Shared street
- 4 Main street
- 5 Corner park activation and way finding
- 6 Barber St Piazza
- 7 Green park upgrades
- 8 Central lane activation
- 9 Town centre entry paving nodes
- 10 'Green' streets
- 11 Heritage/Civic precinct
- 12 Main street entry treatment



Kalamunda Activity Centre Plan

- Highly legible, safe and well-designed pedestrian linkages to connect all parts of the activity centre as well as important community focal points beyond.

The plan identifies the following precincts:

Main Street Precinct

- Will encompass Haynes Street.
- Will accommodate commercial, mixed-use and food and beverage offerings.
- Will be safe for pedestrians and vehicles.
- Built form will be sympathetic to the character of Kalamunda.

Anchor Precinct

- Will support larger scale uses that are inappropriate for the main street but critical in order to provide diversity in commercial offerings.
- Focus of large commercial/retail premises (supermarkets).
- Small scale active uses to support anchor tenants and generate employment.

Tourism Precinct

- Tourism, cultural and heritage hub.
- Centred around Railway Rd and Zig Zag Cultural Centre.

Mixed-Use Precinct

- Supports Kalamunda town centre as the centre of activity and employment generation.

- Predominately mixed-use encouraging residential and small-scale commercial uses.
- Small scale professional uses such as home offices are encouraged.

Residential Precinct

- Consistent with residential zone, primarily single and grouped dwellings.
- Food and Beverage Focus Area
- Focus for food and beverages outlets activating in the evenings.
- Central Mall will function as a shared pedestrian/vehicle zone allowing one-way traffic movement.

The draft Activity Centre Plan was publicly advertised in June and continued into the new financial year.

Consultation results will be analysed, and the Activity Centre Plan finalised with input from the feedback. It is anticipated the final Activity Centre Plan will be presented to Council for final adoption in late 2019.

Forrestfield North Residential Precinct Local Structure Plan

The Forrestfield North Residential Precinct is located in the southern area of High Wycombe in close proximity to the new Forrestfield Train Station, scheduled to be running by 2021.

Key features of the draft Forrestfield North Residential Precinct Local Structure Plan (LSP) include medium-high density residential zonings from R60 to R100, new road connections, approximately 20 hectares of public open space and drainage reserve, a community hub and primary school. The LSP also includes areas of significant environmental values which are proposed to be reserved as environmental conservation areas.

The draft LSP was endorsed by Council in December. The LSP was then forwarded to the Western Australian Planning Commission (WAPC) for consideration. In May, the Statutory Planning Committee (SPC) of the WAPC considered the LSP and resolved to defer consideration of the LSP until October 2019.

Artist impression of the new Forrestfield Station



Clause 22(5) of the Regulations provides that the Commission is taken to have refused to approve a structure plan if the Commission has not made a decision under subclause (1) within '120 days of the day on which the local government provides the report to the Commission'. At the Ordinary Council Meeting 28 May 2019, the City's Council noted the decision from the SPC, noted that the LSP was considered a deemed refusal and requested the City to commence an application to the State Administrative Tribunal (SAT) for review of the WAPC's decision.

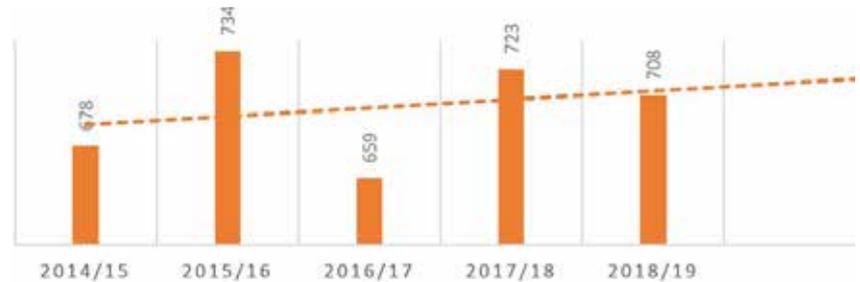
Statutory Planning

All development in the City of Kalamunda is assessed against the provisions of Local Planning Scheme No.3, adopted policies and other relevant State legislation including the Planning and Development Act 2005, and the Planning and Development (Local Planning Schemes) Regulations 2015.

Land use compliance is undertaken in accordance with the City's legislative and Policy obligations resulting in negotiated outcomes or the issuing of directions and

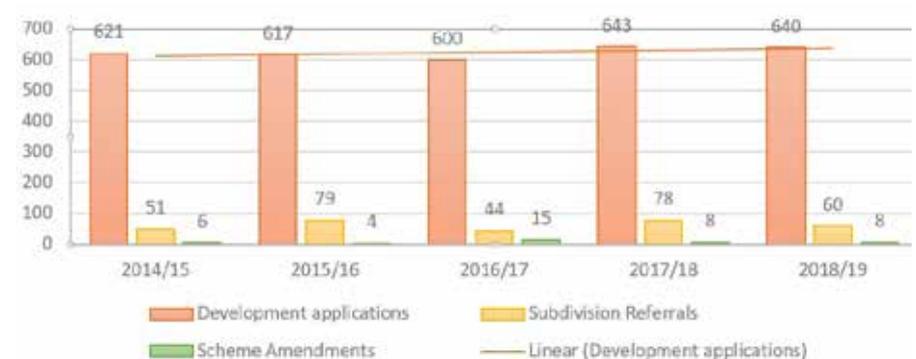
TOTAL PLANNING APPLICATIONS RECEIVED FINANCIAL

Years 2014-15 to 2018-19



STATUTORY PLANNING ASSESSMENTS

Financial Years 2014-15 to 2018-19



penalties where appropriate.

Planning statistics

A total of 708 planning applications were received and processed, representing a 2% decrease in the number

of planning applications when compared with the 2017/18 financial year.

The overall trend with respect to the number of planning applications processed by the City



Town House Development Hales Residential Estate Forrestfield

is trending upwards.

The above tables show the total number of applications received and the breakdown in the types of planning applications received. Of the 640 development applications processed 92% were processed within statutory timeframes. On average 59% of all development applications were processed within a 30-day timeframe.

The City saw a marginal (2%) decrease in the total number of planning applications received on the previous year, however the overall trend is over the past five years is positive. The suburbs of Forrestfield, particularly the Satterley Hales Residential development continues to be developed with a mix of building types, with two-storey townhouse development proving popular.

Development of the Forrestfield Industrial Area Stage 1 continued to yield high quality freight and logistics industrial development due primarily to its strategic location with respect to road, rail and air transport, with a number of high profile companies such as the Coxon Group and Volvo taking advantage of the locational attributes of the industrial area.

In November 2017, the City commenced operation of its Design Advisory Committee.

The Committee comprises eminent architects and urban designers whose purpose is to provide an independent critique of development design in the City. The City is increasingly required to consider complex and significant planning proposals



The new Volvo Sales and Service Centre, Forrestfield/High Wycombe Industrial Area Stage 1

with multiple major design considerations. The Committee allows for additional independent review of the design aspects of new proposals and offers valuable assistance to the City to ensure the successful delivery of a range of commercial and residential developments. The Committee has reviewed a number of high-profile development applications, for example the Valencia Residential Care facility in Carmel, and made recommendations which resulted in an improved building design outcome for the applicant and the community.

Local Planning Policies

The City reviews, revokes and adds new Local Planning Policies for the purpose of ensuring consistency and transparency in the decision-making

process, and importantly to provide guidance to Council, the City and the community on planning related matters.

The following Planning Policies were adopted by Council:

Review of existing Local Planning Policies:

- Local Planning Policy 15 – Outbuilding and Sea Containers
- Local Planning Policy 16 – Design Advisory Committees
- Local Planning Policy 17 – Planning Administration
- Local Planning Policy 11 – Public Notification of Planning Proposals

New Local Planning Policies:

- Local Planning Policy 18 – Requirements for Local Planning Scheme Amendments
- Local Planning Policy

19 – Design Guidelines – Maddington Kenwick Strategic Employment Area

Local Planning Policies Revoked:

- P-DEV 14 – Earthworks
- P-DEV 23 – Pergolas

State Administrative Tribunal and Joint Development Assessment Applications

The City was involved in five appeals lodged with the State Administrative Tribunal and six Joint Development Assessment applications. As the City continues to grow and the complexity and significance of planning applications increases, it is anticipated that the City will continue to receive an increasing number of SAT reviews and JDAP applications.

Planning Service Standards

In July, Approval Services introduced its online tracking portal for all planning applications lodged with the City. The portal enables the applicant to check the status of the development application online through the various stages of the planning process.

In July, the City introduced a customer survey form for all planning applications processed by the City. The responses provide valuable feedback particularly in relation to where the City can improve its customer service in the processing of planning applications. The City received a total of 72 responses, with 85% of respondents stating that they were either satisfied or very satisfied, with only 4% stating they were unsatisfied or very unsatisfied.

Work with Regional Shires

The City maintain Memorandum of Understanding arrangements with the shire's of Bruce Rock, Corrigin, Narembeen and Wandering. The principal services provided are:

- Process building applications and issue Certificates of Design Compliance for all Classes of Buildings. A total of 72 applications were processed and Certificates of Design Compliance issued. This is 36 applications less than the previous year.
- Processing of planning applications.
- Attend onsite discussions with building applicants, inspect Shire building assets and provide reports that can be used for maintenance or for budgeting purposes.
- To undertake Swimming Pool fencing compliance inspections.
- Undertake building compliance inspections and provide written reports. There were no compliance issues requiring attention.
- Prepare Council Report items and attend Council meetings as and when required.

Building Statistics

In April 2012 private certification came into effect, paving the way for certified building applications where a private contracting building surveyor undertakes the traditional compliance checking aspect of a building application.

Private building surveyors may check for compliance and issue Certificates of Design Compliance

(CDCs), for all types of buildings (Class 1a to Class 10b and include Classes 2 -9). Whereas Uncertified Applications can only be made for Class 1a and Class 10 buildings. Local Authorities are only permitted to issue CDC's for uncertified applications.

The table (below right) compares the number of Building and Demolition permit approvals over the past six financial years.

The City notes a 11.5% decrease in building permit approvals on the previous year (982 compared with 1098 in the 2017/18 financial year).

The total value of the 982 permits was \$155,110,832 revealing a 58.7% increase in building value compared to the previous year of \$57,382,271.

The average value per building permit was \$161,911 compared with \$91,506 in the previous year. The average value jumped markedly due to a single application being valued at \$56,280,000 for the Residential Aged Care Facility in Karingal Green, the largest single development approved across the year.

Excluding this application, the average is \$103,272 – representing a 12.9% increase in average value.

A total of 166 new residences were approved compared with 176 in 2017/18 which is an almost 6% drop. Note: The 151 bed residential aged care facility approved in Karingal Green is excluded from the total number, given it comprised part of a single permit application.

Additionally, the City issued 60 demolition permits compared with 35 the previous year.

Statute requires that a local authority approves applications for Certified and Demolition Permits within 10 working days, and Uncertified applications within 25 working days. The City's average approval times were:

- Certified Applications – 5 working days
- Demolition Permits – 5 working days
- Uncertified Applications – 8 working days

The foothills suburb of Forrestfield proved the most popular suburb for new residential development with 85 new residences which also includes the 2019 Telethon Home.

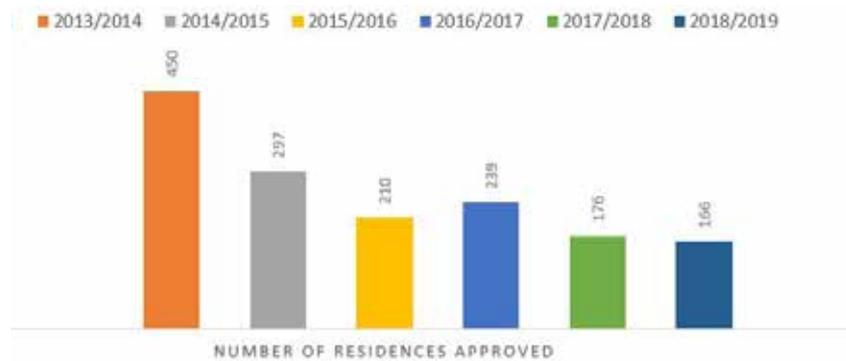
In High Wycombe, the City approved 21 new residential dwellings and 151 sole occupancy units for the Residential Aged Care Facility in Karingal Green.

In Wattle Grove 11 new residential dwellings were approved.

In the hills, Kalamunda showed the highest level of growth with 13 new dwellings approved and seven new dwellings in Lesmurdie.

NUMBER OF RESIDENCES APPROVED

Financial Years 2013-14 to 2018-19



Compliance

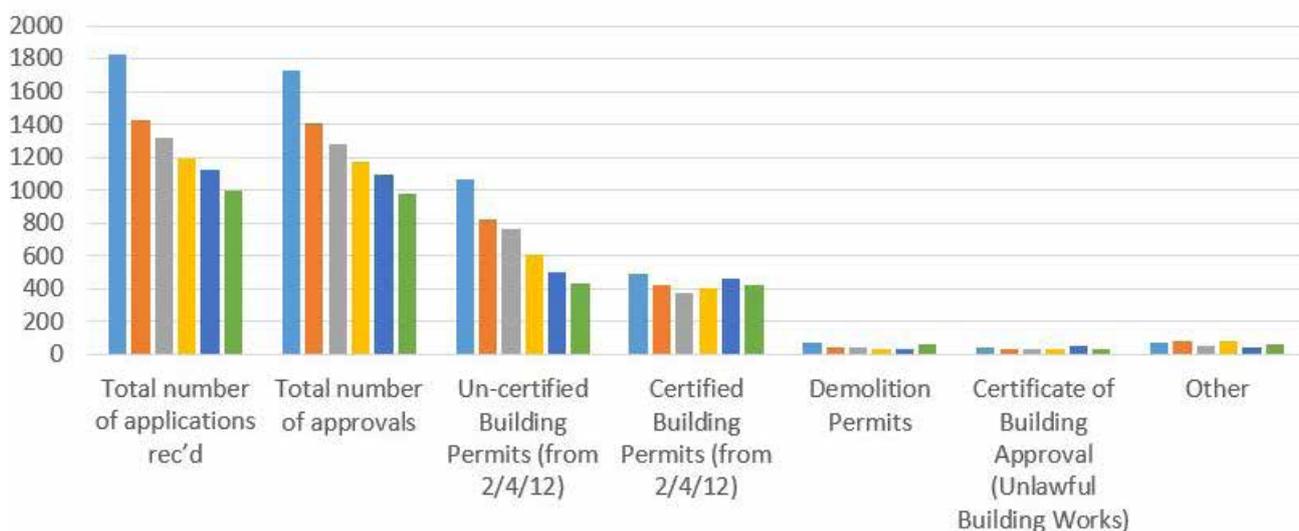
The number of unlawful building works brought to the City's attention decreased significantly with 30 property owners making application for retrospective approval compared to 55 in the previous year. The Building Act 2011 makes provision for where unlawful building works have been undertaken to be formally approved through the Building Approval Certificate process.

It should be noted that while application may be made for retrospective approval for unlawful

works, the City can still prosecute in relation to these works, currently the penalty for a first offence is \$50,000. Building Notices were issued on two occasions with the owners undertaking remediation works and successfully applying for approval.

BUILDING APPROVALS

Financial Years 2014-15 to 2018-19



Private Swimming Pools and Spas

As of 30 June 2019, the City reports 5695 registered private swimming pools and spas, down 38 on the previous year despite 49 new pool approvals.

Formal advice and subsequent inspections identified 80 swimming pools had been removed, which accounts for the decline in pool numbers.

Many people cite the cost and effort of maintaining a swimming pool as the primary reason for removal.

The State Government legislates that all private swimming pools and spas within the local government's boundaries must be inspected at least once every four years. The City employees a full time Swimming Pool Fencing Compliance Officer who inspects on average 17 properties per day.

While most of the City's private swimming pool or spa owning community comply with the legislation, a number of properties still have non-compliant security fencing or have allowed their fencing to deteriorate to the point of non-compliance.

Despite media coverage and inspection, only 37% of pools were found to have compliant barrier fences on the first inspection during the City's four-yearly cycle of inspections.

The City is currently working through the level of non-compliance with landowners. Infringement Notices, that carry a modified penalty of \$750, can be issued where property owners refuse to provide compliant fencing.



The City obtained 37 Entry Warrants to properties previously inaccessible.

3.2 To connect community to quality amenities

The City undertakes substantial capital works each year. These works are broadly broken into 'new' works, where new assets or facilities are constructed and 'renewal' works which rejuvenate existing assets as they age.

The renewal works program is

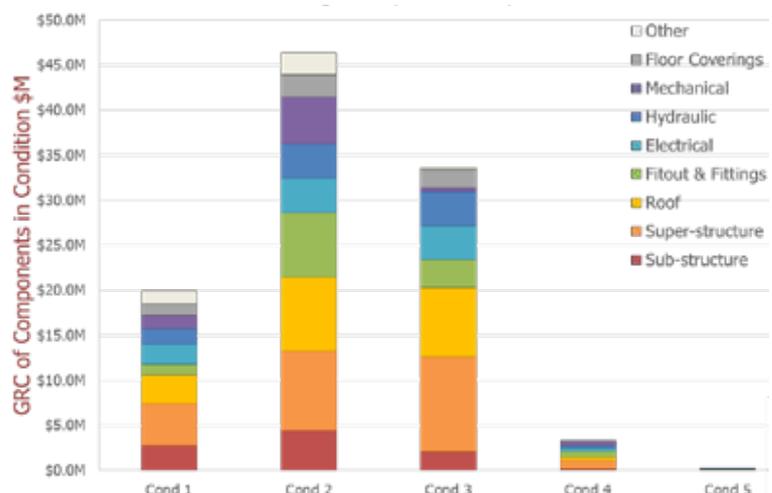
developed using contemporary Asset Management practices, including the development of Asset Management Plans for each category. The City has recently adopted asset management plans for Pathways, Parks, Drainage, and Roads.

Detailed information was collected on 59 City buildings to inform the final asset management plan for the City's buildings. The work included scoping renewal needs for asset components (including flooring, and roofing), and forecasting the work over a twenty year capital program. Key outputs of the plan include:

- Management of 262 individual buildings (which includes 114 minor buildings)
- Total value of all buildings \$106.1 million, and
- Majority of assets are in condition range 1 to 3.

The graph below shows the value of building assets by their condition, where a '1' means the asset is new or near new, and a '5' means the asset is in very poor condition and needing significant repair or replacement.

BUILDING COMPONENTS BY CONDITION PROFILE



Roads Assets

To ensure that the City's major roads remain in good condition, we undertake technical investigations of road pavements and surfaces, and seeks funding under the Metropolitan Regional Roads Group Road Rehabilitation Program, and the Commodity Freight Route Funding. Due to this thorough process, the City won \$930,000 of grant funding for our roads from 2018 to 2021.

Pathways Assets

In 2018 the City formalised a Pathways Policy and developed a method of assessing the priority of new paths. A new paths program has now been developed, that identifies necessary path links to activity centres and schools, and prioritises them for funding.

The Bicycle Plan

Projects for the bicycle plan are being scoped and delivered. The City completed designs for a shared path connecting Hale Road to Welshpool Road and the western boundary, as part of WA Bike Network grant funding. The City was also successful in receiving a new WABN grant for a local cycling route in High Wycombe. Being designed and delivered by 2021, this route connects Maclarty Park with Maida Vale Road, via Palmer Crescent. The aim is to have a completed cycling route to connect to the new train station when it opens.

Transport Planning and Road Safety

To address road sections and intersections with poor crash history, the City seeks funding under the State Black Spot Program. This provides funding for projects that

can reduce crashes with a minimum level of benefit cost ratio (BCR) and subject to other criteria. The City received funding for three projects:

- Speed cushions at the Lesmurdie Road and Canning Road intersection
- Guard rails along Holmes Road, and
- An intersection widening and improvement at the intersection of Canning Road and Pickering Brook Road.

The City has started a community focus on road safety with assistance from the WALGA Roadwise program. Included as part of the Community Safety and Crime Prevention Advisory Committee, the City will identify significant road safety concerns and plan education and awareness programs.

High Wycombe residents and businesses contributed to a strategy for the future of Kalamunda Road, between Roe Highway and Abernethy Road. The majority of responses supported a view that Kalamunda Road should serve as a low capacity main street type of road.

The Kalamunda Road Functional Review and Upgrade Plan will continue to be prepared, and when finished in mid-2020, it will identify how the road should be upgraded and improved over the next two decades.

Land Development

As part of the land use planning approvals process, the City oversees and assists with developments and subdivisions. Notable developments that the City was involved with include:

- The Forrestfield Airport Link train station, including the Dundas Road realignment, and the temporary storage of bulk spoil from the tunnelling operations.
- The Hales Estate, a 300+ lot subdivision in Forrestfield, progressing through stages 3 and 4, including the completion of the new park on Crimson Boulevard.
- The Maddington Kenwick Strategic Employment Area, also known as the Roe Highway Logistic Park, and the intersection of the new Logistics Boulevard with Welshpool Road East and Hale Road, Wattle Grove.

The City's role in these developments is to: firstly, ensure the development works have as little impact as possible on our residents, and secondly to ensure that assets created for public use (such as roads, drains, parks) are constructed to appropriate standards.

Parks and Reserves

Stirk Park Master Plan

Concept designs are currently being developed for the Stage 1 priorities including: a new playground, basketball court and skate park.

A hydrogeological investigation is being undertaken on the site to understand the water movement throughout the park. This will assist in guiding the final location of the stage one priorities.

Turf renovations were carried out at Hartfield Park, Forrestfield and will be completed on the sporting fields. These works were done to rejuvenate the turf and amend the soil profile after the long wet winter.

This was triple scarified and top dressed with 150m³ of sand at a thickness of 5mm. Roughly 400m³ of thatch was removed from the 3ha of playing surface which is a very considerable amount.

This will help create an even, firm and fast playing surface. Maida Vale also had some considerable aeration/coring works undertaken and followed up with top dressing 7mm thick to help with drainage and compaction issues.



Turf rejuvenation

New Mower

The Parks and Environmental Services team took delivery of a new Toro Ground Master 4000 wide area mower for the City's sports grounds and higher profile recreational reserves, with flexible cutting widths up to 3 meters wide and a cut height down to 25mm.

This is a very welcome replacement better suited to the City's terrain and improving turf reserves presentation.



New mower

This Reserve should soon receive all approvals from the State Government to allow it to be re-opened to the Community.



Alan Anderson Reserve

Ovals

Category 1 ovals were fertilised following on from a scientific analysis of requirements by agronomists. This helped to determine what nutrients were needed at each individual park, takes the guess work out and eliminates waste.



Oval fertilisation

Alan Anderson Reserve

Landscaping works were completed along with:

- Weed spraying
- Old post and rail fencing removal
- Over 500 cubic meters of mulch has been installed around the existing trees
- The carpark was cleaned and tidied up in preparation for a new surface
- Surface grading

The new bollard walls have been installed on the eastern boundary of Alan Anderson Reserve and mulching nearing completion.

Our irrigation crews have upgraded the power supply and installed the new temporary water supply for the temporary irrigation for the new turf.

Lincoln Reserve

A new disabled compliant BBQ was installed at Lincoln Reserve.

Bill Shaw Reserve

Two new LED light poles were installed at Bill Shaw Reserve to improve lighting over the basketball court, play area and reserve.

Buildings

Hartfield Park Recreation Centre

New carpets were installed to the centre's entrance and LED lights were fitted to Courts 1.



Hartfield Park Recreation Centre

Ray Owen Basketball Stadium
LED lights on Courts 5 and 6 was agreed (work completed in Q3 2019) as well as new skylights installed over Court 1.

Timber Floors

Building Maintenance is undertaking the sanding and sealing of the internal timber boards in to our Community Facilities.

Kalamunda Water Park

New shade sails were installed over walkway to water slides along, repairs were carried out and new painting to the slide walkway frame along with repairs to the inside of water slides to repair cracking found on joints.

Jack Healy Community Center

Ceiling replacement and roof repairs were completed at the Jack Healy Community Centre and new LED lights installed to the new ceilings.

Skamp Hall Lesmurdie

Asbestos external cladding was removed and replaced with Hardie sheets.

Major Road Projects

Hale Road-Woolworths Drive Intersection Upgrade (Design Only)

The project concept design commenced in 2017/18 financial year. Works commenced in 2017 to provide traffic engineering modelling and concept plans associated with intersection and traffic treatment options for the Hale Road/Woolworths Drive intersection and commercial access fronting Hale Road between



Hale Rd/Woolworths Dr Intersection

Woolworths Drive and the traffic signalised Hale Road/Woolworth Drive/Hanover/Strelitzia Avenue intersection.

Four options were developed for this intersection which were then provided for Public Consultation and Survey.

Community Consultation and Survey was undertaken by City's Customer Service and Communications team, Outcome of the survey resulted in Residents clearly preferring a Roundabout at intersections of Hale Rd / Woolworths Drive and Hale Rd / Hanover St

Draft Detailed Design was progressed by the City's Design team based on the Survey results, this Design was approved by MainroadsWA for Detailed Design. The City has consulted with various businesses and residents to rationalise the Crossovers and Land Acquisition issues affected by the Project.

A Road Safety Audit was also undertaken.

The project is progressing with necessary land access agreements to be struck and finalisation of Western Power needs.

Nardine Close, Forrestfield - Stage 1

The two-metre widening and construction of swale drainage each side of the existing section of road increasing the overall road width from six-metres to 10-metres to accommodate RAV7 vehicles, plus a footpath on the northern side of the road.

Ashby Close, Forrestfield

Reconstruction of the existing six-metre wide section and increasing road width to 10-metres, inclusive of piped stormwater drainage and footpath on the western side of the road.

The footpath on the western side that links the reconstructed section of the road through to Nardine Close as extended has been put on hold pending completion of the adjacent private development.



Ashby Cl

Nardine Close Extension – Stage 2

A new 300-metre road construction extension from the new Nardine/Ashby intersection. This section of road ends in a cul-de-sac and has been constructed to accommodate RAV4 vehicles.

A footpath has been constructed on the southern/western (as the road turns northwards towards the cul-de-sac) side of the road and links with the Nardine/Ashby footpath network.

Swale drainage has been constructed on the northern/eastern side of the road (the boundary with adjacent Bush-Forever Reserve).



Nardine Cl

Asset Maintenance

In addition to responding to more than 650 requests, the City's Road and Drainage maintenance team has completed various minor projects.

Some of the projects completed by the City's maintenance teams are listed below.

Anne Avenue Road Resurfacing

Walliston - Banksia Road to Cul-De-Sac end. Surface Renewal, Profile out existing chip seal to 40mm depth, SMA7 15mm thick, AC10 25mm thick, plus kerbing, footpath, drainage repairs.

Canning Road Shoulder Upgrade

Pomeroy Road to Welshpool Road East - Seal shoulders to provide 0.8 to 1.2m seal, install edge lines, raised pavement markers, guideposts, 110-metres of W Beam safety barrier on curve. State Blackspot Funding involved.



Canning Rd

Kalamunda Road – Boonooloo Road, Elizabeth Street Roundabout Upgrade

Kalamunda - Mill and replace asphalt and upgrade roundabout approach geometry. Upgrade pedestrian treatments.



Kalamunda Rd

Kalamunda Road-Newburn Road-Chipping Drive Roundabout Upgrade

High Wycombe - Reduce the western approach on Kalamunda Road from two lanes to one and install pre-deflection nibs on eastern and western approaches to roundabout. Reposition and increase size of roundabout to balance and reduce through traffic speed from all legs.

Patterson Road Shoulder Widening

Stage 1 - Bracken Road slk 0.0 - 1.0 - Profile, reshape existing table drain, widen and reconstruct to 6.2-metres wide.

Adelaide Street Slow Point Treatment

Maida Vale - The two slow points on Adelaide Street was constructed to slow traffic and make the area safer.

Berkshire Road Pedestrian Crossing

Forrestfield - Construction of the pedestrian crossing and associated footpath work on Berkshire Road at the intersection of Ilex Way is aimed to provide safe crossings for children attending school in the area.



Berkshire Rd

Ray Owen Carpark

Lesmurdie - Construction of parking bays at the entry and exit of Ray Owen to accommodate more vehicles during peak time of sporting events.



Ray Owen Carpark

Drainage

Booligal St Stage 1, New Drainage
 Lesmurdie - Barwon Street to creek in Reserve south of Orangedale Road, Upgrade and extend existing Dia. 225 pipe to Dia. 450 pipe.



Booligal St

Virgilia Way Drainage Work
 Forrestfield - To mitigate the flooding issues facing Virgilia Way residents in Forrestfield, a couple of soak wells were installed in Virgilia Way Reserve and also part of the reserve were turned into a shallow compensation basin to accommodate over flow.



Virgilia Wy

Flora Terrace Creek Upgrade
 Lesmurdie - Flora Terrace residents were constantly getting flooded over the years. To bring an end to this issue a section of creek between Flora Terrace and Booralie Way was widened to allow more flow through the creek.

Paths and Bridges

Project #4140-41 Cedar Way, FF, Pedestrian Bridges, Timber Decking Renewal

This year saw the continuation of bridge renewals in the City. Above are existing bridges in the Forrestfield, Woodlupine Brook area that were re-decked this year making the pedestrian use safer. Long lasting composite decking boards were used.



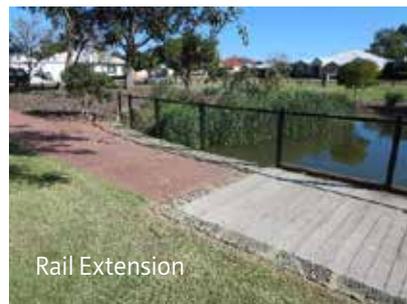
Before



After

4137 - Jacaranda Springs Estate, HW, Extend Guard Railing

Handrail extensions were installed throughout Jacaranda Springs to the block walls adjacent to the paths on site.



Rail Extension

Berberis Way Pathway Renewal

Forrestfield - removal of existing 1.2m concrete footpath and replaced with 300m x 1.8m concrete.



Berberis Wy

Pickering Brook Pathway

Pickering Brook - Extend existing concrete footpath on southern verge from No.208 to McCorkill Road including crossing connection to existing footpath on northern verge to provide a safe crossing point.



Pickering Brook

Schmitt Road New Pathway

Kalamunda - a new 1.8-metre wide path from Collins Road to Mundaring Weir Road (750m) was created.



Schmitt Rd

Infrastructure Development & Maintenance

Hartfield Park Managed Aquifer Recharge

The City enjoyed significant upgrades to the Managed Aquifer Recharge projects infrastructure.

These upgrades included a new automated controller for the injection valve, an upgrade to the activated carbon filter and a new injection bore (currently under construction).

The new automated injection valve controller has significantly increased the overall performance and efficacy of the scheme, with far less disruption during injection.

The upgrade to the activated carbon filter and the injection bore will increase the harvesting capacity by an assumed 100%.



Upgraded Activated Carbon Filter



Automated Injection Valve Controller

4145 - Kostera Reserve Training Lighting Program - Renewal

The sports lighting renewal project at Kostera Oval Sporting Precinct took place in April and completes the key items for the redevelopment of the site that first commenced in 2014.

The lighting renewal works provide 50Lux Training and 100 Lux Competition lighting to the main Kostera Oval and new lighting at the Southern end has 50 Lux training which means the main football oval has much decreased wear and tear keeping the turf looking and performing excellently throughout the season.

The functionality of the site has been fully optimised for the benefit of all stakeholders including Kalamunda High School, Kalamunda Cricket Club, Kalamunda and Districts Junior Football Club and the greater Kalamunda Community.



Kostera Reserve

4146 - Reid Oval - Upgrade Lighting

Sports lighting upgrades were successfully completed at the John Reid Oval, Hartfield Park, Forrestfield in April.

The lighting upgrades provide 50 Lux Training and 100 Lux Competition lighting to the site.

The lighting upgrades hugely benefit the site's main users including the Football Club - The Mighty Rhinos - both the Senior and Junior sides so the oval now meets the requirements for increased demand for female participation in AFL.

The project was joint funded by the City, State Government, via capital works funding grant and the Forrestfield Football Club.



Reid Oval

Woodlupine Brook Living Stream Stage 2

The City continued development of The Promenade Reserve, with Stage 2 connecting the previously developed area undertaken by the original developer of the estate (Stage 1 - downstream section) through to the Pedestrian Bridge located across the Water

Corporation Main Drain behind the Wattle Grove Shopping Centre. The focus of the project has been to transform the Water Corporation Main Drain into the Woodlupine Brook Living Stream. Landscaping works within the living stream area and reshaping/landscaping of the public open space has also been undertaken.

Installation of a mini basketball court and exercise equipment has also been included.

The prime focus of the living stream component of the project is to slow the flow of the water down in a controlled fashion including construction of a meandering brook (as compared to the straight-line drain), strategic located riffles (including rocky sections) and



Pedestrian bridge view



Exercise equipment

appropriately planted reed species. The widening of the brook has incorporated not only a reduction in the flow of the water but also removes a safety hazard (including a drain with steep side slopes).

3.3 To develop and enhance the City's economy

The City's Economic Development Strategy is committed to promoting sustainable economic growth and has focused on four major priorities:

- Industry Expansion and Attraction
- Business Capacity Building
- Strong Local Identity
- Welcoming Environment

The City continues to actively participate in regional networks including the Eastern Metropolitan Regional Council, GROW South East and the Inland Freight and Logistics Hub Member Councils on collaborative projects to facilitate industry expansion and attraction. The latter has been formalised by the creation of a Memorandum of Understanding in which the Cities of Canning, Belmont, Swan and Kalamunda resolve to work together in good faith for the promotion, advancement and development of the Inland Freight and Logistics Hub and Corridor given that the freight and logistics industry is a major economic driver. This collaboration has now been branded as Link WA.

We continued collaborating with the Kalamunda Chamber of Commerce to support the Farmers and Night Markets, the Annual Kalamunda Business awards, industry events, training opportunities and networking. These have contributed to the effective capacity building of our business community.

The City partnered with the Small Business Development Corporation to host a "Start your own Business" booth for the 2019 Kalamunda Careers Expo which was designed to aide students, young adults, job seekers and career changers in understanding the essentials of establishing their own business venture.

In addition, the City worked with Kalamunda Central to activate their Community Space by hosting workshops for small business in digital and presentation skills. This is an excellent initiative which has been developed to create a welcoming and supportive environment for community use and for emerging business.

The City's Economic Development team supported the Kalamunda Arts Advisory Committee to develop the City's "Creative Communities - An Arts Strategy 2019". This document sets out new ways for the arts to become a larger part of the City's work and will add to the attractiveness and value of Kalamunda as a place to live, visit and where there is a strong community spirit.



3.4 To be recognised as a preferred tourism destination

The City of Kalamunda's Tourism Development Strategy was adopted by Council in June. The document was guided by the community formed Tourism Community Reference Group and articulates the way forward in tourism for the next six years. The City's tourism brand Experience Perth Hills continues to lead the way in shining a light on the Perth Hills Region. There has been significant growth within the social media arena with its Facebook followers reaching 13643 and content shared an outstanding 2.5 million times through Facebook, Instagram and Twitter. Instagram continues to be a major

force in destination promotion with the brand's following increasing by 2416. The bespoke Experience Perth Hills website www.experienceperthhills.com.au has seen increased traffic and continues to provide correct, up to the minute information for visitors with a number of downloadable maps and trails. Videos showcasing this ever popular region are showcased via the website.

Partnerships with Destination WA have brought the City of Kalamunda's tourism offering to the fore with two television segments on Channel 9. Bickley Valley, Carmel and Pickering Brook continue to grow in popularity, due to the ever increasing offering within this region. The Blossom Festival pop

ups have created huge interest together with farm gate and more traditional meet the maker experiences. The City is well placed to provide the remarkable and memorable offerings visitors are looking for.

During the year the City formally commenced work with the City of Armadale, Shire of Mundaring, City of Swan and Shire of Serpentine Jarrahdale on the Perth Hills Tourism Alliance. This initiative will encourage visitors to the wider Perth Hills region and we know there will be more strength in our destination marketing through this collaboration. It is an exciting time for our region, we are on the doorstep of Perth with an abundance of experiences for the visitor to enjoy.

Priority 4

Kalamunda Leads

4.1 To provide leadership through transparent governance

Risk Management

The City is firmly committed to organisation-wide risk-management practices to ensure consistent, efficient and effective assessment and management of risk in all decision making. The City has recently undertaken a comprehensive review of its Risk Management Framework with a strong focus on training and implementing systems and processes that streamline the management of risk. In addition, we have developed and implemented a Fraud and Corruption Control Plan further strengthening the risk environment.

The City's Risk Management Framework is structured around the Australian Standard for Risk Management (AS/NZ ISO 31,000:2018) which is strongly focused on:

- Maintaining high levels of integrity for services provided by the City
- Protecting the City's physical and non-physical assets including employees, elected members, financial information, and property
- Achieving and maintaining legislative and regulatory

compliance, including codes of conduct and professional standards

- Creating an environment where all employees assume responsibility for the proactive management of risk, and
- Demonstrating transparent and responsible risk management processes to align to accepted best practice to address uncertainty and to deliver continuous improvement.

The City's Audit and Risk Committee undertakes a review of the Strategic Risk Register each quarter.

Information Technology

The City remains focused on executing its Information Communications (ICT) Strategy. The ICT Strategy is built around the following seven key areas and is focused on the delivery of enhanced services to the community and citizens of Kalamunda.

- Governance
- Infrastructure and Technology
- Business Systems Applications
- Human Capital
- Business Continuity
- Communications and Information Management, and
- Security

With the increase of cybercrime

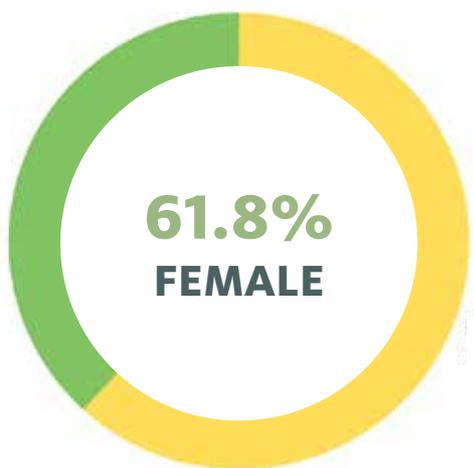
around the globe, the City remains focused on securing its digital assets and have created a Cyber Security Strategy and participated in security tests with a view to better understanding and minimising risk.

The City has increased its focus on the mapping of business processes to ensure that it is ready for new business systems applications as they become available.

Data visualisation skill and capacity are now being built within the City to better enable decisions.

Workforce Diversity

Type of Authority	Females	Aboriginal Australians	People with disability	Culturally diverse background	24 years and under	45 years and over
Kalamunda Workforce	61.8%	0.3%	1.6%	22.9%	5.7%	50.1%
Kalamunda District (Census 2016)	50.5%	1.8%	3.6%	29% Born overseas (12% NESB)	8.3% (18 - 24 years)	33.5% (49 - 85 years)
Local Government Workforce (WA)	54.4%	1.7%	1.2%	11.3%	14.2% (Under 30)	46.9%



Employee Remuneration

Salary Range \$	2018/2019
100,000 – 109,999	16
110,000 – 119,999	10
120,000 – 129,999	2
130,000 – 139,999	2
140,000 – 149,999	1
150,000 – 159,999	5
160,000 – 169,999	2
170,000 – 179,999	1
180,000 – 189,999	0
190,000 – 199,999	0
200,000 – 209,999	1
210,000 – 219,999	2
220,000 – 229,999	1
230,000 – 239,999	0
240,000 – 249,999	0
250,000 – 259,999	0
260,000 – 269,999	0
270,000 – 279,999	0
280,000 – 289,999	1

4.2 To proactively engage and partner for the benefit of community

The City partnered with a number of community groups to deliver community programs and events in 2018/2019.

Community engagement continued to be a strong focus for the City.

The City collaborated and sought public input on the following items in the 2018/2019 Financial Year:

- Paperless Information Centre
- Website Redevelopment
- Kalamunda Activity Centre Plan
- All Abilities – Online Community
- 2018 Christmas Lights in the City
- Environmental Sustainability Initiatives
- Draft Industrial Development Strategy
- Good Neighbours
- Development Applications
- Amendments to Local Planning Schemes and Plans
- Maida Vale Reserve Master Plan
- Community Event Feedback
- Community Safety and Crime Prevention Advisory Committee (2018)
- Local Environment Strategy
- Local Structure Plan - Forrestfield North: Residential Precinct
- Proposal to Rename Willoughby Park
- Libraries Trial: Modified Winter Hours
- Recycling and Waste Management
- Proposed Upgrades to Tanner Road, Carmel
- Cambridge Reserve Enhancement: Concept Design
- Kalamunda Connected
- Pest Control: Fox Control Program
- Health and Wellbeing
- Local Heros & Volunteers
- Draft Maida Vale Reserve Master Plan
- Hummerston Road Upgrades
- Tourism Strategy: Register for workshops
- Scott Reserve Master Plan
- Wattle Grove South - Visioning & Values
- Name the Suburb Competition
- Bushfire Season 2018
- Town Teams
- Local Planning Policy P-DEV 62 - Maddington-Kenwick Strategic Employment Area
- Community Facilities Plan
- Environmental Land Use Planning Strategy (ELUPS)
- Innovative Housing
- Visual Identity Steering Committee
- Draft Local Planning Policy P-DEV 65: Heritage Area – Welshpool Road East – Avenue of Lemon Scented Gums
- Kalamunda Night Market Survey (Business Review)
- Kalamunda Town Centre Pedestrian Improvements
- Asset Levels of Service: Buildings
- Milner Road/Maida Vale Road Intersection, High Wycombe – Traffic Treatment Options
- Notice of Proposed Amendment to Maida Vale Cell 6 Local Structure Plan
- Community Events
- Arts Strategy & Public Art Policy
- Access and Parking Concept Plan: Ray Owen Reserve
- Draft Reconciliation Action Plan
- Kalamunda Road Investigation
- Local Planning Scheme No. 3 Scheme Amendment No. 101 (PG-LPS-003/101)
- Proposed Parking and Parking Facilities Local Law 2019
- ALOS Buildings Staff Survey
- Cell 9 Wattle Grove – Development Contribution Plan Review
- Forrestfield / High Wycombe Industrial Area Stage 1 Design Guidelines
- Rates: Objects & Reasons for 2019/2020
- Notice of Proposed Amendment to Outline Development Plan
- Kalamunda Activity Centre Draft Plan 2019
- Expressions of Interest: Inclusive Kalamunda Focus Group
- Share Your Vision for Heidelberg Park
- P-DEV 63: Consulting Rooms in Residential Areas
- Proposed Amendment to Forrestfield U7 Outline Development Plan

Record Keeping and Statutory Requirements

Statement on the City of Kalamunda Record Keeping Plan

The City of Kalamunda is committed to the management of government records in accordance with legislative requirements and best practice standards. The City of Kalamunda's Record Keeping Plan is due for resubmission to the State Records Commission in December 2019.

Electronic Document Records Management System

The new Enterprise Content Management System, Altus ECM, continues to be embedded into processes and new systems. The Altus Collaboration, which is replacing the old SynergySoft database module by module, is ensuring full integration with Altus ECM as part of the replacements. All systems identify passive capture of records as being vital to ensuring compliance, taking out manual work processes and templating most of the keywords and classifications.

Training

There has been a strong focus on documentation and training around email storage, optimising system use.

The City of Kalamunda uses Litmos as its Learning Management System, which allows for online learning, including Records Management. It also allows for

quizzes, to reinforce learning, and ensure there is a baseline knowledge. Processes relating to Records Management have been added to the Promapp, which is the system of recording the Processes of the City of Kalamunda.

Risks

Risks relating to Records Management have been inputted into the City's Operational Risk System and are reported on quarterly.

KPI and Performance Management

Records performance is measured through the Interplan System on a monthly basis, providing a system of monitoring of the Records Area by management and Council.

Freedom of Information Statement

The Information Statement for the City of Kalamunda was updated March 2019 and will be reviewed again in February 2020. The Information Statement is available on the City's website and from the Administration Centre.

There were 22 new valid Freedom of Information requests received during the 2018/2019 financial year. In 2018/2019, the split between personal and non-personal requests was:

- Personal information - 2
- Non-personal information - 19

The average time taken to deal with a FOI request was 17 days.

There were three internal reviews, two where the decision was varied, one where the original decision was confirmed.

City of Kalamunda Financial Report for Year Ended 30 June 2019



**CITY OF KALAMUNDA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Kalamunda for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the City of Kalamunda at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 11th day of November 2019



Chief Executive Officer

Rhonda Hardy

Name of Chief Executive Officer





Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the City of Kalamunda

Report on the Audit of the Annual Financial Report

Opinion

I have audited the annual financial report of the City of Kalamunda which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the City of Kalamunda:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the City's annual financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Annual Financial Report

The Chief Executive Officer (CEO) of the City is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of a annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual financial report, the CEO is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the City.

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

Auditor's Responsibility for the Audit of the Annual Financial Report

The objectives of my audit are to obtain reasonable assurance about whether the annual financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the annual financial report, including the disclosures, and whether the annual financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the City:
 - a. Asset Sustainability Ratio as reported in Note 37 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' standard for the last three financial years.
- (ii) The following material matters indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law were identified during the course of my audit:
 - a. Rates Adjustment journal entries prior to March 2019 were posted by one employee, without being reviewed by a senior staff member independent of preparation. Rates adjustment journals can represent significant adjustments to previously approved rates transactions, and should therefore be appropriately reviewed and approved. After we reported this finding, management reviewed and approved the journal entries that had not been reviewed and did not identify any errors.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The annual financial report of the City for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 37 of the audited annual financial report were included in the supplementary information and/or audited annual financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the City of Kalamunda for the year ended 30 June 2019 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
13 November 2019

CITY OF KALAMUNDA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2019

		2019	2019	2018
	NOTE	Actual	Budget	Restated*
		\$	\$	\$
Revenue				
Rates	25(a)	37,436,125	36,750,247	35,992,132
Operating grants and subsidies	2(a)	2,854,853	1,451,728	2,683,366
Contributions, Reimbursements and Donations		621,232	949,625	1,401,505
Fees and charges	2(a)	15,459,212	15,759,809	16,010,818
Interest earnings	2(a)	1,021,116	1,301,727	1,094,348
Other revenue	2(a)	39,940	79,473	62,043
		57,432,478	56,292,608	57,244,212
Expenses				
Employee costs		(25,253,690)	(24,447,883)	(24,026,597)
Materials and contracts		(20,391,297)	(21,933,028)	(20,563,241)
Utility charges		(1,893,592)	(1,850,990)	(2,338,226)
Depreciation on non-current assets	11 (c)	(10,986,630)	(10,835,774)	(10,237,301)
Interest expenses	2(b)	(298,308)	(316,697)	(337,878)
Insurance expenses		(606,001)	(570,800)	(588,539)
Other expenditure		(377,878)	(1,698,700)	(461,951)
		(59,807,396)	(61,653,872)	(58,553,733)
		(2,374,918)	(5,361,264)	(1,309,521)
Non-operating grants, subsidies and contributions	2(a)	4,220,936	5,571,227	3,390,580
Profit on asset disposals	11(b)	71,935	0	26,879
(Loss) on asset disposals	11(b)	(960,029)	0	(254,208)
Share of profit or loss of associates accounted for using the equity method	21(a)	998,408	1,630,348	1,913,625
Capital (Developer Contributions)		1,346,803	4,759,393	1,339,873
Reversal of prior year loss on revaluation of plant and equipment	9(b)	91,366	0	0
		5,769,419	11,960,968	6,416,749
Net result for the period		3,394,500	6,599,704	5,107,228
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	12	570,669	0	198,262,269
Increase in fair value of other equity investments		127,766	0	0
Share of other comprehensive income of associates accounted for using the equity method	21(a)	(107,738)	0	(143,797)
Total other comprehensive income for the period		590,697	0	198,118,472
Total comprehensive income for the period		3,985,197	6,599,704	203,225,700

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

* Refer to note 33

CITY OF KALAMUNDA
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2019

		2019	2019	2018
	NOTE	Actual	Budget	Restated*
		\$	\$	\$
Revenue				
	2(a)			
Governance		7,214	115,453	20,074
General purpose funding		41,289,905	39,410,431	39,692,756
Law, order, public safety		492,183	572,399	536,252
Health		885,305	633,343	634,927
Education and welfare		62,448	69,517	63,410
Community amenities		12,276,496	12,444,246	12,737,344
Recreation and culture		1,696,838	1,853,668	1,917,804
Transport		39,664	30,000	36,614
Economic services		252,964	618,128	557,578
Other property and services		429,461	545,423	1,047,453
		57,432,478	56,292,608	57,244,212
Expenses				
	2(b)			
Governance		(4,049,625)	(3,594,931)	(3,829,504)
General purpose funding		(745,878)	(661,650)	(604,815)
Law, order, public safety		(1,952,166)	(2,107,835)	(2,024,127)
Health		(1,593,391)	(1,888,329)	(1,524,919)
Education and welfare		(453,167)	(493,503)	(289,588)
Community amenities		(14,408,586)	(16,024,638)	(15,288,110)
Recreation and culture		(19,080,431)	(20,753,961)	(18,634,266)
Transport		(13,176,803)	(12,417,844)	(12,404,703)
Economic services		(1,092,070)	(1,222,528)	(1,127,311)
Other property and services		(2,956,971)	(2,171,956)	(2,488,512)
		(59,509,088)	(61,337,175)	(58,215,855)
Finance Costs				
	2(b)			
Other property and services		(298,308)	(316,697)	(337,878)
		(298,308)	(316,697)	(337,878)
Non-operating grants, subsidies and contributions	2(a)	4,220,936	5,571,227	3,390,580
Profit on disposal of assets	11(b)	71,935	0	26,879
(Loss) on disposal of assets	11(b)	(960,029)	0	(254,208)
Share of net profit of associates accounted for using the equity method	21(a)	998,408	1,630,348	1,913,625
Capital (Developer Contributions)		1,346,803	4,759,393	1,339,873
Reversal of prior year loss on revaluation of plant and equipment	9(b)	91,366	0	0
		5,769,419	11,960,968	6,416,749
		3,394,500	6,599,704	5,107,228
Net result for the period				
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	12	570,669	0	198,262,269
Increase in fair value of other equity investments		127,766	0	0
Share of other comprehensive income of associates accounted for using the equity method	21(a)	(107,738)	0	(143,797)
		590,697	0	198,118,472
		3,985,197	6,599,704	203,225,700

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

* Refer to note 33

**CITY OF KALAMUNDA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019**

	NOTE	2019 \$	Restated* 2018 \$
CURRENT ASSETS			
Cash and cash equivalents	3	20,737,597	21,709,276
Trade receivables	5	3,118,448	3,390,990
Other financial assets at amortised cost	8(a)	3,346,005	3,273,620
Inventories	6	116,822	100,015
Other current assets	7	265,088	279,524
TOTAL CURRENT ASSETS		27,583,960	28,753,425
NON-CURRENT ASSETS			
Trade receivables	5	767,306	663,354
Other financial assets at amortised cost	8(b)	103,403	124,241
Financial assets at fair value through other comprehensive income	8(b)	140,137	12,371
Inventories	6	386,067	386,067
Investments accounted for using the equity method	21(a)	31,407,709	30,517,040
Property, plant and equipment	9	152,841,525	150,413,348
Infrastructure	10	369,040,188	367,706,478
TOTAL NON-CURRENT ASSETS		554,686,335	549,822,899
TOTAL ASSETS		582,270,295	578,576,324
CURRENT LIABILITIES			
Trade and other payables	13	6,301,587	6,382,509
Borrowings	14(b)	672,155	652,798
Employee related provisions	15	3,723,149	3,182,196
TOTAL CURRENT LIABILITIES		10,696,891	10,217,503
NON-CURRENT LIABILITIES			
Borrowings	14(b)	4,281,990	4,954,144
Employee related provisions	15	455,316	553,776
TOTAL NON-CURRENT LIABILITIES		4,737,306	5,507,920
TOTAL LIABILITIES		15,434,197	15,725,423
NET ASSETS		566,836,098	562,850,901
EQUITY			
Retained surplus *		221,680,150	217,287,645
Reserves - cash backed	4	17,223,164	18,221,169
Revaluation surplus	12	327,932,784	327,342,087
TOTAL EQUITY		566,836,098	562,850,901

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

* Refer to note 33

**CITY OF KALAMUNDA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30TH JUNE 2019**

		RESERVES			
	NOTE	RETAINED SURPLUS	CASH BACKED	REVALUATION SURPLUS	
		\$	\$	\$	
		\$		TOTAL EQUITY	
		\$		\$	
Balance as at 1 July 2017		211,834,803	18,767,297	129,223,615	359,825,715
Prior year adjustment *	33	(200,514)	0	0	(200,514)
Restated total equity at the beginning of the financial year		211,634,289	18,767,297	129,223,615	359,625,201
Comprehensive income					
Net result for the period		5,107,228	0	0	5,107,228
Other comprehensive income *	12	0	0	198,118,472	198,118,472
Total comprehensive income		5,107,228	0	198,118,472	203,225,700
Transfers from/(to) reserves		546,128	(546,128)	0	0
Balance as at 30 June 2018		217,287,645	18,221,169	327,342,087	562,850,901
Restated total equity at the beginning of the financial year		217,287,645	18,221,169	327,342,087	562,850,901
Comprehensive income					
Net result for the period		3,394,500	0	0	3,394,500
Other comprehensive income	12	0	0	590,697	590,697
Total comprehensive income		3,394,500	0	590,697	3,985,197
Transfers from/(to) reserves		998,005	(998,005)	0	0
Balance as at 30 June 2019		221,680,150	17,223,164	327,932,784	566,836,098

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

* Refer to note 33

CITY OF KALAMUNDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30TH JUNE 2019

		2019	2019	2018
	NOTE	Actual	Budget	Restated*
		\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		37,291,278	36,726,247	35,057,719
Operating grants and subsidies		2,854,853	1,451,728	1,784,539
Contributions, Reimbursements and Donations		621,232	949,625	1,401,505
Fees and charges		12,516,684	15,759,810	12,858,628
Interest received		1,021,116	1,301,727	1,094,348
Goods and services tax received		3,582,968	1,810,582	3,597,319
Other revenue		39,940	79,473	62,043
		57,928,071	58,079,192	55,856,101
Payments				
Employee costs		(24,811,743)	(23,609,250)	(24,039,173)
Materials and contracts		(20,472,639)	(21,927,723)	(20,242,881)
Utility charges		(1,893,592)	(1,850,992)	(2,338,226)
Interest expenses		(308,866)	(316,697)	(350,633)
Insurance paid		(606,001)	(570,800)	(588,539)
Goods and services tax paid		(329,524)	(1,995,266)	(504,109)
Other expenditure		(377,879)	(1,698,699)	(461,950)
		(48,800,244)	(51,969,427)	(48,525,511)
Net cash provided by (used in) operating activities	16	9,127,827	6,109,765	7,330,590
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(b)	(4,735,136)	(7,287,157)	(4,045,494)
Payments for construction of infrastructure	10(b)	(10,503,612)	(22,693,040)	(11,232,769)
Payments for financial assets at amortised cost		(84,220)	0	(66,347)
Non-operating grants, subsidies and contributions	2(a)	4,220,936	5,571,227	3,390,580
Proceeds from self supporting loans		44,346	34,492	87,977
Proceeds from sale of property, plant & equipment	11(b)	264,174	0	330,241
Net cash provided by (used in) investment activities		(10,793,511)	(24,374,477)	(11,535,812)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	14(a)	(652,798)	(657,817)	(763,736)
Proceeds from new borrowings		0	2,520,000	0
Capital (Developer Contributions)		1,346,803	4,759,393	1,339,873
Net cash provided by (used in) financing activities		694,005	6,621,576	576,137
Net increase (decrease) in cash held		(971,679)	(11,643,137)	(3,629,085)
Cash at beginning of year		21,709,276	26,169,457	25,338,361
Cash and cash equivalents at the end of the year	16	20,737,597	14,526,320	21,709,276

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

* Refer to note 33

CITY OF KALAMUNDA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

		2019	2019	2018
	NOTE	Actual	Budget	Restated* Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	26(b)	4,090,347	3,581,226	5,749,092
		4,090,347	3,581,226	5,749,092
Revenue from operating activities (excluding rates)				
Governance		7,214	115,453	20,074
General purpose funding		4,355,437	4,483,863	5,809,229
Law, order, public safety		492,183	572,399	536,252
Health		885,305	381,102	634,927
Education and welfare		62,448	69,517	63,410
Community amenities		12,276,496	12,444,246	12,737,344
Recreation and culture		1,696,838	1,853,668	1,917,804
Transport		39,664	30,000	36,614
Economic services		252,964	870,369	557,578
Other property and services		1,499,804	545,423	1,074,332
		21,568,353	21,366,040	23,387,564
Expenditure from operating activities				
Governance		(4,049,625)	(3,594,931)	(3,829,504)
General purpose funding		(745,878)	(661,650)	(604,815)
Law, order, public safety		(1,952,166)	(2,107,835)	(2,039,127)
Health		(1,593,391)	(1,888,329)	(1,524,919)
Education and welfare		(453,167)	(493,503)	(502,378)
Community amenities		(14,408,586)	(16,024,638)	(15,288,110)
Recreation and culture		(19,697,024)	(20,753,961)	(18,642,082)
Transport		(13,420,070)	(12,417,844)	(12,404,703)
Economic services		(1,092,070)	(1,222,528)	(1,127,311)
Other property and services		(3,264,083)	(2,488,653)	(2,844,992)
		(60,676,060)	(61,653,872)	(58,807,941)
Non-cash amounts excluded from operating activities	26(a)	11,129,304	9,945,721	8,311,679
Amount attributable to operating activities		(23,888,056)	(26,760,885)	(21,359,605)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	4,220,936	5,571,227	3,390,580
Proceeds from disposal of assets	11(b)	264,174	0	330,241
Proceeds from self supporting loans		44,346	34,492	87,977
Purchase of property, plant and equipment	9(b)	(4,735,136)	(7,287,157)	(4,045,494)
Purchase and construction of infrastructure	10(b)	(10,503,612)	(22,693,040)	(11,232,769)
Amount attributable to investing activities		(10,709,290)	(24,374,478)	(11,469,464)
FINANCING ACTIVITIES				
Repayment of borrowings	14(a)	(652,798)	(657,817)	(763,736)
Proceeds from borrowings	14(a)	0	2,520,000	0
Capital (Developer Contributions)		1,346,803	4,759,393	1,339,873
Transfers to reserves (restricted assets)	4	(6,330,543)	(1,693,069)	(7,281,397)
Transfers from reserves (restricted assets)	4	7,328,549	12,514,813	7,827,525
Amount attributable to financing activities		1,692,010	17,443,320	1,122,264
Surplus/(deficit) before imposition of general rates		(32,905,337)	(33,692,043)	(31,706,805)
Total amount raised from general rates	25	36,934,468	36,556,916	35,797,152
Surplus/(deficit) after imposition of general rates	26(b)	4,029,131	2,864,873	4,090,347

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

* Refer to note 33

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

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 report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

CRITICAL ACCOUNTING ESTIMATES

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

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

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.

In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 28 to these financial statements



CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

Grants and subsidies are included as both operating and non-operating revenues in the Statement of Comprehensive Income:

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Operating grants and subsidies			
General purpose funding	2,598,458	1,095,090	2,301,537
Law, order, public safety	155,493	194,608	185,178
Education and welfare	9,252	7,530	8,182
Recreation and culture	58,349	122,000	122,424
Transport	30,801	30,000	31,045
Other property and services	2,500	2,500	35,000
	2,854,853	1,451,728	2,683,366
Non-operating grants and subsidies			
Law, order, public safety	0	0	514,832
Health	144,687	0	0
Recreation and culture	898,086	341,650	242,927
Transport	3,178,163	5,229,577	2,632,821
	4,220,936	5,571,227	3,390,580
Total grants, subsidies and contributions	7,075,789	7,022,955	6,073,946

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

Grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over

Grants, donations and other contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 24. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Significant revenue

Increase In Equity Value
 Eastern Metropolitan Regional Council (EMRC)

Other revenue

Other

Fees and Charges

Governance
 General purpose funding
 Law, order, public safety
 Health
 Education and welfare
 Community amenities
 Recreation and culture
 Transport
 Economic services
 Other property and services

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
	998,408	1,630,348	1,913,625
	998,408	1,630,348	1,913,625
	39,940	79,473	62,043
	39,940	79,473	62,043
	10	94,787	5,000
	205,405	237,365	281,202
	300,737	335,231	303,865
	884,955	871,886	621,044
	53,196	61,987	55,217
	12,274,038	12,409,090	12,692,097
	1,306,631	1,278,642	1,335,306
	514	0	5,569
	247,424	343,510	556,517
	186,302	127,311	155,001
	15,459,212	15,759,809	16,010,818
	9,479	13,715	15,025
	122,445	209,772	142,207
	388,527	447,500	444,875
	27,928	99,716	35,273
	472,737	531,024	456,968
	1,021,116	1,301,727	1,094,348

There were no changes during the year to the amount of the fees or charges detailed in the original budget.

Interest earnings

Loans receivable - clubs/institutions
 Reserve accounts interest
 Municipal funds
 Non Investments - Municipal
 Rates instalment and penalty interest

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset 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).

Interest earnings (Continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes

CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Other services

Interest expenses (finance costs)

Borrowings (refer Note 14(a))

Rental charges

- Operating leases

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
	40,000	41,200	19,500
	96,925	94,393	103,596
	136,925	135,593	123,096
	298,308	316,697	337,878
	298,308	316,697	337,878
	191,658	224,282	311,954
	191,658	224,282	311,954



CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash on Hand - Unrestricted		5,690	5,690
Cash at Bank - Municipal		20,731,907	21,703,586
		<u>20,737,597</u>	<u>21,709,276</u>
Comprises:			
- Unrestricted cash and cash equivalents		6,579,857	6,654,079
- Restricted cash and cash equivalents		14,157,740	15,055,197
		<u>20,737,597</u>	<u>21,709,276</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Long Service Leave Reserve	4	975,756	967,820
Land and Property Enhancement and Maintenance Reserve	4	1,637,323	1,648,799
Waste Management Reserve	4	1,882,061	1,866,753
EDP IT Equipment Reserve	4	945,039	937,352
Local Government Elections Reserve	4	130,196	129,134
HACC Reserve	4	19,113	20,003
Forrestfield Industrial Area Reserve	4	123,338	122,341
Insurance Contingency Reserve	4	282,240	279,944
Revaluation Reserve	4	257,367	255,268
Nominated Employee Leave Provisions Reserve	4	1,928,479	1,912,791
Forrestfield Industrial Scheme Stage 1 Reserve	4	1,382,439	2,210,731
Asset Enhancement Reserve	4	1,259,273	1,769,752
Unexpended Capital Works and Specific Purpose Grants Reserve	4	5,726,181	5,431,620
Waste Avoidance and Resource Recovery Reserve	4	605,510	600,578
Environmental Reserve	4	68,849	68,285
		<u>17,223,164</u>	<u>18,221,169</u>
Other restricted cash and cash equivalents			
Unspent grants/contributions	24	233,020	48,252
Total restricted cash and cash equivalents		<u>17,456,184</u>	<u>18,269,421</u>
Financed by			
Restricted cash		14,157,740	15,055,197
Restricted Term Deposits	8(a)	3,298,444	3,214,224
		<u>17,456,184</u>	<u>18,269,421</u>

SIGNIFICANT 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

Cash and cash equivalents (Continued)

and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Long Service Leave Reserve	967,820	7,936	0	975,756	943,976	180,950	(700,000)	424,926	1,556,519	11,301	(600,000)	967,820
(b) Land and Property Enhancement and Maintenance Reserve	1,648,799	13,524	(25,000)	1,637,323	1,654,769	19,392	(600,000)	1,074,161	1,835,357	13,442	(200,000)	1,648,799
(c) Waste Management Reserve	1,866,753	15,308	0	1,882,061	1,895,137	21,984	(244,146)	1,672,975	1,301,219	609,681	(44,147)	1,866,753
(d) EDP IT Equipment Reserve	937,352	7,687	0	945,039	975,174	311,312	(783,300)	503,186	831,396	705,956	(600,000)	937,352
(e) Local Government Elections Reserve	129,134	1,063	0	130,196	108,110	1,254	0	109,364	128,191	943	0	129,134
(f) HACC Reserve	20,003	0	(891)	19,113	0	0	0	0	341,726	2,438	(324,161)	20,003
(g) Forrestfield Industrial Area Reserve	122,341	997	0	123,338	123,478	1,432	0	124,910	121,445	896	0	122,341
(h) Insurance Contingency Reserve	279,944	2,296	0	282,240	288,956	3,352	0	292,308	178,606	101,338	0	279,944
(i) Revaluation Reserve	255,268	2,099	0	257,367	257,696	2,989	0	260,685	253,406	1,862	0	255,268
(j) Nominated Employee Leave Provisions Reserve	1,912,791	15,689	0	1,928,479	1,562,920	218,130	(700,000)	1,081,050	1,775,544	337,247	(200,000)	1,912,791
(k) Forrestfield Industrial Scheme Stage 1 Reserve	2,210,731	499,366	(1,327,658)	1,382,439	2,339,801	427,142	(2,766,943)	0	2,937,442	42,506	(769,216)	2,210,731
(l) Asset Enhancement Reserve	1,769,752	14,521	(525,000)	1,259,273	1,765,392	373,776	(1,040,000)	1,099,168	1,300,091	469,661	0	1,769,752
(m) Unexpended Capital Works and Specific Purpose Grants Reserve	5,431,620	5,744,561	(5,450,000)	5,726,181	5,459,645	63,332	(5,238,424)	284,553	5,989,204	4,442,416	(5,000,000)	5,431,620
(n) Waste Avoidance and Resource Recovery Reserve	600,578	4,932	0	605,510	624,422	7,243	(392,000)	239,665	60,000	540,578	0	600,578
(o) Environmental Reserve	68,285	564	0	68,849	67,304	60,781	(50,000)	78,085	157,151	1,134	(90,000)	68,285
	18,221,169	6,330,543	(7,328,549)	17,223,164	18,066,780	1,693,069	(12,514,813)	7,245,036	18,767,297	7,281,397	(7,827,525)	18,221,169

All of the reserve accounts are supported by money held in financial institutions and match the amount shown as restricted cash in Note 3 & Financial Assets in Note 8 to this financial report.

CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

4. RESERVES - CASH BACKED (Continued)

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

	Name of Reserve	Anticipated date of use	Purpose of the reserve
(a)	Long Service Leave Reserve	On going	To provide cash-backing for all annual and long service leave entitlements.
(b)	Land and Property Enhancement and Maintenance Reserve	On going	To fund land and property purchases, upgrade and maintenance of existing properties.
(c)	Waste Management Reserve	On going	To fund financing operations for the development of City's sanitation service.
(d)	EDP IT Equipment Reserve	On going	To fund the upgrade / replacement of the City's computer hardware and software requirements.
(e)	Local Government Elections Reserve	On going	To fund the cost of future elections.
(f)	HACC Reserve	Discontinued	This reserve funded HACC Service programmes and asset replacements - the HACC programme was discontinued on 30.06.2017.
(g)	Forrestfield Industrial Area Reserve	On going	To fund infrastructure requirements for the Forrestfield area.
(h)	Insurance Contingency Reserve	On going	To fund insurance premium variations and potential call backs.
(i)	Revaluation Reserve	On going	To fund triannual rating revaluations.
(j)	Nominated Employee Leave Provisions Reserve	On going	To fund future nominated staff leave entitlements.
(k)	Forrestfield Industrial Scheme Stage 1 Reserve	On going	The reserve is established to meet the City's reporting obligation under clause 6.5.16 of the City of Kalamunda Local Planning Scheme No. 3. The funds that were managed under the Trust for the scheme were transferred to the newly established reserve on 23rd June 2015. The reserve will be maintained to reflect all transactions related to the scheme for the benefit of the scheme members.
(l)	Asset Enhancement Reserve	On going	To fund future replacement of City's Infrastructure and plant and equipment needs.
(m)	Unexpended Capital Works and Specific Purpose Grants Reserve	On going	To carry forward available funding for uncompleted projects and specific purpose grants, that will be completed and expended in ensuing financial years.
(n)	Waste Avoidance and Resource Recovery Reserve	On going	Any surplus raised in the year for the purpose of managing the contaminated sites will be placed in the reserve for utilisation in future years.
(o)	Environmental Reserve	On going	To fund environment strategies and projects.

CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

5. TRADE RECEIVABLES

Current

Rates receivable
 Sundry receivables
 GST receivable
 Interest Receivable
 Other receivables

Non-current

Pensioner's rates and ESL deferred

	2019	2018
	\$	\$
Rates receivable	2,408,052	2,367,157
Sundry receivables	282,822	495,335
GST receivable	409,989	507,517
Interest Receivable	15,927	16,802
Other receivables	1,658	4,179
	3,118,448	3,390,990
Pensioner's rates and ESL deferred	767,306	663,354
	767,306	663,354

SIGNIFICANT ACCOUNTING POLICIES

Trade and other receivables

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 allowances for uncollectible 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.

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 27.

Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

Classification and subsequent measurement

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

6. INVENTORIES

Current

Fuel and material

Non-current

Land held for resale - cost

Cost of acquisition

Development costs

	2019	2018
	\$	\$
	116,822	100,015
	116,822	100,015
	370,021	370,021
	16,046	16,046
	386,067	386,067

SIGNIFICANT 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.

Land held for resale

Land held for development and resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development.

Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

**CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

**7. OTHER ASSETS AND ASSETS CLASSIFIED
AS HELD FOR SALE**

Other current assets

Prepayments

	2019	2018
	\$	\$
	265,088	279,524
	<u>265,088</u>	<u>279,524</u>

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.



**CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

8. OTHER FINANCIAL ASSETS

(a) Current assets

Other financial assets at amortised cost

	2019	2018
	\$	\$
	3,346,005	3,273,620
	<u>3,346,005</u>	<u>3,273,620</u>
Other financial assets at amortised cost		
- Term deposits - restricted	3,298,444	3,214,224
- Self supporting loans (i)	47,561	59,396
	<u>3,346,005</u>	<u>3,273,620</u>
(b) Non-current assets		
Other financial assets at amortised cost	103,403	124,241
Financial assets at fair value through other comprehensive income	140,137	12,371
	<u>243,540</u>	<u>136,612</u>
Other financial assets at amortised cost		
- Self supporting loans (i)	103,403	124,241
	<u>103,403</u>	<u>124,241</u>
Financial assets at fair value through other comprehensive income		
- Investments in Unit Trusts (ii)	140,137	12,371
	<u>140,137</u>	<u>12,371</u>

(i) Self supporting loans

An amount of money raised by the City in its own name through a specific loan for a period no longer than 10 years and provided to an approved community group or sporting club through a Self-Supporting Loan Agreement.

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 14(a) as self supporting loans.

(ii) Investments In Unit Trusts

The Local Government House Trust is a unit trust created for the purpose of providing building accommodation to the Western Australian Local Government Association (WALGA).

**CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

8. OTHER FINANCIAL ASSETS (Continued)

SIGNIFICANT 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 cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at fair value through Other Comprehensive Income

The City classifies the following financial assets at fair value through other comprehensive income:

- equity investments which the City has elected to recognise fair value gains and losses through other comprehensive income.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 27.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Previous accounting policy: available for sale financial assets

Available-for-sale financial assets were non-derivative financial assets that were either not suitable to be classified as other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Previous accounting policy: Loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

Refer to Note 30 for reclassification of available for sale financial assets to financial assets at fair value through other comprehensive income.

CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

9(a) PROPERTY, PLANT AND EQUIPMENT

	2019	2018
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017 - level 2	62,876,000	62,876,000
	62,876,000	62,876,000
Land - vested in and under the control of Council at:		
- Independent valuation 2017 - level 3	2,883,100	2,883,100
	2,883,100	2,883,100
Total land	65,759,100	65,759,100
Buildings - specialised at:		
- Independent valuation 2017 - level 3	79,001,240	79,178,425
- Additions after valuation - cost 2018	1,845,274	1,845,274
- Additions after valuation - cost 2019	3,138,535	0
Less: accumulated depreciation	(3,212,882)	(1,579,062)
	80,772,167	79,444,637
Total buildings	80,772,167	79,444,637
Total land and buildings	146,531,267	145,203,737
Furniture and equipment at:		
- Cost	4,657,303	6,747,594
Less: accumulated depreciation	(4,244,940)	(5,689,082)
	412,363	1,058,512
Plant and equipment at:		
- Management valuation 2016 - level 2	4,175,237	2,380,631
- Independent valuation 2019 - level 2,3	662,037	781,135
- Additions after valuation - cost 2016	0	1,682,906
Less: accumulated depreciation	0	(693,572)
	4,837,274	4,151,100
Intangible Assets at:		
- Management valuation 2019 - level 3	688,100	0
Less: accumulated amortisation	(578,545)	0
	109,555	0
Capital Work in Progress at:		
- At cost	951,065	0
	951,065	0
Total property, plant and equipment	152,841,525	150,413,348

CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

9. PROPERTY, PLANT AND EQUIPMENT (continued)

(b) Movements in Carrying Amounts

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

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Work in Progress	Intangible Assets	Intangible Assets Work in Progress	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	62,876,000	2,883,100	65,759,100	79,178,425	79,178,425	144,937,525	1,047,332	3,452,040	0	0	0	149,436,896
Additions	0	0	0	1,845,276	1,845,276	1,845,276	517,312	1,682,906	0	0	0	4,045,494
(Disposals)	0	0	0	0	0	0	(33,820)	(523,751)	0	0	0	(557,571)
Depreciation (expense)	0	0	0	(1,579,064)	(1,579,064)	(1,579,064)	(472,312)	(460,095)	0	0	0	(2,511,471)
Carrying amount at 30 June 2018	62,876,000	2,883,100	65,759,100	79,444,637	79,444,637	145,203,737	1,058,512	4,151,100	0	0	0	150,413,348
Comprises:												
Gross carrying amount at 30 June 2018	62,876,000	2,883,100	65,759,100	81,023,701	81,023,701	146,782,801	6,747,594	4,844,672	0	0	0	158,375,066
Accumulated depreciation at 30 June 2018	0	0	0	(1,579,064)	(1,579,064)	(1,579,064)	(5,689,082)	(693,572)	0	0	0	(7,961,718)
Carrying amount at 30 June 2018	62,876,000	2,883,100	65,759,100	79,444,637	79,444,637	145,203,737	1,058,512	4,151,100	0	0	0	150,413,348
Additions	0	0	0	3,138,535	3,138,535	3,138,535	79,791	851,879	397,556	9,156	258,218	4,735,136
(Disposals)	0	0	0	(170,099)	(170,099)	(170,099)	(45,136)	(247,271)	0	0	0	(462,507)
Transfers - Gross Value	0	0	0	0	0	0	(974,235)	0	0	678,944	295,291	0
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	0	570,669	0	0	0	570,669
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	0	0	0	0	91,366	0	0	0	91,366
Transfers Depreciation	0	0	0	0	0	0	578,545	0	0	(578,545)	0	0
Depreciation (expense)	0	0	0	(1,640,905)	(1,640,905)	(1,640,905)	(285,113)	(580,470)	0	0	0	(2,506,488)
Carrying amount at 30 June 2019	62,876,000	2,883,100	65,759,100	80,772,167	80,772,167	146,531,267	412,363	4,837,274	397,556	109,555	553,509	152,841,525
Comprises:												
Gross carrying amount at 30 June 2019	62,876,000	2,883,100	65,759,100	83,985,049	83,985,049	149,744,149	4,657,303	4,837,274	397,556	688,100	553,509	160,877,892
Accumulated depreciation at 30 June 2019	0	0	0	(3,212,882)	(3,212,882)	(3,212,882)	(4,244,940)	0	0	(578,545)	0	(8,036,367)
Carrying amount at 30 June 2019	62,876,000	2,883,100	65,759,100	80,772,167	80,772,167	146,531,267	412,363	4,837,274	397,556	109,555	553,509	152,841,525

**CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land	2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2017	Average price for square meter / sales process of comparable properties
Land - vested in and under the control of Council	3	Improvements to land valued using cost approach using current replacement cost	Independent registered valuer	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings - specialised	3	Improvements to building valued using cost approach using current replacement cost	Independent registered valuer	June 2017	Improvements to building using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Furniture and equipment	3	Cost approach using current replacement cost	Management Valuation	June 2019	Purchase cost and current condition, residual values and remaining useful life assessments inputs
Plant and equipment					
- Independent valuation	2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2019	Market price per item for a similar nature of an asset.
- Management valuation	3	Cost approach using current replacement cost	Management Valuation	June 2019	Purchase cost and current condition, residual values and remaining useful life assessments inputs

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

10 (a) INFRASTRUCTURE

	2019	2018
	\$	\$
Infrastructure - Roads		
- Independent valuation 2018 - level 3	181,594,946	181,719,311
- Additions after valuation - cost 2019	3,009,259	0
- Transfers from WIP	1,172,232	0
Less: accumulated depreciation	(4,279,635)	0
	181,496,802	181,719,311
Infrastructure - Footpaths		
- Independent valuation 2018 - level 3	27,247,023	27,311,282
- Additions after valuation - cost 2019	927,067	0
- Transfers from WIP	85,748	0
Less: accumulated depreciation	(911,582)	0
	27,348,256	27,311,282
Infrastructure - Drainage		
- Independent valuation 2018 - level 3	126,257,414	126,380,082
- Additions after valuation - cost 2019	864,763	0
Less: accumulated depreciation	(1,473,357)	0
	125,648,820	126,380,082
Infrastructure - Parks and Ovals		
- Independent valuation 2018 - level 3	11,310,085	11,943,211
- Additions after valuation - cost 2019	1,314,784	0
Less: accumulated depreciation	(674,235)	0
	11,950,634	11,943,211
Infrastructure - Other		
- Independent valuation 2018 - level 3	16,553,941	16,690,724
- Additions after valuation - cost 2019	1,069,253	0
- Transfers from WIP	144,333	0
Less: accumulated depreciation	(749,891)	0
	17,017,636	16,690,724
Capital Work in Progress		
- At cost	3,661,867	3,661,867
- Additions during 2019	3,318,486	0
- Transfers during 2019	(1,402,313)	0
	5,578,040	3,661,867
Total infrastructure	369,040,188	367,706,478

CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

10. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drains	Infrastructure - Parks and Ovals	Infrastructure - Other	Work in Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	114,704,311	12,547,841	18,799,637	10,850,360	7,372,140	1,662,982	165,937,271
Additions	3,249,378	693,397	2,009,121	2,425,950	856,038	0	9,233,884
Revaluation increments / (decrements) transferred to revaluation surplus	68,397,426	14,919,981	106,273,004	(250,325)	8,922,182	0	198,262,268
Additions to Work in Progress						1,998,885	1,998,885
Depreciation (expense)	(4,631,804)	(849,937)	(701,680)	(1,082,773)	(459,636)	0	(7,725,830)
Carrying amount at 30 June 2018	181,719,311	27,311,282	126,380,083	11,943,211	16,690,724	3,661,867	367,706,478
Comprises:							
Gross carrying amount at 30 June 2018	181,719,311	27,311,282	126,380,083	11,943,211	16,690,724	3,661,867	367,706,478
Carrying amount at 30 June 2018	181,719,311	27,311,282	126,380,083	11,943,211	16,690,724	3,661,867	367,706,478
Additions	3,009,259	927,067	864,763	1,314,784	1,069,253	0	7,185,126
(Disposals)	(101,427)	(39,473)	(47,672)	(446,494)	(54,695)	0	(689,761)
Additions to Work in Progress	0	0	0	0	0	3,318,486	3,318,486
Transfers from Work in Progress	1,172,232	85,748	0	0	144,333	(1,402,313)	0
Depreciation (expense)	(4,302,572)	(936,368)	(1,548,354)	(860,867)	(831,979)	0	(8,480,141)
Carrying amount at 30 June 2019	181,496,802	27,348,256	125,648,820	11,950,634	17,017,636	5,578,040	369,040,188
Comprises:							
Gross carrying amount at 30 June 2019	185,776,437	28,259,838	127,122,177	12,624,869	17,767,527	5,578,040	377,128,888
Accumulated depreciation at 30 June 2019	(4,279,635)	(911,582)	(1,473,357)	(674,235)	(749,891)	0	(8,088,700)
Carrying amount at 30 June 2019	181,496,802	27,348,256	125,648,820	11,950,634	17,017,636	5,578,040	369,040,188

CITY OF KALAMUNDA
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

10. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost approach using current replacement cost	Independent valuation	June 2018	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - Footpaths	Level 3	Cost approach using current replacement cost	Independent valuation	June 2018	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - Drains	Level 3	Cost approach using current replacement cost	Independent valuation	June 2018	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - Parks and Ovals	Level 3	Cost approach using current replacement cost	Independent valuation	June 2018	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - Other	Level 3	Cost approach using current replacement cost	Independent valuation	June 2018	Observable input based on depreciation replacement cost (Level 3)

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

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

11 (a) PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of 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.

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets 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.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

In accordance with *Local Government (Financial Management) Regulation 16(a)(ii)*, the City was required to include as an asset (by 30 June 2013), Crown Land operated by the local government as a golf course, showground, racecourse or other sporting or recreational facility of State or Regional significance.

Upon initial recognition, these assets were recorded at cost in accordance with AASB 116. They were then classified as Land and revalued along with other land in accordance with the other policies detailed in this Note.

Land under roads

In Western Australia, all land under roads is Crown Land, the responsibility for managing which, is vested in the local government.

Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in *Australian Accounting Standard AASB 1051 Land Under Roads* and the fact *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, *Local Government (Financial Management) Regulation 16(a)(i)* prohibits local governments from recognising such land as an asset.

Whilst such treatment is inconsistent with the requirements of *AASB 1051, Local Government (Financial Management) Regulation 4(2)* provides, in the event of such an inconsistency, the *Local Government (Financial Management) Regulations* prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the City.

Intangible Assets

Costs incurred in developing software that will contribute to future period financial benefits through revenue generation or cost reduction are capitalised to software and systems. Costs capitalised include external direct costs of software development including consultancy, programming and data migration services. Amortisation is calculated on a straight line basis over 5 years. Technology development costs include only those costs directly attributable to the development phase and are only recognised following completion of technical feasibility and where the City has an intention and ability to use the asset.

CITY OF KALAMUNDA
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(b) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Buildings - specialised	170,099	0	0	(170,099)	0	0	0	0	0	0	0	0
Furniture and equipment	45,136	0	0	(45,136)	0	0	0	0	33,820	0	0	(33,820)
Plant and equipment	92,447	37,414	0	(55,033)	0	0	0	0	432,742	212,354	0	(220,388)
Other Plant and equipment	154,825	226,760	71,935	0	0	0	0	0	91,009	117,888	26,879	0
Infrastructure - Roads	101,427	0	0	(101,427)	0	0	0	0	0	0	0	0
Infrastructure - Footpaths	39,473	0	0	(39,473)	0	0	0	0	0	0	0	0
Infrastructure - Drains	47,672	0	0	(47,672)	0	0	0	0	0	0	0	0
Infrastructure - Parks and Ovals	446,494	0	0	(446,494)	0	0	0	0	0	0	0	0
Infrastructure - Other	54,695	0	0	(54,695)	0	0	0	0	0	0	0	0
	<u>1,152,268</u>	<u>264,174</u>	<u>71,935</u>	<u>(960,029)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>557,571</u>	<u>330,241</u>	<u>26,879</u>	<u>(254,208)</u>

CITY OF KALAMUNDA
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
 FOR THE YEAR ENDED 30TH JUNE 2019

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Other property and services				
Kubota Tractor	4,556	6,923	2,367	0
Holden Rodeo	4,455	2,493	0	(1,962)
Toyota Grande Sedan	7,396	5,584	0	(1,812)
Toyota Corolla Hatch Back	6,189	5,039	0	(1,150)
Ford Ranger Crew Cab	9,386	11,493	2,107	0
Ford Ranger Dual Cab	8,027	11,493	3,466	0
Toyota Hilux Extra Cab	10,413	8,039	0	(2,374)
Ford Ranger Dual Cab	8,121	8,993	872	0
Ford Ranger	0	3,084	3,084	0
Ford Ranger Super Cab	8,123	6,130	0	(1,993)
Holden Colorado Dual Cab	11,732	10,130	0	(1,602)
Ford Ranger	0	3,766	3,766	0
Ford Ranger Supercab	8,122	13,130	5,007	0
Ford Ranger Extra Cab Ute	8,122	13,402	5,280	0
New Holland Tractor	2,674	13,516	10,842	0
Various Plant & Equipment less than \$5,000.00	44,139	0	0	(44,139)
Green Machine Road Sweeper	105,817	140,960	35,143	0
	247,271	264,174	71,935	(55,033)
Other Asset class				
Program				
Other Property and Services	45,137	0	0	(45,137)
Recreation and culture	616,593	0	0	(616,593)
Transport	243,267	0	0	(243,267)
	904,996	0	0	(904,996)
	1,152,267	264,174	71,935	(960,029)

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(c) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings - specialised	1,640,905	2,299,152	1,579,064
Furniture and equipment	285,113	479,275	472,312
Plant and equipment	580,470	382,526	460,095
Infrastructure - Roads	4,302,572	4,732,166	4,631,804
Infrastructure - Footpaths	936,368	867,840	849,937
Infrastructure - Drains	1,548,354	715,397	701,680
Infrastructure - Parks and Ovals	860,867	876,141	1,082,773
Infrastructure - Other	831,979	483,277	459,636
	10,986,630	10,835,774	10,237,301

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains 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.

Depreciation rates

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

Asset Class	Useful life
Buildings	30 to 50 years
Furniture and equipment	5 to 10 years
Plant and equipment	5 to 20 years
Intangible Assets	5 years

Infrastructure

Category	Component	Material	Useful Life
Roads	Surface	Cement	50
		Brick Paving	50
		Asphalt	25
		Single Seal	20
	Pavement Base	Laterite	60
		Rock base	60
	Pavement Sub Base	Limestone	120
Footpaths		Concrete	50
		Brick Paving	50
		Gravel	50
		Asphalt	25
		Timber	15
Drainage Pipes	Stormwater	Concrete	80
	Subsoil	PVC	60
Drainage Pits	Stormwater	Concrete	80
		Stone	100
	Weirs	Mortared	
		Including playground equipment	10 to 50
Parks and Gardens			

Depreciation (Continued)

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

- (a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

12. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land & Land - vested in and under the control of Council	60,628,646	0	0	0	60,628,646	60,628,646	0	0	0	60,628,646
Revaluation surplus - Buildings - specialised	64,688,776	0	0	0	64,688,776	64,688,776	0	0	0	64,688,776
Revaluation surplus - Plant and equipment	0	570,669	0	570,669	570,669	0	0	0	0	0
Revaluation surplus - Infrastructure	201,140,743	0	0	0	201,140,743	2,878,475	198,262,268	0	198,262,268	201,140,743
Revaluation surplus - EMRC Asset Valuations	883,918	0	(107,738)	(107,738)	776,180	1,027,715	0	(143,797)	(143,797)	883,918
Revaluation surplus - Local Government House Investment	0	127,766	0	127,766	127,766	0	0	0	0	0
	327,342,083	698,435	(107,738)	590,697	327,932,784	129,223,612	198,262,268	(143,797)	198,118,472	327,342,087

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.

CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued salaries and wages
Bonds and Deposits
Income in Advance
Accrued interest on long term borrowings
Accrued Expenses
Retention Money

	2019	2018
	\$	\$
	3,727,840	3,054,392
	65,209	65,755
	1,918,315	2,882,189
	19,302	35,983
	94,305	104,863
	445,069	207,834
	31,547	31,493
	6,301,587	6,382,509

SIGNIFICANT ACCOUNTING POLICIES

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

Trade and other payables (Continued)

of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.



14. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2019	30 June 2019	30 June 2019	Budget	30 June 2019	30 June 2019	30 June 2019	30 June 2019	Actual	30 June 2018	30 June 2018	30 June 2018	
				Actual Principal	Actual Principal	Actual Interest	Principal	Budget New	Budget Principal	Budget Interest	Budget Principal	Principal	Actual	Actual	Actual	Actual
				1 July 2018	repayments	repayments	1 July 2018	Loans	repayments	repayments	outstanding	1 July 2017	Principal	Interest	Principal	
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Community amenities																
Land Acquisition Kalamunda Road	224	WATC	5.58%	455,552	174,737	20,281	280,815	455,552	0	174,737	23,016	280,815	620,932	165,380	29,553	455,552
Depot Waste Trucks	228	WATC	5.63%	904,481	46,270	49,502	858,211	904,481	0	46,270	50,280	858,211	948,252	43,771	52,043	904,481
Waste Compactor	229	WATC	2.46%	167,203	40,280	3,707	126,923	167,203	0	40,280	3,867	126,923	206,510	39,307	4,648	167,203
Forrestfield North Development Project - Loan 1	230	WATC	3.01%	456,450	44,870	13,209	411,580	456,450	0	44,870	13,404	411,580	500,000	43,550	14,420	456,450
Forrestfield North Development Project - Loan 2		WATC		0	0	0	0	450,000	0	7,088	450,000	0	0	0	0	
Wattle Grove Feasibility Study		WATC		0	0	0	0	300,000	0	0	300,000	0	0	0	0	
Disposal of Park and Recreation Reserves		WATC		0	0	0	0	170,000	0	0	170,000	0	0	0	0	
Recreation and culture																
Foothills Netball Association	216	WATC	6.37%	67,951	4,695	4,212	63,256	67,951	0	4,695	4,255	63,256	72,357	4,406	4,499	67,951
Wet'n'Wild	222	WATC	6.22%	125,866	61,006	5,159	64,860	125,866	0	61,006	6,895	64,860	183,248	57,382	8,918	125,866
Kalamunda Swimming Pool	227	WATC	5.63%	1,455,036	74,434	79,634	1,380,603	1,455,035	0	74,434	80,885	1,380,601	1,525,450	70,414	83,722	1,455,036
Transport																
City Depot	221	WATC	6.77%	1,569,987	88,363	102,080	1,481,624	1,569,988	0	88,363	104,818	1,481,624	1,652,659	82,672	108,255	1,569,987
Plant & Equipment Purchase	225	WATC	6.00%	0	0	0	0	0	0	0	0	99,095	99,095	2,592	0	
Newburn Road Extension	226	WATC	5.67%	234,363	73,796	12,211	160,567	234,362	0	73,796	12,257	160,566	304,146	69,783	16,226	234,363
Other property and services																
Plant and Equipment		WATC		0	0	0	0	1,500,000	0	0	1,500,000	0	0	0	0	
Forrestfield Industrial Area Scheme Stage 1 - Road 2 - road construction		WATC		0	0	0	0	100,000	0	0	100,000	0	0	0	0	
				5,436,890	608,452	289,994	4,828,438	5,436,888	2,520,000	608,451	306,764	7,348,437	6,112,649	675,759	324,876	5,436,890
Self Supporting Loans																
Recreation and culture																
Forrestfield Bowling Club	199	WATC	8.17%	0	0	0	0	10,458	0	5,020	745	5,438	15,091	15,091	998	0
Kalamunda Cricket Club	207	WATC	6.64%	0	0	0	0	0	0	0	0	2,168	2,168	60	0	
Kalamunda & District Basketball Club	208	WATC	6.60%	0	0	0	0	0	0	0	0	21,617	21,617	712	0	
Forrestfield United Soccer Club	214	WATC	5.46%	89,953	6,942	4,784	83,011	89,954	0	6,942	4,818	83,012	96,524	6,571	5,150	89,953
Lesmurdie Tennis Club		WATC		0	0	0	0	0	0	0	0	7,363	7,363	279	0	
Maida Vale Tennis Club	217	WATC	5.95%	27,262	3,549	1,546	23,714	27,262	0	3,549	1,570	23,713	30,609	3,347	1,736	27,262
Kalamunda Club	219	WATC	6.30%	48,055	31,537	1,787	16,518	48,055	0	31,537	2,538	16,518	77,695	29,640	3,729	48,055
Forrestfield Junior Football Club	220	WATC	6.22%	4,781	2,318	196	2,463	4,783	0	2,318	262	2,465	6,962	2,181	339	4,781
				170,052	44,346	8,314	125,706	180,512	0	49,366	9,933	131,146	258,029	87,977	13,002	170,052
				5,606,942	652,798	298,308	4,954,144	5,617,400	2,520,000	657,817	316,697	7,479,582	6,370,678	763,736	337,878	5,606,942

* WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 8 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

14. INFORMATION ON BORROWINGS (Continued)

(b) Borrowings	2019	2018
	\$	\$
Current	672,155	652,798
Non-current	4,281,990	4,954,144
	<u>4,954,145</u>	<u>5,606,942</u>

(c) New Borrowings - 2018/19

The City did not take up any new debentures during the year ended 30 June 2019.

(d) Unspent Borrowings

The City did not have any unspent borrowings as at 30 June 2019

(e) Undrawn Borrowing Facilities Credit Standby Arrangements	2019	2018
	\$	\$
Bank overdraft limit	1,500,000	1,500,000
Credit card limit	75,000	75,000
Credit card balance at balance date	(159)	(11,432)
Total amount of credit unused	<u>1,574,841</u>	<u>1,563,568</u>
Loan facilities		
Loan facilities - current	672,155	652,798
Loan facilities - non-current	4,281,990	4,954,144
Total facilities in use at balance date	<u>4,954,145</u>	<u>5,606,942</u>
Unused loan facilities at balance date	Nil	Nil

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

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 the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Borrowing costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Risk

Information regarding exposure to risk can be found at Note 27.

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2018			
Current provisions	1,558,194	1,624,002	3,182,196
Non-current provisions	0	553,776	553,776
	<u>1,558,194</u>	<u>2,177,778</u>	<u>3,735,972</u>
Additional provision	2,081,536	829,604	2,911,140
Amounts used	(1,887,043)	(281,414)	(2,168,457)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	(52)	(300,138)	(300,190)
Balance at 30 June 2019	<u>1,752,635</u>	<u>2,425,830</u>	<u>4,178,465</u>
Comprises			
Current	1,752,635	1,970,514	3,723,149
Non-current	0	455,316	455,316
	<u>1,752,635</u>	<u>2,425,830</u>	<u>4,178,465</u>

Amounts are expected to be settled on the following basis:

	2019 \$	2018 \$
Less than 12 months after the reporting date	1,868,772	1,603,674
More than 12 months from the reporting date	2,309,692	2,132,299
	<u>4,178,465</u>	<u>3,735,972</u>

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

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

The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

Long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at

Other long-term employee benefits (Continued)

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.

Provisions

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

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

CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	20,737,597	14,526,320	21,709,276
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	3,394,500	6,599,704	5,107,228
Non-cash flows in Net result:			
Depreciation	10,986,630	10,835,774	10,237,301
(Profit)/loss on sale of asset	888,094	0	227,330
Share of profits of associates and joint ventures	(998,408)	(1,630,348)	(1,913,625)
Reversal of previous loss on revaluation of fixed assets	(91,366)	0	0
Interest on deferred loans	(291)	0	(333)
Prior Year Adjustment	0	0	639,356
Changes in assets and liabilities:			
(Increase)/decrease in receivables	171,642	(143,848)	(1,891,886)
(Increase)/decrease in inventories	(16,807)	(68,647)	20,545
Increase/(decrease) in payables	(80,922)	74,451	(224,221)
Increase/(decrease) in provisions	442,493	838,634	(140,651)
Capital (Developer) Contributions	(1,346,803)	(4,759,393)	(1,339,873)
Grants contributions for the development of assets	(4,220,936)	(5,636,562)	(3,390,580)
Net cash from operating activities	<u>9,127,827</u>	<u>6,109,765</u>	<u>7,330,590</u>

CITY OF KALAMUNDA
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17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	Restated* 2018
	\$	\$
Governance	8,761,188	8,765,300
General purpose funding	11,034,051	10,875,186
Law, order, public safety	1,407,322	1,488,826
Health	2,842,448	2,705,967
Education and welfare	2,774,144	2,805,874
Community amenities	72,242,626	72,131,339
Recreation and culture	96,492,014	95,345,272
Transport	375,408,012	373,672,497
Economic services	2,425	2,425
Other property and services	11,306,064	10,783,637
	582,270,295	578,576,324

* Refer to note 33

18. CONTINGENT LIABILITIES

In compliance with the Contaminated Sites Act 2003 Section 11, the City has listed sites to be possible source of contamination.

Details of those site are:

- Alan Anderson Reserve
- Ledger Road Reserve
- Brand Road Reserve
- Dawson Avenue / Pioneer Park

The City is in the process of conducting investigations to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria of remediation of a risk based approach. The City is unable to estimate the potential costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.



CITY OF KALAMUNDA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

19. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

	2019	2018
	\$	\$
	1,074,912	286,376
	<u>1,074,912</u>	<u>286,376</u>

Payable:

- not later than one year

	1,074,912	286,376
--	-----------	---------

At the end of each financial year the City reviews the position of its incomplete capital expenditure projects & the position of unexpended specific purpose grants. The City recognises the costs of major capital projects to be carried forward to the next financial year and transfers adequate funds to the unexpended capital works and specific purpose grants reserve. The reserve is fully cash backed and categorised under restricted cash.

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

- not later than one year

- later than one year but not later than five years

	2019	2018
	\$	\$
	90,722	168,725
	51,449	112,581
	<u>142,171</u>	<u>281,306</u>

SIGNIFICANT ACCOUNTING POLICIES

Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the City, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower of the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leases (Continued)

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

20. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

The following fees, expenses and allowances were paid to council members and/or the Mayor.

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	279,605	283,841	277,285
Mayor's allowance	62,727	62,727	62,827
Deputy Mayor's allowance	15,682	15,682	15,707
Travelling expenses	591	600	586
Telecommunications allowance	41,356	42,000	41,001
	399,961	404,850	397,406

Key Management Personnel (KMP) Compensation Disclosure

The total of remuneration & benefits paid/accrued to KMP of the City during the year are as follows:

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	2,712,915	3,058,668
Post-employment benefits	258,872	281,396
Other long-term benefits	325,349	278,334
Termination benefits	63,927	0
	3,361,063	3,618,399

Short-term employee benefits

These amounts include all salary, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found 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 long service benefits 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).

20. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2019 Actual	2018 Actual
	\$	\$
Eastern Metropolitan Regional Council		
Purchase of goods and services	4,263,373	4,260,082
Investment in Associates		
Increase in Equity in Investments in Associates	890,670	1,769,828
Amounts payable to related parties:		
Trade and other payables	325,442	408,070

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 elected member, are considered key management personnel.

ii. Other Related Parties

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

iii. Entities subject to significant influence by the City

An entity that has the power to participate in the financial and operating policy decisions of an entity, but does not have control over those policies, is an entity which holds significant influence. Significant influence may be gained by share ownership, statute or agreement.

CITY OF KALAMUNDA
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21. INVESTMENT IN ASSOCIATES

	2019	2018
	\$	\$
(a) Carrying amount of investment in Associate	31,407,709	30,517,040

The City of Kalamunda has a share in the Net Assets in the Eastern Metropolitan Regional Council (EMRC) as a member council. The EMRC provides services in waste management, resource recovery, environmental management and regional development.

The accounting share applicable to the City of Kalamunda as at 30 June 2019 as disclosed in the Financial Statements of the Eastern Metropolitan Regional Council is \$31,407,709. This represents the City's 16.06% share of the Total Equity in the Eastern Metropolitan Regional Council.

The Principal place of business :

No: 226, Great Eastern High Way, Ascot, WA, 6104.

EMRC Financial Information

Revenue	42,510,894	39,351,664
Net Result	8,245,723	11,243,892
Other Comprehensive Income	0	(341,649)
Total Comprehensive Income	8,245,723	10,902,243

Financial Position

Current Assets	107,716,368	100,898,164
Non-Current Assets	99,466,539	95,174,159
Total Assets	207,182,907	196,072,323
Current Liabilities	7,175,888	5,146,182
Non-Current Liabilities	4,493,417	3,658,262
Total Liabilities	11,669,305	8,804,444
Net Assets	195,513,602	187,267,879
Change in Equity in Share of City of Kalamunda	998,408	1,913,625
Revaluation Surplus movement in Share of City of Kalamunda	(107,738)	(143,797)
Dividends received from associate	Nil	Nil

The City's interest in the net assets of the associate (EMRC) are as follows:

Current Assets	17,307,474	16,446,401
Non-current Assets	15,974,326	15,254,550
Total assets	33,281,800	31,700,951
Current liabilities	1,152,448	587,614
Non-current liabilities	721,643	596,297
Total liabilities	1,874,090	1,183,910
Share of Net Assets	31,407,709	30,517,040

21(a) INVESTMENT IN ASSOCIATES (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Investment in associates

An associate is an entity over which the City has significant influence. Significant influence is the power to participate in the financial operating policy decisions of that entity but is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the City's share of net assets of the associate. In addition, the City's share of the profit or loss of the associate is included in the City's profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income.

Investment in associates (Continued)

Investments in associates are tested for any indication of impairment at the end of the reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the investment is considered impaired and is written down to the recoverable amount and an impairment loss is recognised.

22. MAJOR LAND TRANSACTIONS

The City did not participate in any major land transactions during the 2018/2019 Financial Year

23. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The City did not participate in any trading undertakings or major trading undertakings during the 2018/2019 Financial Year.



CITY OF KALAMUNDA
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FOR THE YEAR ENDED 30TH JUNE 2019

24. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
General purpose funding							
Bush Fire Brigade	33,440	127,596	(127,404)	33,632	134,965	(134,529)	34,068
State Emergency Services	14,994	57,582	(57,956)	14,620	59,476	(58,480)	15,616
Recreation and culture							
Hartfield Park Master plan	1,130,278	0	(1,130,278)	0	0	0	0
Installation of Synthetic Bowling Green - Forrestfield Bowling club	54,546	0	(54,546)	0	0	0	0
Kalamunda Community Centre	0	0	0	0	300,000	(116,665)	183,335
Kids Sports Programme	0	102,424	(102,424)	0	0	0	0
Transport							
Financial Assistance Grant - Bridges	200,000	0	(200,000)	0	0	0	0
Total	1,433,258	287,602	(1,672,608)	48,252	494,441	(309,674)	233,020

Notes:

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

25. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2018/19	2017/18
			Rateable Value	Actual Rate Revenue	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Total Revenue	Actual Total Revenue
			\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations											
General GRV	0.059190	20,238	425,877,934	24,873,960	211,790	48,642	25,134,392	25,210,101	200,000	25,410,101	25,351,548
Industrial / Commercial GRV	0.066750	554	125,115,164	8,412,290	180,933	89,709	8,682,932	8,351,437	100,000	8,451,437	7,841,618
Vacant GRV	0.083930	378	9,032,427	960,275	137,923	27,565	1,125,763	758,092	50,000	808,092	786,353
Unimproved valuations											
General UV	0.003386	231	163,390,000	571,929	28,467	21,587	621,983	553,239	0	553,239	539,608
Commercial UV	0.003993	59	39,940,000	166,779	(6,349)	0	160,430	159,480	0	159,480	160,280
Sub-Total		21,460	763,355,525	34,985,233	552,764	187,503	35,725,500	35,032,349	350,000	35,382,349	34,679,407
Minimum payment											
			\$								
Gross rental valuations											
General GRV	882	1,082		963,144			963,144	954,324	0	954,324	923,930
Industrial / Commercial GRV	1,102	50		55,100			55,100	55,100	0	55,100	85,320
Vacant GRV	767	211		187,418			187,418	161,837	0	161,837	105,255
Unimproved valuations											
General UV	882	0	0	0			0	0	0	0	0
Commercial UV	1,102	3	0	3,306			3,306	3,306	0	3,306	3,240
Sub-Total		1,346	0	1,208,968	0	0	1,208,968	1,174,567	0	1,174,567	1,117,745
Total amount raised from general rate		22,806	763,355,525	36,194,201	552,764	187,503	36,934,468	36,206,916	350,000	36,556,916	35,797,152
Ex-gratia rates							210,306			193,331	194,980
Net movement in Rates paid in advance							291,351			0	0
Totals							<u>37,436,125</u>			<u>36,750,247</u>	<u>35,992,132</u>

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

25. RATING INFORMATION (Continued)

(b) Specified Area Rate

No Specified area rates were imposed by the City during the year ended 30 June 2019.

(c) Service Charges

No service charges were imposed by the City during the year ended 30 June 2019.

(d) Discounts, Incentives, Concessions & rates incentives

Incentives for Early Payment of Rates

Pursuant to Section 6.46 of the Local Government Act 1995, offered the following incentive prizes to ratepayers who have paid their rates in full:

- 1 prize of \$4,000 donated by the City of Kalamunda.

Pursuant to Section 6.46 of the Local Government Act 1995, offered the following incentive prizes to ratepayers who pay via instalments:

- 2 prizes of \$1,000 donated by the City of Kalamunda towards the winners outstanding rates and charges amounts due.
- 1 prize of \$500 donated by the City of Kalamunda towards the winners outstanding rates and charges amounts due.
- 2 double passes to a concert performed and donated by the Western Australian Symphony Orchestra.
- 2 \$250 passbook accounts donated by the Bendigo Bank - Forrestfield & High Wycombe Community Bank.

Pursuant to Section 6.46 of the *Local Government Act 1995*, offered the following incentive prizes to ratepayers who register to receive their future rates notices electronically:

- 2 Apple Series 3 Watches (38mm GPS Only)
- 2 Garmin Fenix 5 Sports Watches
- 1 Garmin Vivo smart HR Activity Tracker

Pursuant to Section 6.46 of the *Local Government Act 1995*, offered the following incentive prizes to ratepayers who pay their rates either in full or an instalment option using the self service Albert Terminals at the City's Administration office, Kalamunda Library or Hartfield Park Recreation Centre.

- 3 prizes of \$500 donated by the City of Kalamunda towards the winners outstanding rates and charges amounts due.

CITY OF KALAMUNDA
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25. RATING INFORMATION (Continued)

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
Option One	17 Aug 2018	0	0.00%	11.00%
Option Two	17 Aug 2018	0	0.00%	11.00%
	17 Dec 2018	8	5.50%	11.00%
Option Three	17 Aug 2018	0	0.00%	11.00%
	17 Oct 2018	8	5.50%	11.00%
	17 Dec 2018	8	5.50%	11.00%
	18 Feb 2019	8	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	301,221	326,733	295,130
Interest on instalment plan	171,516	204,291	161,838
Charges on instalment plan	148,533	134,993	131,096
	621,270	666,017	588,064

26. RATE SETTING STATEMENT INFORMATION

Note	2018/19 Actual (30 June 2019 Carried Forward) \$	2018/19 Budget (30 June 2019 Carried Forward) \$	2018/19 Actual (1 July 2018 Brought Forward) \$		
(a) Non-cash amounts excluded from operating activities					
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .					
Adjustments to operating activities					
	Less: Profit on asset disposals	11(b)	(71,935)	0	(26,879)
	Less: Reversal of prior year loss on revaluation of fixed assets		(91,366)	0	0
	Less: Change in equity - Associate		(998,408)	(1,630,348)	(1,913,625)
	Less: Interest on deferred loans		(291)	(337)	(333)
	Movement in pensioner deferred rates (non-current)		(103,952)	(33,000)	(139,291)
	Movement in employee benefit provisions		442,504	773,632	(99,702)
	Add: Loss on disposal of assets	11(b)	960,029	0	254,208
	Add: Bad debts written off		6,093	0	0
	Add: Depreciation on assets	11(c)	10,986,630	10,835,774	10,237,301
	Non cash amounts excluded from operating activities		11,129,304	9,945,721	8,311,679
(b) Surplus/(deficit) after imposition of general rates					
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.					
Adjustments to net current assets					
	Less: Reserves - restricted cash	3	(17,223,164)	(7,245,036)	(18,221,169)
	Less: Self supporting loans		(30,078)	0	(59,396)
	Add: Borrowings	14(b)	672,155	1,144,824	652,798
	Add: Employee Provisions		3,723,149	3,527,400	3,182,196
	Total adjustments to net current assets		(12,857,938)	(2,572,812)	(14,445,573)
Net current assets used in the Rate Setting Statement					
	Total current assets		27,583,960	17,097,695	28,753,425
	Less: Total current liabilities		(10,696,891)	(11,660,010)	(10,217,503)
	Less: Total adjustments to net current assets		(12,857,938)	(2,572,812)	(14,445,573)
	Net current assets used in the Rate Setting Statement		4,029,131	2,864,873	4,090,347

CITY OF KALAMUNDA
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27. 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 area under policies approved by the Council. The finance area 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.

	Carrying Value		Fair Value	
	2019	2018	2019	2018
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	20,737,597	21,709,276	20,737,597	21,709,276
Trade Receivables	3,475,765	3,546,827	3,475,765	3,546,827
Other Financial assets at amortised cost				
- Self-supporting loans	150,964	183,637	150,964	183,637
- Term deposits	3,298,444	3,214,224	3,298,444	3,214,224
Financial assets at fair value through other comprehensive income	140,137	12,371	140,137	12,371
	<u>27,802,907</u>	<u>28,666,335</u>	<u>27,802,907</u>	<u>28,666,335</u>
Financial liabilities				
Trade Payables	6,282,285	6,346,526	6,282,285	6,346,526
Borrowings	4,954,145	5,606,942	4,954,145	5,606,942
	<u>11,236,430</u>	<u>11,953,468</u>	<u>11,236,430</u>	<u>11,953,468</u>

27. FINANCIAL RISK MANAGEMENT (Continued)

(a) Interest rate risk

Cash and cash equivalents

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

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents and term deposits 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
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents	2.66%	20,737,597	0	18,229,466	2,508,131
Financial assets at amortised cost - term deposits	2.55%	3,298,444	3,298,444	0	0
2018					
Cash and cash equivalents	2.43%	21,709,276	0	21,216,742	492,533
Financial assets at amortised cost	2.55%	3,214,224	3,214,224	0	0

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	240,360	249,235

* 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 14(a).

27. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

The City's major receivables comprise rates annual charges and user fees and charges. 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. It also encourages ratepayers to pay rates by the due date through incentives.

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

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

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

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 36 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for rates receivable. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover unpaid rates.

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27. FINANCIAL RISK MANAGEMENT (Continued)

	Current	More than 1 year past due	More than 2 years past due	More than 3 years past due	Total
30 June 2019					
Rates receivable	3,744	1,406,100	355,876	642,333	2,408,052
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	3,744	1,406,100	355,876	642,333	2,408,052
Loss allowance	0	0	0	0	0
01 July 2018					
Rates receivable	-	1,546,796	269,156	551,204	2,367,157
Expected credit loss	0.00%	0.00%	0.00%	0.00%	0.00%
Gross carrying amount	0	1,546,796	269,156	551,204	2,367,157
Loss allowance	0	0	0	0	0

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables	196,946	24,563	10,394	50,919	282,822
Expected credit loss	0.08%	0.09%	0.10%	0.52%	0.16%
Gross carrying amount	196,946	24,563	10,394	50,919	282,822
Loss allowance	158	22	10	265	455
01 July 2018					
Sundry Receivables	413,132	37,582	11,788	32,833	495,335
Expected credit loss	0.06%	0.06%	0.09%	0.29%	0.08%
Gross carrying amount	413,132	37,582	11,788	32,833	495,335
Loss allowance	248	23	11	95	377

27. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(e).

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
	\$	\$	\$	\$	\$
2019					
Payables	6,282,285	0	0	6,282,285	6,282,285
Borrowings	944,637	2,390,016	3,313,266	6,647,919	6,647,919
	<u>7,226,922</u>	<u>2,390,016</u>	<u>3,313,266</u>	<u>12,930,204</u>	<u>12,930,204</u>
2018					
Payables	6,346,526	0	0	6,346,526	6,346,526
Borrowings	961,663	2,805,433	3,842,486	7,609,582	7,609,582
	<u>7,308,189</u>	<u>2,805,433</u>	<u>3,842,486</u>	<u>13,956,108</u>	<u>13,956,108</u>



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28. TRUST FUNDS

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

	1 July 2018	Amounts Received	Amounts Paid	30 June 2019
	\$	\$	\$	\$
Unclaimed Monies	24,398	4,426	(1,877)	26,947
Wattle grove - Cell 9	10,519,651	328,335	(892,317)	9,955,669
B.C.I.T.F Levies	129,770	150,928	(264,576)	16,122
B.S.L Levies	111,794	160,584	(230,385)	41,994
Cash in lieu of Public Open Space	2,401,160	32,413	0	2,433,573
NBN Tower Pickering Brook	10,381	12,768	(8,483)	14,665
	<u>13,197,153</u>	<u>689,454</u>	<u>(1,397,638)</u>	<u>12,488,971</u>

29. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

There have been no significant events after the reporting period that are to be included in the 2018/2019 Annual Financial Report



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30. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The City applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the City has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been considered not material in carrying value of the assets.

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the City's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the City's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

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30. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The classification and measurement requirements of AASB 9 did not have a significant impact on the City. The following are the changes in the classification of the City's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

- The City did not designate any financial assets as at fair value through profit and loss.

In summary, upon the adoption of AASB 9, the City had the following required (or elected) reclassifications as at 1 July 2018:

Class of Financial Instrument presented in the Statement of Financial Position	Original measurement category under AASB 139	New measurement category under AASB 9	Carrying Amount under AASB 139 \$	Carrying Amount under AASB 9 \$
Receivables	Loans and Receivables	Financial Assets at amortised cost	3,546,827	3,546,827
Other Assets				
- Self-supporting loans	Loans and Receivables	Financial Assets at amortised cost	183,637	183,637
- Term Deposits	Loans and Receivables	Financial Assets at amortised cost	3,214,224	3,214,224
Investments in Unit Trusts	Loans and Receivables	Fair value through other comprehensive income	12,371	12,371

The change in classification has not resulted any remeasurement adjustment at 1 July 2018.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the City's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the City to recognise an allowance for ECLs for all financial assets not held at fair value through P/L.

31. CHANGE IN ACCOUNTING POLICY

Paragraph 17A (5) of *Local Government (Financial Management) Regulations 1996* came into operation on the 1 July 2018. The regulation states an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5,000.

The adoption of the regulation constitutes a change in accounting policy. Due to the effect on the financial statements not being material, the City did not retrospectively apply the changes in accounting policy arising from the new regulations and has not restated the comparative figures.

During the year assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 30 June 2018 have been excluded from the assets of the City written off in the Statement of Comprehensive Income.

The effect of the adjustment at 1 July 2018 detailed below:

Statement of Financial Position (Extract)	<u>1 July 2018</u> \$
Property, plant and equipment	(89,764)
Net assets	(89,764)
Retained earnings	(89,764)
Total equity	(89,764)

Statement of Comprehensive Income (Extract)	<u>2019</u> \$
<i>By Nature or Type</i>	
Loss on Assets disposed	89,764
<i>By program</i>	
Expenses	
Other property and services	89,764



32. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the City.

This note explains management's assessment of the new and amended pronouncements that are relevant to the City, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and the first year of adoption will be on 1 July 2019.

(a) Revenue from Contracts with Customers

The City will adopt AASB 15 *Revenue from Contracts with Customers* (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the City will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019.

The City is currently assessing the impact of adopting the new standard but believe the adoption of the new standard will not have a material impact on the financial report.

(b) Leases

AASB 16 requires lessees to account for all leases under a single on-balance sheet model in a similar way to finance leases under AASB 117 *Leases*. The standard includes two recognition exemptions for leases - leases of 'low-value' assets (e.g. personal computers) and shorter, leases (i.e. with a lease term of 12 months or less). At the commencement date of a lease, a lessee will recognise a liability to make lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., change in lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amounts of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting is substantially unchanged from today's accounting under AASB 117. Lessors will continue to classify all leases using the same classification principle as in AASB 117 and distinguish between two types of leases: operating and finance leases.

The City is currently assessing the impact of adopting the new standard but believe the adoption of the new standard will not have a material impact on the financial report.



32. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)

(c) Income For Not-For-Profit Entities

The City will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the City will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

The City is currently assessing the impact of adopting the new standard but believe the adoption of the new standard will not have a material impact on the financial report.

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates will be recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the City. When the taxable event occurs the financial liability will be extinguished and the City will recognise income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the City to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

33. PRIOR YEAR ADJUSTMENT

(a) Write off of deferred expenditure

The City incurred \$200,514 related to the Forrestfield North Development Project in 2016/17 and in 2017/18 the cost incurred for the project was \$639,357. As of 1 July 2018, the City's cumulative expenditure on the project was \$839,871. The City has recognised costs associated with the project as non-current deferred expenditure assets in the 2016/17 and 2017/18 Financial Statements on the premise these costs will be recouped with the establishment of a Forrestfield North Development Contribution Plan.

Under AASB 137 - Provisions, Contingent Liabilities and Contingent Assets, an entity should not disclose or recognise a contingent asset until an inflow of economic benefits has become probable.

In accordance with AASB 108 – Accounting Policies, Changes in Accounting Estimates and Errors, an entity shall correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery.

(b) Correction to the share of investment in Eastern Metropolitan Regional Council (EMRC)

A recalculation of the Site Rehabilitation and the Environmental Monitoring post closure provisions has been undertaken in order to comply with the appropriate legislation and to determine the net present value of the future cash outflows of costs, determined on a discounted basis as at 30 June 2015.

The provisions were corrected and a corresponding post closure asset was created to be amortised over the remaining life of the site. Increments in the provisions are calculated annually based on the change in the net present value.

EMRC Financial Statements has been corrected by restating each of the financial statement line items.

A summary of the impact to the City's Financial Statements from above is given below

Statement of Financial Position (Extract)	30 June 2018 \$	Increase/ (Decrease) \$	30 June 2018 (Restated) \$	30 June 2017 \$	Increase/ (Decrease) \$	01 July 2017 (Restated) \$
Non-Current Assets						
Forrestfield North Development Project	839,871	(839,871)	0	200,514	(200,514)	0
Investments accounted for using the equity method	30,331,642	185,398	30,517,040	0	0	0
	31,171,513	(654,473)	30,517,040	200,514	(200,514)	0

Statement of Comprehensive Income (Extract)	2018 \$	Increase/ (Decrease) \$	2018 (Restated) \$
<i>By Nature or Type</i>			
Materials and Contracts	(19,923,884)	(639,357)	(20,563,241)
Share of net profit of associates accounted for using the equity method	1,679,116	234,509	1,913,625
Share of other comprehensive income of associates accounted for using the equity method	(94,686)	(49,111)	(143,797)
<i>By program</i>			
Community amenities	(14,648,753)	(639,357)	(15,288,110)
Share of net profit of associates accounted for using the equity method	1,679,116	234,509	1,913,625
Share of other comprehensive income of associates accounted for using the equity method	(94,686)	(49,111)	(143,797)

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34. NET CURRENT ASSETS

(a) Net Current Assets

	2019	2019	2019
Note	(30 June 2019	Budget	(1 July 2018
	Carried	Carried	Brought
	Forward)	Forward)	Forward)
	\$	\$	\$
Total Current Assets	27,583,960	17,097,695	28,753,425
Less: Current Liabilities	10,696,891	11,660,010	10,217,503
	<u>16,887,069</u>	<u>5,437,685</u>	<u>18,535,922</u>
Adjustments			
Add: Provision for annual leave	1,752,635	1,513,400	1,558,194
Add :Provision for long service leave	1,970,514	2,014,000	1,624,002
Add: Current portion of long term borrowings	672,155	1,144,824	652,798
Add: Current portion of deffered loan receivable	17,483	0	0
Less: Current portion of Self supporting loans receivable	(47,561)	0	(59,396)
Less: Reserves Resticted cash	(17,223,164)	(7,245,034)	(18,221,169)
	<u>(12,857,938)</u>	<u>(2,572,812)</u>	<u>(14,445,575)</u>
Net Current Assets	<u>4,029,131</u>	<u>2,864,873</u>	<u>4,090,347</u>

35. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

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

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

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

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

Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount.

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

36. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
<p>GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.</p>	<p>Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.</p>
<p>GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.</p>	<p>Rates, general purpose government grants and interest revenue.</p>
<p>LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.</p>	<p>Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.</p>
<p>HEALTH To provide an operational framework for environmental and community health.</p>	<p>Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.</p>
<p>EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.</p>	<p>Provision and maintenance of senior citizen and disability services, youth services and other voluntary services.</p>
<p>COMMUNITY AMENITIES To provide services required by the community.</p>	<p>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 and public conveniences.</p>
<p>RECREATION AND CULTURE To establish and effectively manage infrastructure and resource which will help the social well being of the community.</p>	<p>Maintenance of public halls, civic centres, aquatic centre, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.</p>
<p>TRANSPORT To provide safe, effective and efficient transport services to the community.</p>	<p>Construction and maintenance of roads, footpaths, bridges, lighting and cleaning of streets.</p>
<p>ECONOMIC SERVICES To help promote the City and its economic wellbeing.</p>	<p>Tourism and area promotion, rural services and building control.</p>
<p>OTHER PROPERTY AND SERVICES To monitor and control council's overheads operating accounts.</p>	<p>Private works operation, plant repair and operation costs and engineering operation costs.</p>

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37. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio	1.30	1.43	1.70
Asset consumption ratio	0.97	0.98	0.95
Asset renewal funding ratio	0.95	0.82	1.00
Asset sustainability ratio	0.67	0.51	0.54
Debt service cover ratio	9.58	9.94	9.06
Operating surplus ratio	(0.04)	0.01	(0.03)
Own source revenue coverage ratio	0.90	0.93	0.84

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

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