

# Annual Report

## 2016/2017



**city of  
kalamunda**



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# Message from the Mayor



**John Giardina**  
Mayor

With a raft of transformative projects on the go, our City is set to realise significant and exciting opportunities for improving social, economic and cultural offerings over the coming years.

Further to this in the 2016/2017 year, we presented the updated Strategic Community Plan - Kalamunda Advancing 2027. This plan builds on the progress we have made over the last four years and reconfirms our strategic direction for the next decade.

Based on community feedback our focus remains firmly on delivering better connected communities, advocating to different levels of government and delivering high quality value for money services to the community.

As such, we identified the following priorities:

- Investing in infrastructure to improve roads, building shared paths, and improving recreation facilities and community hubs to connect communities
- Looking after the natural environment through the continued development and implementation of our Local Environment and Biodiversity Strategy
- Engagement with the community and agricultural industry, in pursuit of proactive outcomes for the rural sector
- Improving community engagement processes to allow for a broader range of opinions to assist us in moving our community forward

- Reviewing and simplifying the Local Planning Scheme to make it more user friendly and easier to understand for our customers
- Improving our technology footprint to simplify interactions between customers and the administrative organisation

Similarly, a partnership approach to delivering a more compelling advocacy agenda was used when developing our budget and the

City continued to work with several teams and partners to establish common priorities.

In response we committed to assisting local businesses and residents to generate economic opportunities.

Looking ahead, the City will continue to have a full policy and advocacy load as work continues in the planning and building spaces.

There will be a renewed focus on economic development, resource and infrastructure management and emergency management, as well as progressing the many audits and community consultation reviews in place so we can further develop legislation to ensure the best result for our communities both now and long term.

I wish to thank our dedicated staff and councillors who work extremely hard in defending and representing local interests, promoting continuous improvement within the City and providing quality services to support residents and local businesses.

# Message from the Chief Executive Officer



**Rhonda Hardy**  
Chief Executive Officer

The City remains committed to its advocacy and policy development roles on behalf of our residents and local businesses.

Significant attention has been given to the preparation of submissions, developing responses and facilitating inputs to legislative and policy proposals generated by the growing needs of our community to ensure future growth at a sustainable level.

In 2016/2017, the City approved 659 planning applications for development across the municipality. And while this figure is slightly down on what was recorded the previous year, it is anticipated development and subdivision applications will increase in the City given:

- the Forrestfield/High Wycombe Industrial Area is progressing
- applications for the Satterley's 'The Hales' residential estate are now being received by council, and
- the likely adoption by the Minister of Planning of Scheme Amendment 82 – Dual Density - by the end of 2017

As such, the City continued to promote growth with its new Economic Development Strategy to provide direction for projects and activities for the next five years.

The draft strategy identified five major priorities with a program of activities designed to achieve outcomes:

- Industry Expansion and Attraction
- Business Capacity Building
- Tourism

- Strong Local Identity
- Welcoming Environment

In addition to this work, the City has focused attention on service delivery by gathering effort and offerings to assist residents to increase both their capacity and capability. Most certainly a key focus was to support our people as we continued conversations around:

- Community health and wellbeing
- Youth and children's services
- Seniors health and liveability
- Community safety and crime prevention
- Sustainable living

In addition we continued our efforts in relation to sector contract and procurement opportunities; building capacity in community resources and emergency management; further progressing long-term financial and strategic asset-management planning across all business areas and supporting staff to have safe workplaces.

As we look forward we will be actively pursuing new partnerships, implementing and delivering our Strategic Community Plan to 2027 and always reviewing our governance policies and procedures.

It's an exciting time to be CEO of the City of Kalamunda and I am looking forward to working with our Mayor, Councillors, the Executive team, staff and residents to progress our key priorities for the next 12 months.

# Our City

## Vision

Connected Communities, Valuing Nature and Caring for our Future together

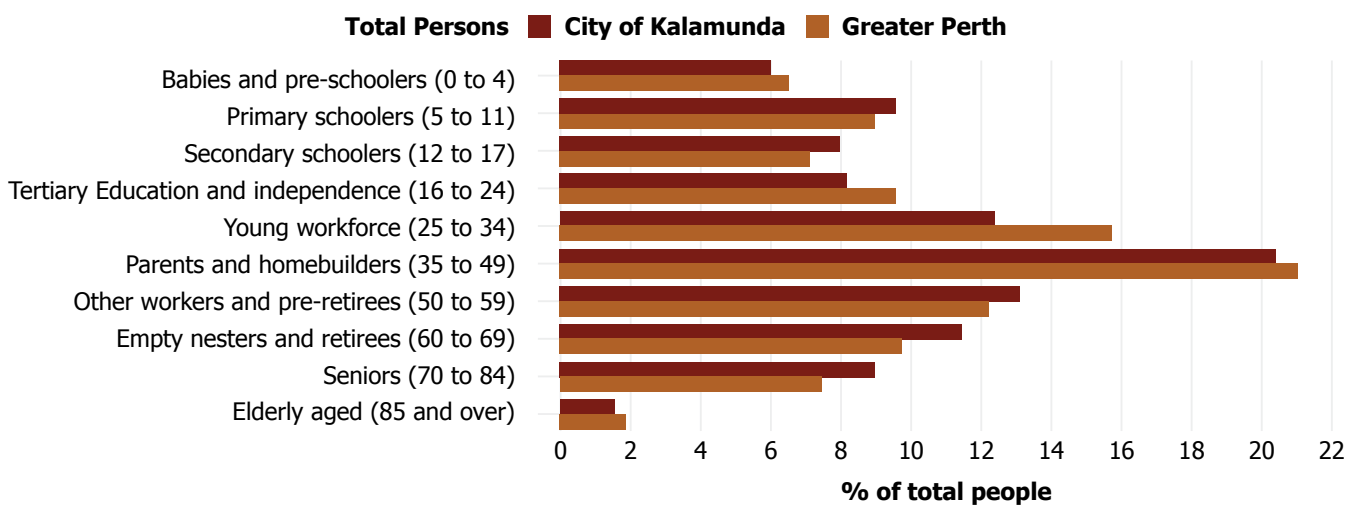
## Profile

Population estimates and age structures of the City of Kalamunda provide key insights into the level of demand for services and facilities. It is also an indicator of the City's residential role and function and how it is likely to change into the future.

The City of Kalamunda's Estimated Resident Population for 2016 is 59,349, with a population density of 1.83 persons per hectare.

The City of Kalamunda has a similar proportion of pre-schoolers and a higher proportion of persons at post retirement age than Greater Perth in 2016.

## Age Structure – service age groups, 2016



Analysis of the service age groups of the City of Kalamunda in 2016 compared to Greater Perth shows there was a higher proportion of people in the younger age groups (0 to 17 years) as well as a higher proportion of people in the older age groups (60+ years).

Overall, the population split is:

- 23.8% aged 0-17 (22.7% Greater Perth)
- 22.2% aged 60+ (19.0% Greater Perth)

The major differences between the age structure of the City of Kalamunda and Greater Perth were:

- A *larger* percentage of 'Empty nesters and retirees (60 to 69)' (11.4% compared to 9.7%)
- A *larger* percentage of 'Seniors (70 to 84)' (9.1% compared to 7.5%)
- A *smaller* percentage of 'Young workforce (25 to 34)' (12.3% compared to 15.8%)
- A *smaller* percentage of 'Tertiary education and independence (18 to 24)' (8.3% compared to 9.4%)



## Emerging groups

From 2011 to 2016, the City of Kalamunda's population increased by 3,884 people (7.3%) showing an average annual population change of 1.41% per year for the period.

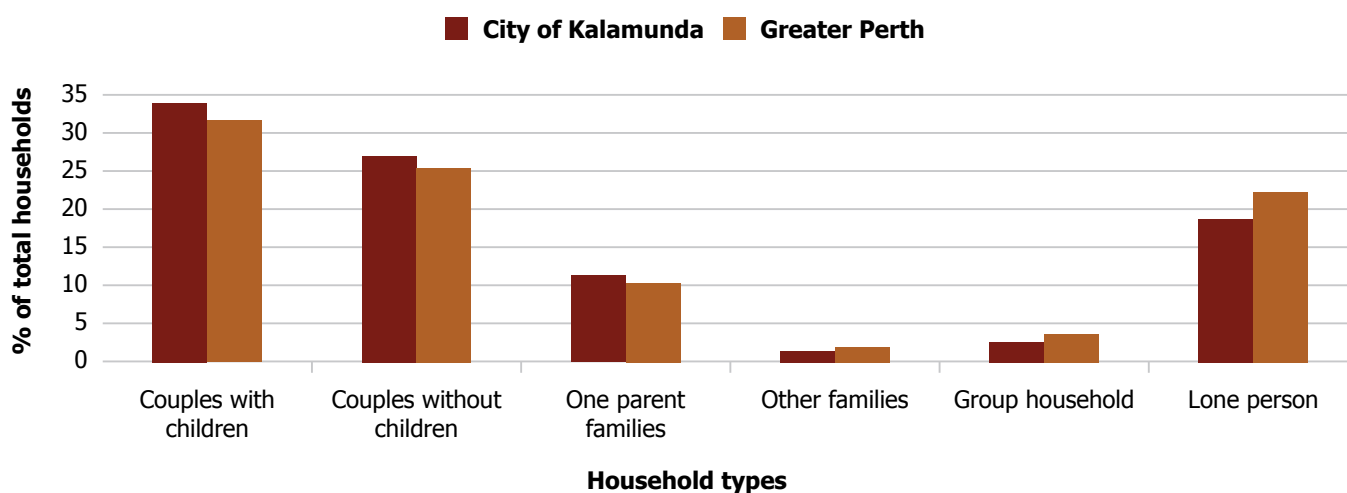
The largest changes in the age structure in this area between 2011 and 2016 were:

- Seniors (70 to 84) (+1,038 people)
- Young workforce (25 to 34) (+832 people)
- Primary schoolers (5 to 11) (+636 people)
- Empty nesters and retirees (60 to 69) (+594 people)

In the City of Kalamunda, 34% of households were made up of couples with children in 2016, compared with 32% in Greater Perth.

The City's household and family structure is one of the most important demographic indicators. It reveals the area's residential role and function, era of settlement and provides key insights into the level of demand for services and facilities as most are related to age and household types.

## Household type, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing 2016 (Enumerated Data)

Analysis of the household/family types in the City of Kalamunda in 2016 compared to Greater Perth shows there was a higher proportion of couple families with child(ren) as well as a similar proportion of one-parent families.

Overall, figures show:

- 34.2% of families were couple families with child(ren) (32.3% Greater Perth)
- 10.2% were one-parent families (9.8% Greater Perth)

There were a lower proportion of lone person households and a higher proportion of couples without children with the following breakdown:

- 19.2% lone person households (21.7% Greater Perth)
- 28.2% couples without children (25.4% in Greater Perth)

The number of households in City of Kalamunda increased by 1,426 between 2011 and 2016.

The largest changes in family/household types in the City of Kalamunda between 2011 and 2016 were:

- Lone person (+479 households)
- Couples with children (+462 households)
- One parent families (+125 households)
- Couples without children (+106 households)

Source profile id <http://profile.id.com.au/>

# Councillor Attendance

## Councillor attendance at Committee and Council Meetings 1 July 2016 – 30 June 2017

Councillor	No. of Meetings Eligible to Attend	Development & Asset Committee	Corporate & Community Committee	Special Meetings of Council & Pub Sub Meeting	Audit & Risk Committee	Ordinary Council Meeting	Leave of Absence	Total Meeting Attendance
								47
<b>Cr Michael Fernie</b>	47	11	10	10	4	11		46
<b>Cr John Giardina</b>	47	11	09	08	4	09		41
<b>Cr Geoff Stallard</b>	47	10	10	10	4	11		45
<b>Cr Allan Morton</b>	47	09	09	10	4	09		41
<b>Cr Brooke O'Donnell</b>	47	09	10	08	4	09	18 April – 26 May 2017	40
<b>Cr Noreen Townsend</b>	47	10	10	10	4	10	20 August – 4 September 2016 7-31 March 2017	44
<b>Cr Andrew Waddell</b>	47	10	10	09	3	11		43
<b>Cr Dylan O'Connor</b>	47	09	10	08	3	10		40
<b>Cr Sara Lohmeyer</b>	47	11	11	10	4	11		47
<b>Cr Tracy Destree</b>	47	09	07	07	3	09	15-30 August 2016	35
<b>Cr Simon Di Rosso</b>	39	07	08	08	4	09		36
<b>Cr Sue Bilich</b>	47	10	11	08	4	11		44



# 2016/2017 Financial Highlights

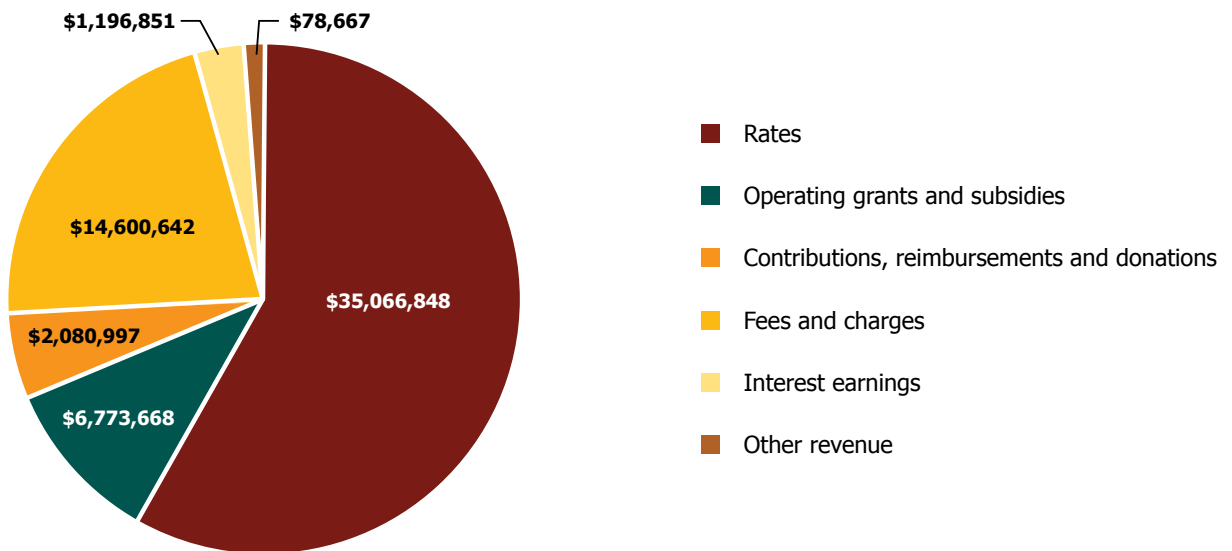
## Statement of Comprehensive Income – Surplus for the Year \$3.4 Million

### Income

- Revenue of \$59.8 million incorporates an increase of 10.6% when compared with 2015/2016.
- Revenue from Rates increased by 7% overall. This is due to a combination of higher interim rates with increased property development, increase in rate charges and recognition of prepaid rates in the current year in line with the accounting standards.
- Contributions and reimbursements at \$2.1 million were up \$1.2 million due mainly to CELL 9 land acquisitions for roads funded from the Trust account.
- Operating grants at \$6.8 million increased by \$1.9 million due to early receipt of the first quarter’s component for the 2017/2018 Federal Assisted Grants Scheme (FAGS) grant.

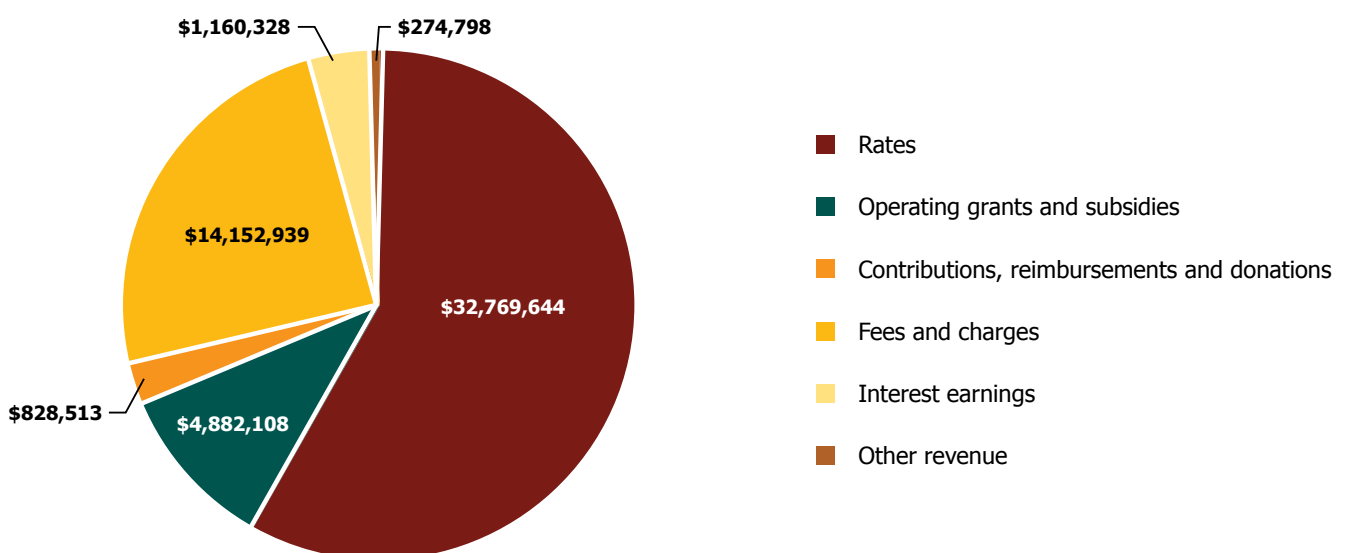
### 2016/2017

**2016 / 2017 Actual Revenue by Nature of Type**



### 2015/2016

**2015 / 2016 Actual Revenue by Nature of Type**

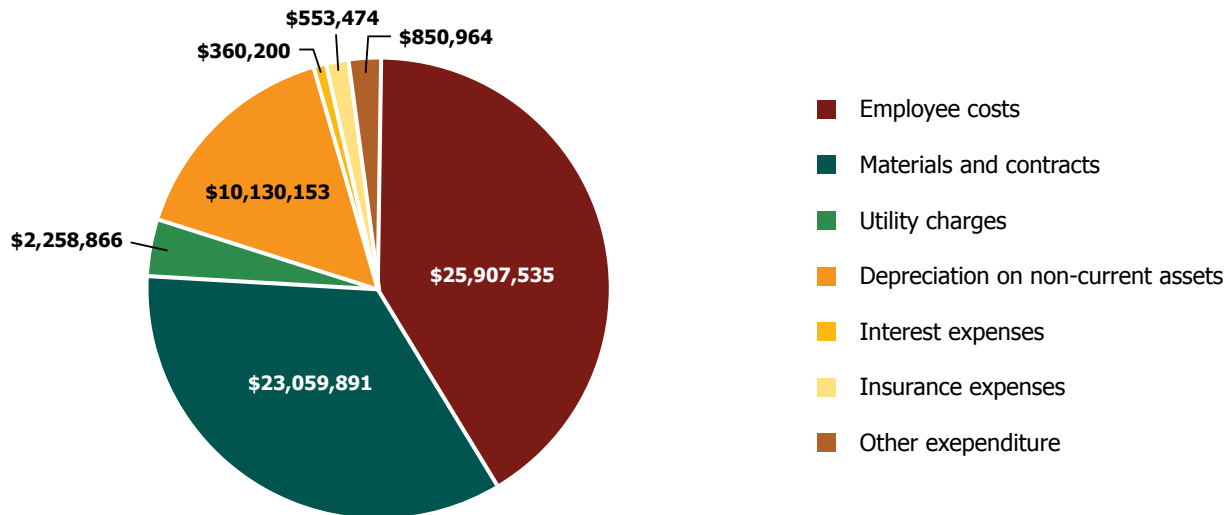


## Expenditure

- Operating expenditure includes a material number of one-off items including a non-cash depreciation adjustment of \$4.1 million as a result of a change in infrastructure depreciation rates following asset management initiatives.
- Employment costs were up \$1.9 million to \$25.9 million mainly as a result of redundancy costs following the withdrawal of the City from providing HACC services and as a result of a reclassification of some Waste Management costs from materials and contracts.
- Overall, materials and contracts increased by \$4.9 million to \$23.1 million substantially due to land acquisition costs for roads in Forrestfield Industrial Area and Cell 9.

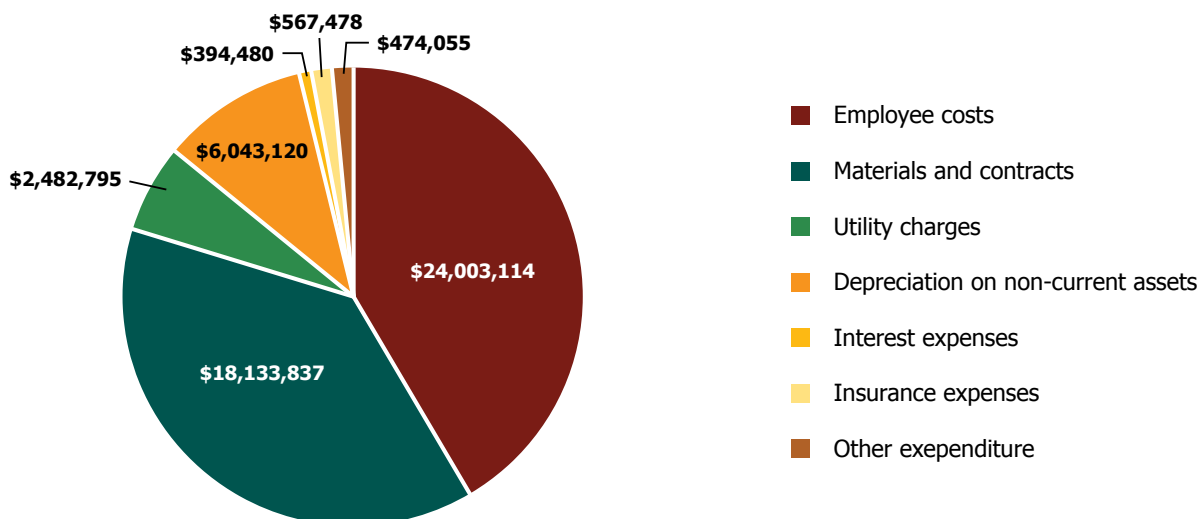
### 2016/2017

#### 2016/2017 Actual Expenditure by Nature and type



### 2015/2016

#### 2015/2016 Actual Expenditure by Nature and type



## Other

- Non – operating grants decreased by \$2.7 million as the previous year reflected receipt of significant grants in relation to Hartfield Park additions.
- Loss on asset disposals reduced by \$1.4 million because the prior year included the loss on the value of the Dundas Road reserve following its resumption for use in the Forrestfield Airport rail link.
- Developer contributions of \$3 million contributed significantly to the funding of industrial developments in Forrestfield.
- Investment in the EMRC joint venture rose \$700,000 less than last year.

## Net Result

**The Surplus for the year is \$3.4 million excluding revaluation adjustments.**



## Statement of Financial Position

### Net Assets of \$360 Million Demonstrate Financial Strength

- Cash increased by \$2 million.
- The increase in the value of the Eastern Metropolitan Regional Council joint venture amounted to \$1.3 million.
- Capital expenditure during the year amounted to \$9.5 million.
- Asset classes invested in during the year were as follows: -

Buildings	\$3.2 million
Infrastructure Roads	\$2.3 million
Infrastructure Parks and Ovals	\$1.3 million
Infrastructure Drainage	\$800 thousand
Plant and Equipment	\$800 thousand
Other	\$1.1 million

#### Ratio Analyses

- The Financial Ratios are satisfactory overall with the Current Ratio strengthening markedly from .83 last year to 1.79.
- The Debt Service Cover Ratio remains very strong reflecting a prudent approach to taking on debt.
- The Asset Sustainability Ratio has deteriorated from 1.5 to 0.54 following an increase in depreciation against the infrastructure category a lower renewal expenditure than budgeted.
- The Operating Surplus Ratio has turned marginally negative as a result of the depreciation adjustment.
- The Own Source Revenue Coverage Ratio has declined slightly due to the increased depreciation charge but is still strong.

#### Outlook

- The City has adopted its budget for the ensuing year and in October approved the first of two budget reviews for the year.
- The budget projects a Statement of Comprehensive Income surplus of \$5.7 million which has changed only marginally in the budget review, except, for a non-cash \$1.5 million reduction in the anticipated investment valuation increase of EMRC.
- Capital investment of \$23.6 million is projected for the year which is an intensive program and a major increase on the spend in 2016/2017. This will result in favourable Asset ratios.







# Goal 1 Kalamunda Cares – Looking After our People

## Major Achievements in 2016 – 2017

### 1.1 To be a community that cares for its aged and frail and those less fortunate

Based on your feedback the City remains committed to better connecting communities to complement the needs of our seniors, frail and those in need of help to live their best life.

Specifically, the City strives to understand the factors important to older people to assist them to remain independent, healthy and connected within their community and is developing an Age-Friendly Strategy based on recent community feedback to guide future conversations and plans.

#### Seniors

##### Positive Ageing Plan

As part of the Positive Ageing Plan, the City successfully attracted Department of Local Government and Communities funding to undertake community consultation about Age Friendly Communities.

Older adults were asked how they felt our community was performing against eight different areas including transportation, housing, outdoor spaces and buildings, social participation, civic participation and employment, communication and information, respect and social inclusion and community and health services. The findings will be developed into a four-year Age Friendly Community Strategy.

#### 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 also offered the opportunity to attend free information sessions and a range of events throughout the year:

- **Stay on Your Feet  
Information Session**

Community Care and seniors partnered to present a free information session in September 2016 at the Peter Anderson Centre entitled 'Build Your Balance'. The session delivered information to 40 people on building strength and balance to avoid falls.

Seniors from the community joined consumers from the Peter Anderson Centre for the presentation as well as sharing afternoon tea. Many people attending had never had an opportunity to visit Community Care and gave very positive feedback about the centre and services offered.

- **Seniors Week**

Celebrated in style over a two-week period during November 2016, Seniors Week events included Melbourne Cup luncheon and Bingo.

All tickets for both these popular events were quickly claimed by seniors wishing to celebrate their seniority. Other well attended events were the opening of the Seniors Week Art Exhibition, Picnic at Stirk Park and a Sentimental Supper Club luncheon and dance.

- **Tech Savvy Seniors**

In March and April 2017 a cohort of 12 seniors attended a six-week 'Tech Savvy Seniors - Introduction to Technology' course presented by Seniors Recreation Council at the Forrestfield Library. Feedback was positive with seniors looking forward to utilising their new skills.

## People with disability

### Disability Access and Inclusion Plan

Under the The Disability Services Act (WA) 1993 (amended 2004) and Disability Services Regulations 2004, the City of Kalamunda is required to review its current DAIP every 5 years.

As the existing DAIP was due to expire in 2017, this process began in August 2016 and included extensive community consultation which helped shape the development of a brand-new DAIP for the period from 2017 to 2022.

From pushing a pram or having a sports injury to knowing someone who has a disability or simply having elderly relatives and friends, access issues affect nearly everyone at some time in their lives.

Others may experience difficulties accessing services, buildings, facilities, information and events on a daily basis, but no matter what the circumstances, everyone has the right to equal access.

The new DAIP identifies strategies to improve accessibility for all residents and visitors, and was endorsed by Council in May 2017.

Complying with legislation, the Plan was then submitted to the Disability Services Commission, along with the annual report and contractor report.

Additional activities during the year included:

- **Lighthouse Grant**

The City of Kalamunda submitted a successful funding application to Disability Services Commission (DSC) and Local Government Managers Australia, Western Australia (LGMA) for the Lighthouse Project. The funding supported delivery of information and training on 'Employment of People with Disability' to senior management and staff at the City of Kalamunda.

- **Mental Health Workshops**

Two workshops were presented to staff by HBF recognising the importance of mental health and wellbeing entitled 'The Off Switch and Your Positivity Ratio'.

- **Disability Awareness Week and International Day of People with Disability**

On 30 November 2016, the City held an event to celebrate Disability Awareness Week and International Day of People with Disability.

This event was held in the Zig Zag Cultural Centre precinct. Approximately 70 visitors joined the celebration and were able to participate in Lego building, pottery, wood burning or polymer clay design. Some of the guests simply enjoyed listening to the musical entertainment provided by Catch Music Midland group and sharing light refreshments.

- **Disability and Carers Advisory Committee**

The DACAC continued to meet quarterly throughout the year to provide advice and guidance to Council on improving access and inclusion for people with disability in the City. Participating members include residents with disability, carers, representatives of service providers in a relevant field, Councillors and staff.

## 1.2 To ensure the ageing population has housing choice

The City is working to ensure there

are many housing options for the over 55 age group and is committed to understanding their present and future housing needs.

According to data from the Australian Bureau of Statistics, the population of people aged 70 years and over is expected to increase from 4,976 in 2011 to approximately 8,560 in 2021. In order to meet the demands of the ageing community by 2021, 715 aged care places will be required. To meet these demands, a total of 538 aged care places need to be developed/newly constructed in the next four years in addition to the current 177 operational places (as at 1 July 2016)

This financial year Hall & Prior Health and Aged Care Group received approval for their

Karingal Green Aged Care Facility to be built in High Wycombe. Karingal Green will provide the local community with a much needed aged care facility that will not only deliver places for aged care residents, but will also support older community members to remain in their homes. The \$75million project will deliver 160 residential aged care beds and will provide services to ensure a further 150 home care clients are supported in the community. The facility will also include day therapy, a respite centre and hydrotherapy pool; and will deliver community care outreach programs. In addition, the project itself will create more than 200 jobs during construction and more than 250 new local jobs, when the facility is complete.

Gavour Road in Wattle Grove has also been given the go ahead, with the Minister for Transport, Planning and Lands approving the long awaited Local Planning Scheme Amendment 57, to allow for an integrated aged care facility to be built at Lot 500 Gavour Road in Wattle Grove in June 2017. Rezoning Lot 500 Gavour Road, Wattle Grove from Special Rural to Special Use (Integrated Aged Care Facility) will allow for the development and operation of an integrated aged care facility designed for aging in place, comprising both independent living units and a nursing home component.

The City has examined the issue of demand for integrated aged accommodation through its various strategic planning documents, including the Local Planning Strategy in 2010 and the more recent Aged Accommodation Strategy adopted by Council.

The City is currently waiting on advice from the Minister for Transport Planning and Lands as to whether the Scheme amendment for Wilkins Road to facilitate integrated aged care will proceed.

In addition, the City supports the Seniors Housing Advisory Centre (SHAC) which offers free, independent information and advice covering the full range of housing options for seniors in WA.

The SHAC does not directly offer housing, or provide financial and legal advice, but can be an invaluable source of information for seniors and their families.

### **1.3 To be a community that listens to, engages with and involves its young people in decision making**

The Youth Team sits within Community Development Services and its activities are guided by the City's Youth Plan 2017-2022. The team seeks to provide a balanced program of free activities and events as well as encouraging engagement between young people (ages 12 - 25 years), Council and the wider community.

#### **Youth Plan 2017-2022**

One of the biggest projects undertaken by the Youth Team in 2016 was the development of a new City of Kalamunda Youth Plan.

A huge consultation process resulted in over 600 young people, parents and teachers sharing what they wanted to see in the future. This data, as well as a desk-top review of information, demographics, national strategies and best practice, shaped the content.

Four key focus areas emerged – Participation, Health and Wellbeing, Communication and Organisation – resulting in an Action Plan to have a positive impact on these areas.

The Youth Plan was endorsed by Council at the end of 2016 and is now being implemented.

#### **Young Creatives Month**

During September, the Youth Team, in partnership with several community groups, hosted over 40 events, activities and competitions for young people, including:

- Exhibition at the Zig Zag Gallery for 16-25s to display and sell their artwork
- Online Youth Art and poster competitions
- Free movie screenings
- Action filming workshops
- Creative Play session
- Music, singing, beat-boxing and song-writing workshops
- Gaming Design, Build A Terrarium, crafts and robotics workshops

#### **In the Mix 2017**

This annual music program continues to attract talented local young musicians with its successful combination of expert tutelage from Kalamunda Music Academy/Focus Music and a unique opportunity to perform 'live' for a large audience at the Corymbia Festival in Forrestfield.

#### **National Youth Week – Hurdles in the Hills**

The City's 2017 National Youth Week event 'Hurdles in the Hills' was supported by a grant from the Department of Local Government and Communities.

An Amazing Race-style obstacle course saw 185 young people moving through a series of physical, mental and artistic 'hurdles' including an art stop, bungee run, jungle climb, yoga and giant inflatables. Completing each hurdle boosted confidence and resilience as each was subtly linked to an essential life skill.

To help plan the event, a team of young people met regularly to brainstorm ideas, discuss logistics and organise various aspects of the event, as well as volunteering on the day.

#### **Kalamunda Careers Expo**

This annual event was created in 2012 following a request from local schools and now attracts over 700 Year 10 students from local schools, as well as members of the general public.

It is an excellent opportunity for all who attend to gather information on career pathways from a wide range of exhibitors including TAFEs, universities, employment agencies and specialised training organisations.

Motivational speaker, Greg Mitchell, gave tips on transitioning from school.



## Award-winner!

In June 2017, the Kalamunda Careers Expo was awarded Winner in the Youth Economic Participation category in this year's National Awards for Local Government hosted by the Australian Government. The award was presented in Canberra at Parliament House and is a tremendous achievement for the City and all those involved.

### Continuous Engagement

The City also runs some regular activities which include:

- Ramp it Up Skate series** – Monthly skate clinics at Forrestfield and High Wycombe Skate Parks run by Freestyle Now, and holiday clinics at Kalamunda Skate Park.
- Forrestfield Youth Initiative (FYI)** – An after-school drop in session at Hartfield Park Recreation Centre regularly attracting 10-20 young people. A highlight of 2016 was the Olympics special in August which had all the favourites but with an Olympic twist. It was so popular each week was then given a theme.
- The Influence** – Opportunities for young people to volunteer at, or get involved with, youth events and activities.

### Partnerships

The City continued to work with service providers supporting young people in our schools:

- Constable Care Child Safety Foundation** – Providing safety messages through theatre-in-education program in local schools and libraries.
- YouthCARE** – Providing chaplaincy services in school communities for young people, their families and staff who may be facing challenging personal and social issues.
- PCYC Youth Outreach Bus** – The City supported weekly visits to Forrestfield by the PCYC Outreach Team to run after-school activity sessions from its Youth Bus - every Tuesday during term time from August to December 2016, offering video games, snacks, social sports, board games and the services of two youth workers.

### 1.4 To ensure the community has the resilience to respond and protect itself from danger and disasters

#### Fire Protection

The City continued its program of engaging with residents to

bring about compliance under the requirements of the "Firebreak and Fuel Load Notice".

This included increasing the availability of the Senior Community Bushfire Safety Officer to attend community events and other public functions. In 2016/2017, the City attended 35 community events, which included the Kalamunda Show, major shopping centres and presentations to community groups. The program reached 1500 residents.



Figure 1: Kalamunda Agricultural Show

In addition, the fire hazard inspections to determine compliance with the "Firebreak and Fuel Load Notice", covered 23,402 premises – up 10,000 on previous years.

## Bushfire Hazard Inspections

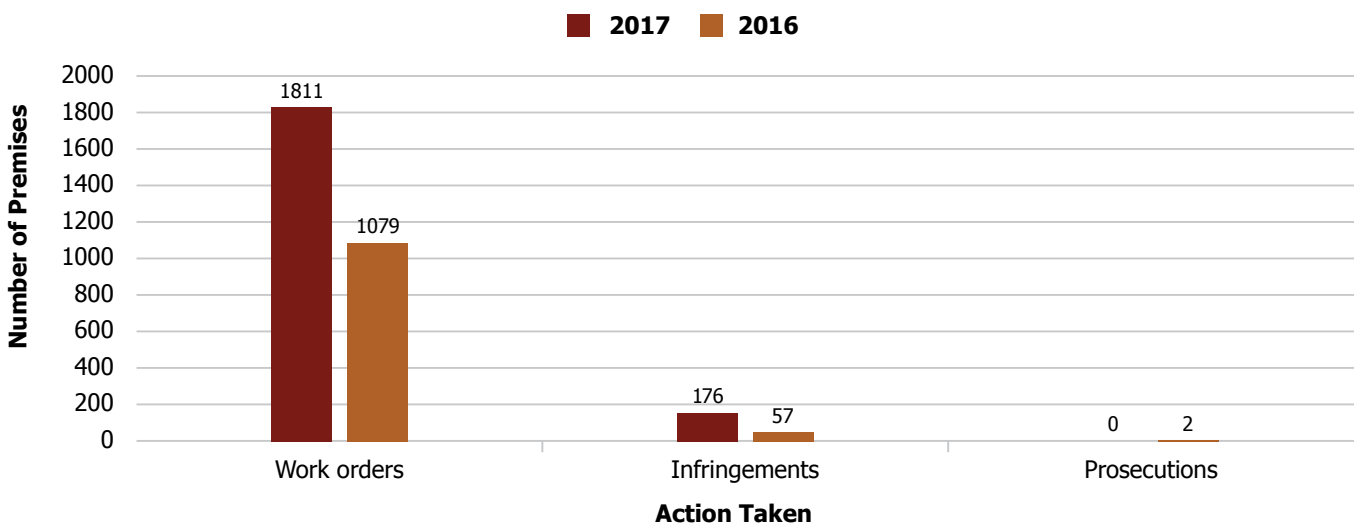


Figure 2: Bushfire Hazard Inspections 2016 & 2017



## Fire Mitigation

The bushfire protection officers in the reserves management team monitor and manage asset protection zones, bushfire fuel loads, priority habitat and dieback areas, to get the best balanced outcomes for bushfire risk reduction and the City's natural areas.

Ensuring that information regarding reserve flora, fauna, threatened ecological communities (TEC) and declared rare flora (DRF) is up to date, helps with decisions for environmentally sensitive treatments appropriate for the burning program.

Working with the Kalamunda Volunteer Bush Fire Brigade, Water Corporation, Department of Parks and Wildlife (DPaW) and local businesses was also a priority for meeting annual compliance requirements of the Bush Fire Act 1954.

This included addressing local vigneron concerns for grape smoke taint, working with two Bickley Bushfire Ready Action Groups who had concerns on rural verges deemed

remnant bushland, and high conservation value by the Roadside Conservation Committee of DPaW.

The fire mitigation officers were first to respond to five fire calls between February and May 2017.

Each year in October all properties are inspected for bushfire compliance and Council reserves readied for the total fire ban (December to March). This means fuel reduction burning, firebreaks and other works are completed before the prohibited burning season.

By March the fire mitigation officers had inspected all reserves, assessed fuel loads and undertaken pruning and uplifting of trees. With the opening of the *Restricted Burning Season* on Saturday 1 April 2017, the first formal autumn hazard reduction burns ended mid-May.

Seasonal weather variation during April 2017 caused the Autumn program to stop/start but the team still achieved 2.6 hectares

of the planned 9.15 hectares scheduled burns.

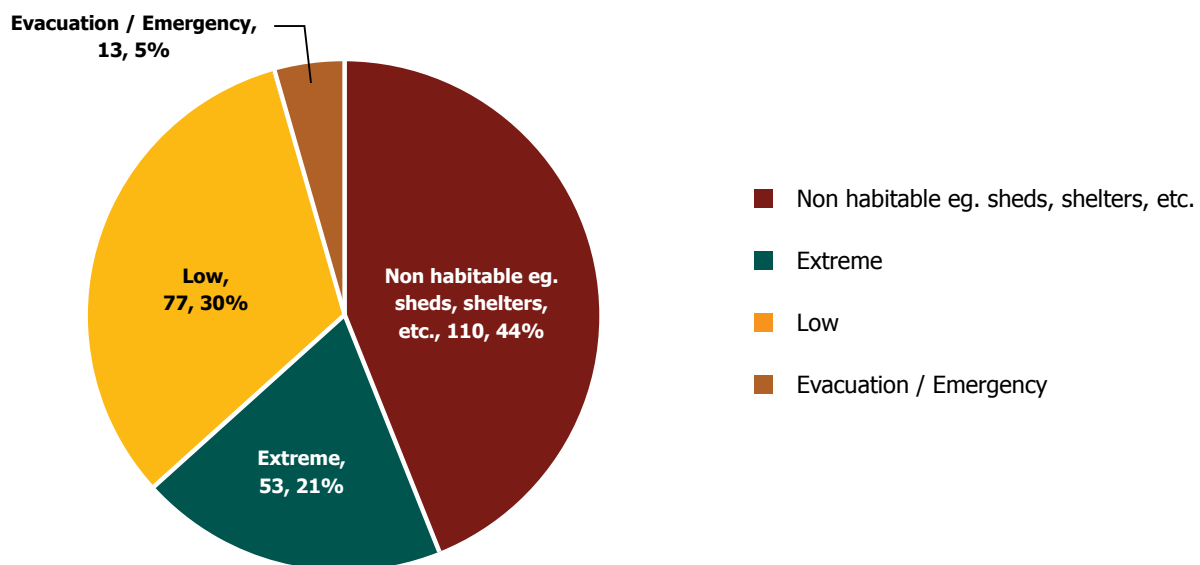
The Spring 2016 burns program took in 19 reserves covering 14.5 hectares or 323.35 tonnes of fuel reduction in the bushland.

In 2016/2017 the city initiated a post-burn weed spray program to reduce ongoing grass fuel loadings, with a view to extending the period between fire cycles and promoting stronger and healthier biodiversity.

## Asset Protection Zone Inspections

Across 2016/2017 asset protection zone inspections of the City's 253 habitable buildings were completed and remedial works undertaken to address any fire related vegetation hazards.

A further 110 buildings were deemed to be non-habitable. 53 buildings were located in extreme risk areas, 77 buildings were located in low risk areas and 13 buildings were classified as evacuation or emergency locations.



## Emergency Management

The City of Kalamunda has a Local Emergency Management Committee (LEMC), which meets quarterly and holds Local Recovery Committee meetings twice a year.

The Bush Fire Advisory Committee also meets regularly to discuss key issues and recommend appointment of positions within the Bush Fires Act.

While the City of Kalamunda did not activate its Emergency Management Arrangements this year, it did run a mock exercise, requiring the activation of an incident management centre at the chambers. The exercise provided valuable insight into the operations of the City during emergencies.

The City continues to maintain close relationships with key stakeholders in

Emergency Management including the Department of Fire and Emergency Services, WA Police, DPaW, Department of Child Protection and Family Support and local volunteer emergency services agencies.

## 1.5 To provide a safe environment for the entire community to enjoy

### Community Safety and Crime Prevention Plan 2013/2018

The City continued to support the work of WA Police with the installation of CCTV at four fixed locations:

- top of Haynes Street
- Kalamunda Road outside the High Wycombe Shopping Centre
- Woolworths Drive Forresterfield
- roundabout at the corner of Hartfield and Hale Roads.

The City has also received a grant to install additional CCTV at another four fixed locations:

- carpark Zigzag
- Mead Street bus terminal in Kalamunda
- upper carpark at Lesmurdie Falls
- Lions lookout carpark.

The City's Rangers continue to provide a professional service protecting the local community.

Over the last four years, with minor exception of 2014/2015 there has been a gradual decline in the number of dogs found wandering.

Despite the gradual decline, the number of dog attacks has slowly increased.

This is a worrying trend, which the City takes seriously. In this regard, City Rangers are now more visible than ever before:

- high visibility vests, fitted with body cameras
- increased vehicle patrols of know hotspots
- increased foot patrols of parks and reserves
- zero tolerance on confirmed serious dog attacks.

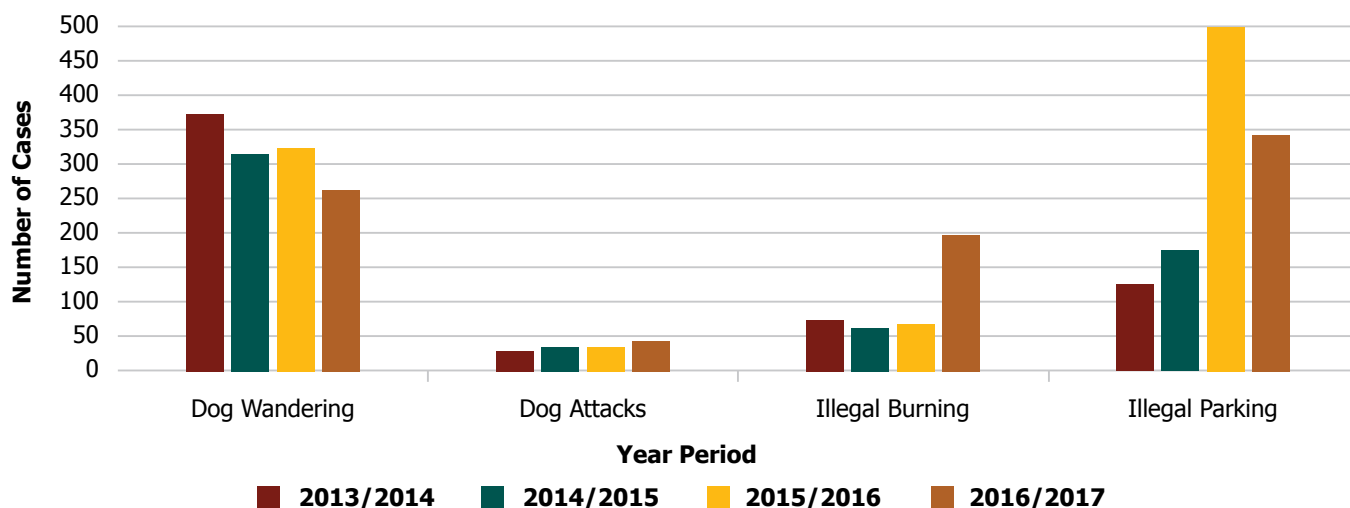
Two other areas of concern are the increase in the number of detected cases of illegal burning and illegal parking (see graph). Most of the detected illegal parking occurred in and around school zones, placing our children at increased risk of harm.

To solve this, the City has increased surveillance, and is using its visual messaging boards and newsletters to educate the community of risks associated with illegal parking and burning.



**Figure 3: Fixed CCTV**

## Community Safety Statistics



### Eyes on the Street

City of Kalamunda staff have undergone full training to become the local 'Eyes on the Street.'

Managed by the Office of Crime Prevention, 'Eyes on the Street' is a coordinated intelligence gathering initiative that enables agencies to identify suspicious people, vehicles and/or criminal activities and to report that information to police.

All City of Kalamunda vehicles and employees have been provided with a reporting system, where they can send information of suspicious activity and behaviour through to police. This information will be processed through Crime stoppers and disseminated to the local Police for investigation.

### E-Watch

Following on from the past success of the Neighbourhood Watch initiative conducted locally in the areas of Walliston, Forrestfield and Lesmurdie, WA Police and Neighbourhood Watch WA have collaborated to deliver e-watch – an online community safety and crime prevention initiative.

E-watch is an email-based system that connects residents to their local police and council.

Residents who join e-watch receive regular email updates on crime trends and statistics, safety initiatives, emerging issues and events that are specific to their area.

E-watch is a free service provided through WA Police and Neighbourhood Watch and is proudly supported by the WA Local Government Association.

### Health Services

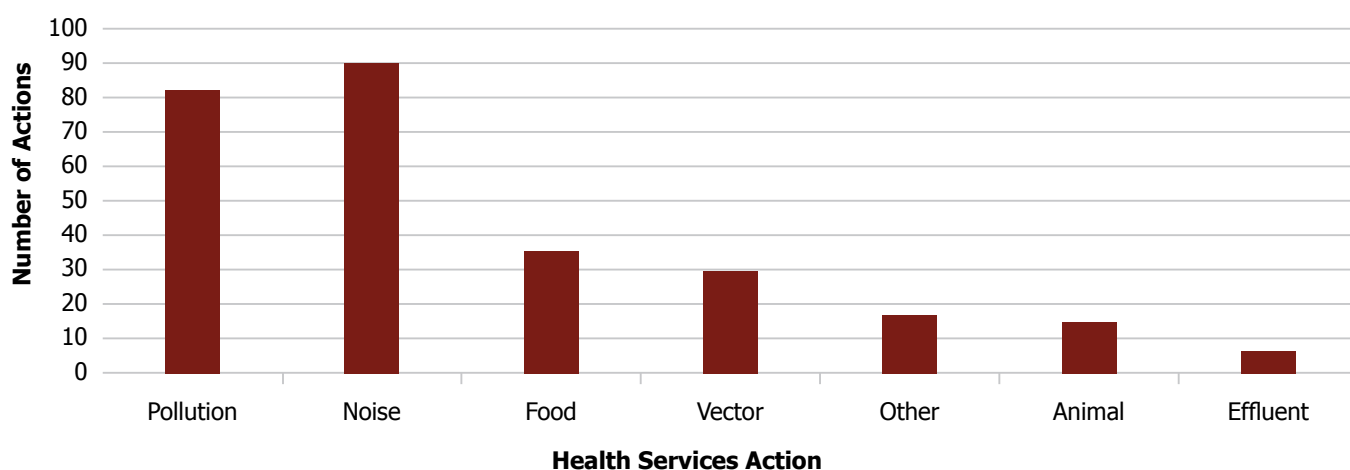
The City's Health Service provides a range of services to the community to protect and improve public health.

In addition to the implementation of the Community Health and Well-being Plan these services include the administration of regulatory duties including:

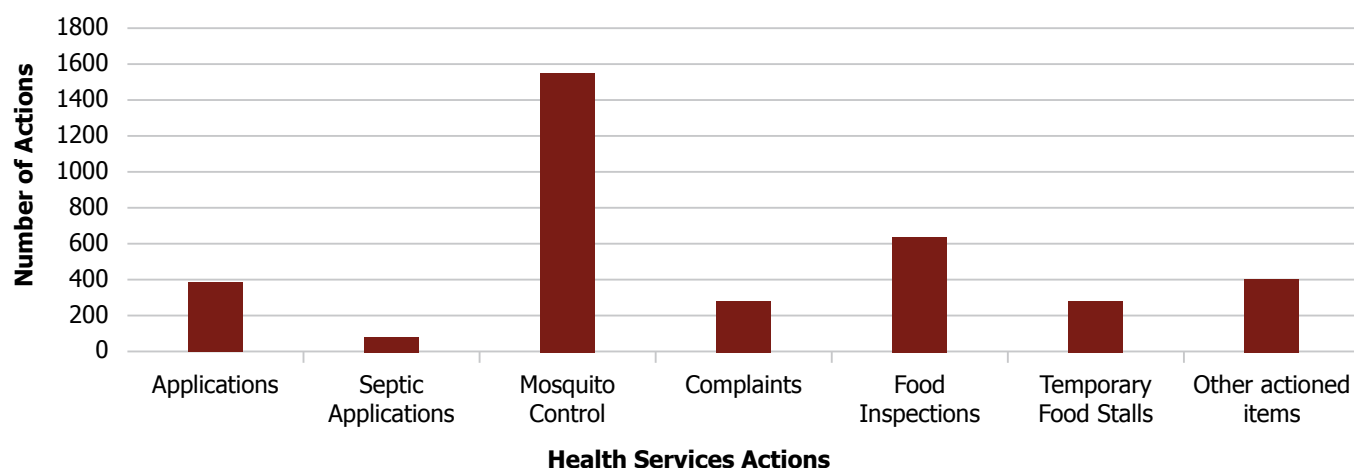
- approval of applications,
- routine inspections, and
- complaint investigations across a broad range of areas such as, food premises, public buildings, skin penetration, noise monitoring, pest management, nuisance control and public safety.

Over 3000 actions were completed in 2016/2017.

## Health Services Complaints 2016/2017



## Health Services Actions 2016/2017



### 1.6 To ensure the City is free of antisocial graffiti vandalism

During 2016/2017 a new graffiti reporting system was implemented in collaboration with the WA Police. This system allows for accurate and automatic reporting of graffiti within the City to the Goodbye Graffiti Database of the WA Police.

The graffiti program is supported by a specially trained canine.

The City continues to maintain the removal of graffiti in a timely manner which has resulted in the low number of graffiti removal requests.

### 1.7 To create healthy environments and lifestyles for the community

In 2016/2017 the City appointed a Health Promotion Officer to assist with developing a new Community Health and Wellbeing Plan.

The new strategy not only builds on what we have learnt from the implementation of the old plan (which finished in the reporting year) but marries feedback received from the community, 2016 census data and current health statistics with the State's new health planning framework. The new plan will be submitted to Council in the coming year for their consideration and endorsement.

Additionally the role was charged with implementing a variety of community health strategies. For example, providing healthy eating information workshops for some of our local

community sporting clubs and interest groups.

### 1.8 To support local community groups to grow, prosper and share the future of Kalamunda

#### ABCD Learning Site – High Wycombe

The City's partnership with Bank of Ideas to deliver an 'Asset Based Community Driven' learning site pilot in High Wycombe began in 2016.

The project encouraged residents to become co-creators of their community's future rather than passive recipients.

A key part of the process was to help residents to discover, connect, act upon and celebrate local assets, through which they could also gain tools and learn skills

Events held included:

- Brunch with Bubs
- Community Builders Network – a getting to know you evening
- Asset Mapping – what we love about High Wycombe
- High Wycombe Christmas Picnic – a great family friendly event at Fleming Reserve complete with dance performances from Kalamunda Performers

This initial one year project has now set its sights longer-term.

#### Up the Creek!

A grass-roots community project at Upper Lesmurdie Falls, led by

Lesmurdie and Districts Community Association (LDCA) and Friends of Upper Lesmurdie Falls (FOULF) and supported by the City, Kalamunda Rotary, Lotterywest, Bendigo Bank and DPaW which held its official celebration earlier this year to mark:

- an extensive network of paths, bridges and seating for the community to enjoy
- over 10,000 seedlings planted to date
- an artist collaboration with students to create five unique bench seats
- numerous volunteer hours and community partnerships with various groups

#### 2016/2017 Successful Capital Grants Projects

The following Sporting Clubs were successful in receiving Capital Grant funds from the City to contribute to projects:

- Lesmurdie Mazenod Cricket Club – \$14,000 towards installing two more practice cricket nets at Ray Owen Reserve. The City of Kalamunda contributed \$14,000 to the \$28,000 project, with both the senior and junior clubs contributing \$7,000
- Forrestfield and Districts Bowls Club – \$3300 towards kitchen improvement and \$5000 towards a toilet upgrade
- The Pickering Brook Sports Club – \$7000 toward the purchase of a new oval mower.

## **Sport and Club Development**

### **Grant and Funding Information Session**

As part of the City of Kalamunda's Clubs 4 Life program, the Community Development Team presented an information session for all community and sporting groups on the latest grants and funding opportunities.

Held in September 2016, the session featured information on the City's own Community Funding Program as well as external funding opportunities and alternative sources of funding.

Attendees were given a USB that contained all application documents, useful information and links to various websites. The session was very well attended with 55 people attending from many different community and sporting groups.

### **Free First Aid Workshops**

The Clubs 4 Life and Healthy Lifestyle programs combined to deliver two free first aid workshops in May and June.

Over 60 people attended the sessions from a variety of sporting clubs and community groups including the Kalamunda Men's Shed, junior football clubs, netball clubs and community volunteers.

These sessions included general first aid but were also tailored to cover specific items directly related to clubs and groups.

### **Changes to the Associations Incorporation Act**

The City hosted an information session run by the Department of Commerce regarding the new Associations and Incorporations Act 2015 (WA). The Act came into effect in July 2017 and forms a framework of regulation for not-for-profit organisations, such as sport and recreation clubs, societies and community groups.

The attendants were provided with detailed information regarding all the changes, how they will affect incorporated groups and how to make the required changes to constitutions and group rules.

## **Presidents Forum**

The City hosted a Presidents Forum for all sporting club presidents in June 2017. Allison Hass from the Good Sports program spoke to the attendees and Gary Collins from JGC group delivered a presentation on 'Leadership within Clubs'. City officers provided information on the new Capital Grants Policy for clubs and community groups.

The session was attended by 26 sporting club presidents who all received a Clubs 4 Life document folder.

### **Strategic Club Development Pilot Program**

The City continued to assist one selected sporting club to work with a consultant to prepare a five-year strategic plan.

The aim of the program is to support clubs to become self-sufficient and sustainable by looking at their current position and planning where they would like to be in five years' time.

The Kalamunda Club Inc. was chosen to develop their plan in 2016/2017 and successfully completed a five-year plan inclusive of its Vision, Mission and Objectives, Action and Measures.

### **Clubs 4 Life**

In addition to the Community Funding Program, the Clubs 4 Life education program continued to be promoted as a valuable resource with workshops available to all community groups and sporting clubs looking for help to support growth and sustainability. In 2016/2017, Clubs 4 Life launched an e-newsletter to promote its materials.

### **Community Funding Program**

The Community Funding Program supports local community and sporting groups through the Sport and Community Development Fund and also the Club Fundraising Program.

The October 2016 round of the Sport and Community Development funding program received six applications for support with all groups receiving funding. The Club Fundraising Program received two applications with both groups receiving funding.

Overall for the October 2016 round, eight sport and community groups received a combined total of \$5,922 to assist with their projects.

The March 2017 round of the Sport and Community Development funding program received 16 applications with 12 groups receiving funding. The Club Fundraising program received seven applications with all receiving funding.

Overall for the March 2017 round, 19 sport and community groups received a combined total of \$14,700 to assist with their projects.

### **Kala Sports Star Awards**

In November 2016, the City hosted the annual Kala Sports Star Awards night for all successful applicants from the Kala Sports Star funding program.

Damien Martyn from the Perth Wildcats was the guest speaker for the night with over 50 recipients, their families, staff and councillors attending.

### **Bike Week Event**

The Community Development Team hosted the annual Bike Week event for 2016/2017 at Fleming Reserve in High Wycombe. This event coincides with National Bike Week and gives everyone the opportunity to promote cycling as a fun and healthy activity.

The family friendly theme saw a host of free elements for all the family to enjoy including free use of pedal bikes and tandems around the shared paths at Fleming Reserve. The bikes were supplied by About Bike Hire.

Around 100 families attended and enjoyed the event.

### **Forrestfield Skate Park – Funding for Public Toilets**

In December 2016, an application was submitted to the West Australian Planning Commission requesting approval to use Cash in Lieu funds to construct a universal access public toilet facility at the Forrestfield Skate Park.

## **1.9 To provide high quality community facilities to meet the needs of our community**

### **Hartfield Park Recreation Centre:**

#### **Courts Replacement Project**

The centre's court floor replacement project kicked-off in August 2016 and was completed and operational from the end of October. The new sprung parquet timber floors provide a significant improvement to both the functionality and appearance of the centre and now provide a contemporary and safe surface for the many sports activities on offer at the centre.

#### **Centre Open Day**

The free activities and fun for all ages occurred at the Hartfield Park Recreation Centre 'Open Day' in November 2016. This event was to both raise awareness and promote the centre following the completion of the court flooring project.

#### **Christmas Morning Tea**

The combined Crèche and Junior Program annual Christmas Morning Tea was held in December at Hartfield Park Recreation Centre. Santa made an appearance while the children interacted with the Kindy Gym and Crèche equipment. This was a successful family friendly morning tea event that allowed both service areas to cross promote and educate clients on the services that Hartfield Park Recreation Centre has to offer.

#### **Holiday Program**

A new school holiday program was

rolled out in January 2017 at Hartfield Park Recreation Centre. This newly introduced program offered four additional classes with a capacity of 20 students per class.

This new interactive school holiday program for kids aged 5-12 years focused on keeping kids active and creative by engaging in a wide range of sports and crafts. The program was offered again in the April holidays.

#### **Kanyana Fundraising Event**

Hartfield Park Recreation Centre held a fundraising event for Kanyana Wildlife Park in January 2017. The successful event attracted more than 100 parents and children who took part in the various activities and watched the animals on show.

### **High Wycombe Community and Recreation Centre:**

#### **Kids Cooking Club**

During the September/October school holidays High Wycombe Recreation Centre held a Kids Cooking Club program with a capacity of 10 students per class. Aimed at kids from 5-12 years, the program aims to help them gain basic kitchen skills while making healthy food. It also benefited from an improvement in menu options which included vegetarian, meat and poultry selections.

### **Ray Owen Sports Centre:**

Ray Owen Sports Centre continues to be one the City's premier regional sporting facilities, catering for basketball and netball. Term programs run at the facility including the Live Active class.

### **Kalamunda Water Park:**

#### **Annual Christmas Party**

Kalamunda Water Park hosted its annual Christmas Party in December with discounted pool entry and fairy floss given to the 320 enthusiastic participants who attended.

#### **Australia Day Pool Party**

The Australia Day Pool Party was held on 26 January. The entertainment for the day included a Bucking Bull, Balloon Artistry, Fairy Floss, Inflatable Slide, Photo Booth, Australia Day Floaties and Henna Tattoos. The City of Kalamunda received positive feedback from the community for its support of this event.

#### **Summer Holiday Session at the Kalamunda Water Park**

Young people from across the City and surrounding areas made a splash at the Kalamunda Water Park during the two Youth School Holiday Sessions that were hosted in January. Run by the YMCA in partnership with the City's Youth Team, these events gave young people discounted entry to the water park, as well as the opportunity to listen to live music by local performers, race down the water slides and to relax with friends in the pools.



## 1.10 To support families with young children

### Early Years

The City of Kalamunda continues to be an active member of the Zig Zag Early Years Partnership, providing administrative support to the network.

A number of highlights for the year include:

- Development of an Early Years Action Plan and guiding principles for the partnership
- Parent Directory fridge magnet resource
- Parenting Seminar with Trevor Parry

The City continues to support the presence of three Child Health Nurses – based in Kalamunda, High Wycombe and Forrestfield - with City facilities used to host to a number of playgroups in the community.

### Constable Care Child Safety Foundation

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 primary schools and libraries.

### KidSport

The City of Kalamunda was successful again in obtaining KidSport Funding from the Department of Sport and Recreation for the 2016/2017 financial year. The grant funding amount totalled \$121, 670 and provided a much needed benefit to clubs and local families by enabling children to participate in team sport on a regular basis.

### Library Services

The City's libraries hosted a range of activities to support families with

young children including free weekly storytime sessions at all libraries and free weekly Rhymetime sessions at Kalamunda, Forrestfield and High Wycombe libraries. These sessions had 4,800 attendances by babies and children.

In 2016/2017, school holiday programs were held at all libraries and enjoyed by more than 1,100 children and themes based on Lego, Robotics, Fairies, Wiggly Worms and Craft.





## Goal 2 Kalamunda Interacts – Providing our people with enjoyment

### 2.1 To stimulate active participation of the broader community in artistic practice through collaborative cultural development

#### Kalamunda Performing Arts Centre:

Kalamunda Performing Arts Centre continued to be a well-used cultural space for locals and visitors to the City.

The Centre is utilised by artists, community groups, youth, seniors, schools and businesses to deliver culturally influenced events, programs and activities to the community.

The City of Kalamunda presented a wide range of performances at the Kalamunda Performing Arts Centre across 2016/2017 which provided an exciting and diverse program to the community for all ages, tastes and availability.

Renowned local and interstate performers were sourced to perform at the Centre including:

- **Comedy Gold** – Best of Adelaide Fringe Festival (standup comedians)
- **In A Dark, Dark Wood** – Barking Gecko Theatre (children's play modernized version of Hansel and Gretel)
- **An Evening With Groucho** – cabaret style tribute to Groucho Marx toured from USA
- **Max Kay** – singalong, jokes and story-telling by beloved 'Perthonality'
- **Barry Morgan** 'The Home Organ Party Experience' – Melbourne-

based comedian as seen on ABCTV

- **The Songs That Made Memphis by the Sun Rising Band** – Melbourne-based touring band
- **Everybody Loves Lucy** – tribute in song and dance to the iconic Lucille Ball
- **Benjamin and Me** – children's story-telling about a boy, his dog and their magical adventures
- **Rumour Has It** – Award winning portrayal of Adele by Naomi Price (The Voice)

Audiences were positive about the range of shows presented by the Kalamunda Performing Arts Centre with many shows at capacity.

#### Morning Music

This program ran on the first Wednesday of each month from February to December.

The successful format of morning tea, followed by a one-hour concert continued to receive rave reviews. The big hit of the season was Melbourne-based touring trio The Beggars, as well as tributes to Tom Jones and Dean Martin, the incredibly talented Joyce Mathers and Avenue, Jake Dennis and his five-piece band, Blue Diamond performing old favourites, jazz from Charlie Moon, regular friends of KPAC, Zane and Kristy.

Morning Music enjoyed a surge in attention from special needs groups who really enjoyed taking a day trip to the Hills given the limited entertainment opportunities available to them.

Looking ahead, the City wants to host



at least one show in the Agricultural Hall, to accommodate more mobility-restricted patrons who would otherwise miss out given the Centre can only take eight wheelchairs and the monthly waitlist is more than 20.

In addition, the Kalamunda Performing Arts Centre also attracted a variety of events from local and wide-ranging groups and schools who selected the venue as a preferred location for events ranging from 1 to 10 days.

## **2.2 To provide high quality and age appropriate entertainment for the benefit and happiness of our community**

### **Zig Zag Cultural Centre and Perth Hills Visitor Centre:**

The Zig Zag Cultural Centre, incorporating the Perth Hills Visitor Centre and Zig Zag Gallery, received 44,198 visitors in 2016/2017 up 18% on 2015/2016 figures.

The centre was a finalist in the Western Australian Tourism Awards (Visitor Information and Services) and continued to attract visitors looking to source accurate local tourism information.

The Visitor Centre gift shop generated \$80,981 in merchandise sales - a significant increase of 23.5% on 2015/2016.

The gift shop continues to provide popular local and regional products evidenced by the significant sales growth.

Regular tours of local tourism venues enable staff and volunteers to be continually updated about available Perth Hills tourism products. This first-hand knowledge is key to delivering quality customer service to visitors and locals.

### **Zig Zag Art Gallery:**

The art exhibition space, located within the Zig Zag Cultural Centre, continues to attract quality artists and exhibitors.

Exhibition highlights for the year included:

- NAIDOC 2016
- Glass+
- Watercolour Wanderings
- Youth Arts
- I Am Spring in the Hills
- Geographia
- Seniors Exhibition
- Four Seasons of Perth
- Sublimations
- Remote Refraction
- Kalamunda Lions Club Art Awards
- Space is the Place
- The Absurd Parade of the Strangely Whimsical
- Here but Mainly There
- Valerie McDonald:  
A Retrospective
- Colours of Life
- Spirit of Me
- Three Amigos
- NAIDOC 2017

### **Kalamunda History Village:**

The Kalamunda History Village is a unique, popular educational tourist

attraction for locals, visitors and school groups. The Kalamunda and Districts Historical Society and its volunteer members in conjunction with City staff continue to collaboratively manage the site grounds, building and historical artefacts whilst providing a high level of customer service to schools, visitors and locals.

In 2016-17, the education program attracted 5,381 children from schools as far as Toodyay, Two Rocks and Mandurah, with some booking a year in advance due to demand exceeding the number of available days.

A new trial tour was offered with feedback showing its popularity and it will now be placed on the 2018 program.

An activity book was produced to encourage children to participate in activities while touring the village.

The History Village offered three one-day school holiday programs in April, July and October attracting more than 200 hundred people. Each holiday program was themed for both children and adults to participate in craft/ cooking and various other activities.

Special interest/tour groups from Eastern States and overseas increased and senior group visits are expected to increase as the village opens on Thursday afternoons.



## 2.3 To encourage and facilitate healthy lifestyles through regular participation in recreational and leisure oriented activities

### Jacaranda Springs Park Upgrade

The City was successful in obtaining Cash in Lieu funds to upgrade Jacaranda Springs Park, in High Wycombe. The Project involved a new multi-unit playground, climbing net, swing set, nature play area, picnic shelter, bench seating, mini basketball court, footpath extensions and solar lighting.

Following the redevelopment, this park now provides a far more attractive and exciting play and recreation space that can be enjoyed by all ages.

### Ledger Road Playground Upgrade

An upgrade was undertaken at the Ledger Road Reserve Playground area in Gooseberry Hill, with new softball (rubber and sand) limestone edging, a picnic shelter, footpath and paint coat for some of the existing equipment. Further renewal and upgrades are scheduled for 2017/2018 and will provide the local residents with an improved level of service, more variety and improved amenity for families.

### Perth Hills Loop Trail – Design Report

The loop and link trail design report includes the Kalamunda Loop Trail and was endorsed by Council in November 2016. Stage one of the Kalamunda Loop has now received land owner approvals to commence detailed trail locations and designs, which will be followed by grant funding applications for the construction, upgrade and new signage along the route from Kalamunda to Pickering Brook.

### Stirk Park Master Plan

In March 2016, TPG and Emerge Consultants were engaged to commence a master planning process for Stirk Park. Between August 2016 and February 2017 Council reviewed several concept designs with the final being presented in May 2017 after a comprehensive community

engagement and consultation phase attracting over 650 responses from the community.

At the May 2017 meeting Council resolved to further advertise the draft Master Plan for a period of 80 days with the results then presented to Council, prior to final adoption of the plan.

## 2.4 To be a community that values life-long learning

### Library Services:

#### Author Talks and Workshops

The Library Services held many successful events this year including meet the author sessions with Rachael Treasure, Maree Wrack, Rev Pamela Halbert, Laurie Maddison, Tania Park, Greg Byrne and Deborah Burrows. Talks and workshops were held on Trekking in Nepal, Aged Pension and Income streams, Protective behaviours for children, Beekeeping, Opera and Technical skills for Seniors and a continuing series of workshops on living sustainably. Regular events include a Games club, Knit and Yarn group and English Conversation sessions. These events continue the Library Services' engagement with the community with a total of 1275 people attending in 2016/2017.

### Library Improvements:

**The Kalamunda Library** received a facelift in May 2017 with the installation of a brand new Radio Frequency Identification (RFID) system enabling improved self-service at the library.

Utilising the latest electronic technology, the new RFID system allows library users to both easily return and check out items. Renovations have included replacing the central circulation desk with two central Self-Checkout kiosks and two smaller Help Desks, and adding a hi-tech 'self-reading' return shelf. Users simply place their items on the shelf which then automatically 'reads' the electronic tag inside.

Staff have been busy helping customers familiarise themselves with the new kiosks and desks with the

response so far predominantly being positive, as the kiosks are very easy to manage with very little assistance required.

The library upgrade was the culmination of many months behind-the-scenes work, including placing RFID tags on over 70,000 items.

**The Forrestfield Library** upgrade included new carpeting, shelving and air conditioning/heating. The building's meeting/exhibition room also received an air conditioning/heating upgrade and users now have access to a convection microwave oven in addition to basic kitchen facilities.

### Resources

While access to online and digital resources continues to increase with over 17,800 e-resources loaned, the Library Services physical collection still worked hard with 226,470 people visiting the four libraries and 339,518 items loaned during 2016/2017.

### Children's Programs

Over 1,100 children enjoyed the school holiday programs this year based on Lego, Robotics, Fairies, Wiggly worms and craft themes.

Eight local schools participated in Children's Book Week celebrating Australian literature with 925 students together with 60 teaching staff listening to four local and interstate authors and illustrators talk about the writing process.

The City continued to support the Better Beginnings program, a collaboration with State Library of Western Australia and Rio Tinto promoting the value of reading and developing lifelong readers with over 1,740 Better Beginnings bags distributed to Child Health Centres, Kindergarten classes from all City public libraries. Storytime sessions are run weekly in school terms at all four libraries and Rhymetime sessions are run weekly at Kalamunda, Forrestfield and High Wycombe libraries with total attendances of 4,800 babies and children, as part of the Better Beginnings program.



## Goal 3 Kalamunda Clean and Green – Caring for the Natural Environment

### **3.1 To clearly identify the City's role in protecting, promoting and enhancing the environmental values and biodiversity of the City in partnership with the community**

A wide range of community environmental education programs were delivered by the City with some in partnership with the Department Parks and Wildlife, Eastern Metropolitan Regional Council and Birdlife Australia.

#### **Friends Group Program**

More than 100 community members participated in protecting and enhancing the City's bushland reserves, with nearly 40 Friends Groups contributing to this effort.

Weed control, rubbish collection, tree planting and management of pests and diseases were the main activities. A total of 6,848 volunteer hours were logged, equalling an in-kind financial contribution estimated at \$205,467.

A twice-yearly Friends Group Coordinator's meeting gave the leaders of each Friends of Bushland group the opportunity to help shape the City's strategic direction and report on the group's progress. These meetings increased the bond between the City and its important volunteer groups.

Four Community Planting Days were organised as part of the Community Group Revegetation Program:

- National Tree Day (20 people)
- Petunia St Reserve (20 people)
- Ollie Worrell Planting Day (22 people)

- Maida Vale Planting Day (10 people)
- Juniper Reserve Planting Day (15 people)

20 Friends Groups planted some 6,500 native species in City-managed bushland reserves.

#### **Environmental Workshops**

Nine environmental workshops were organised for the Kalamunda community;

- Grab-a-Gladdie 2016
- Great Gardens Workshop
- Bush Skills For The Hills GreenCard Workshop
- April Bat/Nature Walks (4)
- Bush Skills For The Hills Erosion Control Workshop
- Great Cocky Count Workshop

### **3.2 To protect and enhance the City's local bushland reserves, local natural areas and biodiversity conservation areas**

#### **Plants for residents**

The City's annual Plants for Residents program was held at two locations this year – High Wycombe Recreation Centre in High Wycombe on Saturday 27th May and Ledger Rd Hall in Gooseberry Hill on Sunday 5th June. The events are always well attended by the wider Kalamunda community.

The program delivered:

- 12,000 plants to some 800 or so residents from across the City. This included some 3,000 fresh vegetable seedlings to promote healthy eating and the value of a backyard garden.

The program gives away free native plants to residents and encourages the:

- removal and replacement of weeds with native plant species;
- introduction of native plant species to private gardens across the City;
- promotion of water wise plants into private residences; and
- improvement of habitat values in home gardens to benefit amenity values and corridor linkages for wildlife.

### **Commemorative Planting Day**

130 babies, along with their extended families attended the 29th annual Commemorative Planting Ceremony for new babies born in the City of Kalamunda.

The City's annual Commemorative Planting Ceremony is held each winter and is a wonderful way to celebrate the birth of a newborn community member. Several parks and reserves across the City have seen commemorative planting take place, with more than a hundred families taking part each year to install over 3,500 plants.

In 2016-17, it is estimated 500+ people welcomed their babies with a revised format.

A more robust plinth and plaque was installed for the 2016-17 participants at each planting location, because the City had previously experienced damage and loss to the individual plaques.

Plaques with all the babies' names were installed on the green plinths and families received a baby's certificate and their own tree to take home for planting.

Families were invited to take part in the community planting to help revegetate and beautify their local park where their child can visit.

The City's annual Commemorative Planting program was initiated in 1988 as part of our Bi-Centennial.

Ceremonies were held at Sheffield Estate in Wattle Grove, Bill Shaw Reserve in Walliston and Fleming Reserve in High Wycombe.



**Figure 3: Fleming Reserve Commemorative Planting Day**

The City secured a Green Army federally funded grant program, with a contribution of materials and in-kind support. This financial year the City partnered with Manpower Australia Ltd. and Landcare Australia Ltd. to deliver another round of project works, focusing on enhancing natural and cultural corridors across the City.

A team of up to nine young people aged between 17 to 24 years undertook a diverse range of practical hands-on environmental works in Kalamunda, Gooseberry Hill, High Wycombe and Maida Vale to help enhance and protect the City's natural environmental areas. Works included weed control, habitat assessment, cultural training, water quality testing, tree planting and disease management.

The Green Army is a hands-on, practical environmental action program that supports local environment and heritage conservation projects across Australia.

### **3.3 To reduce the City's carbon footprint and prepare the City for adapting to the impacts climate change**

Carbon emission monitoring by data collection through the Greensense program continues with reviews of

energy and water use to improve efficiencies and upgrade inefficient or end of use infrastructure.

### **3.4 To manage the use of water sustainably within the City of Kalamunda**

Metered irrigation ground water use demonstrated the City's efficiency of 325,000 KI under bore water allocation in the 2016/2017 year.

Further irrigation infrastructure upgrades and new technologies to improve water use efficiencies were delivered through:

- An automatic liquid fertiliser injection systems installed at Kalamunda Sporting Precinct which is specifically informed by leaf tissue and soil analysis testing
- Upgrade of the irrigation bore and delivery system Rangeview Park, High Wycombe
- Renewal of the switchboards at Dawson Park, Forrestfield and Rangeview Park, High Wycombe to eliminate faults and improve irrigation operations
- Fitting two aerators at Federation Gardens, High Wycombe to improve water quality
- Replace the infield reticulation system, soil and turf cover at Fleming Reserve, High Wycombe to minimise water use and optimise the grounds for sports use
- Electrical upgrades at Fleming Reserve and Ollie Worrell Park to improve irrigation efficiencies and operations
- Irrigation controller upgrades to another four parks, totalling 21 that can now be remotely and centrally controlled for ease of diagnostics and response to faults
- Transfer pump and holding tank installed at Kalamunda Sporting Complex utilising the bores and supplying an additional 50,000 litres per day in peak summer season sports use.

### 3.5 To reduce the amount of waste produced and increase the amount of reuse and recycling of waste

The City of Kalamunda's Waste Services team is responsible for the provision of waste and recycling collections to approximately 22,700 households within the City by way of a weekly general waste and fortnightly recycling collection from 240 Litre Mobile Garbage Bins (MGB's).

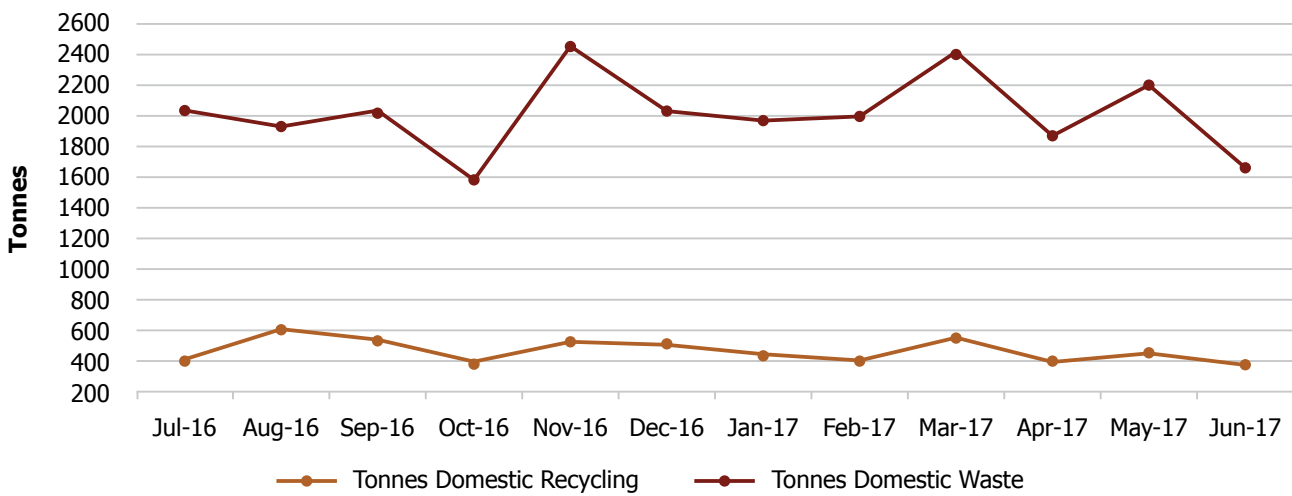
In addition, the City provides:

- Skip bin service for green waste and general waste collection
- Street litter and illegal dumping collections
- Weekly collections at parks, recreation facilities and reserves
- Weekly public litter bin collections within various City precincts
- Free and unlimited disposal of domestic waste for residents at Walliston Transfer Station
- Street and footpath sweeping

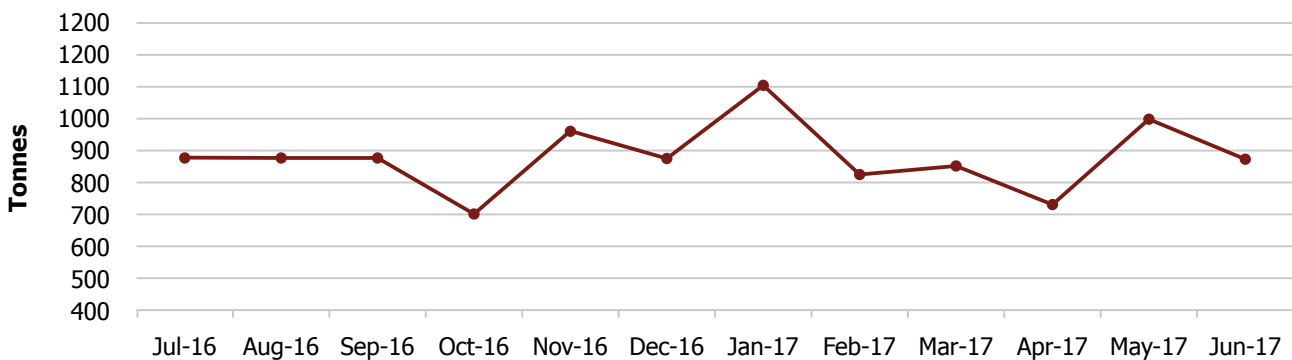
The City of Kalamunda's domestic kerbside collection for the 2016/2017 financial year were:

- 18,530 tonnes of general household waste, collected and disposed at the Eastern Metropolitan Regional Council (EMRC) Red Hill landfill
- 5,526 tonnes of household recyclables collected and recycled

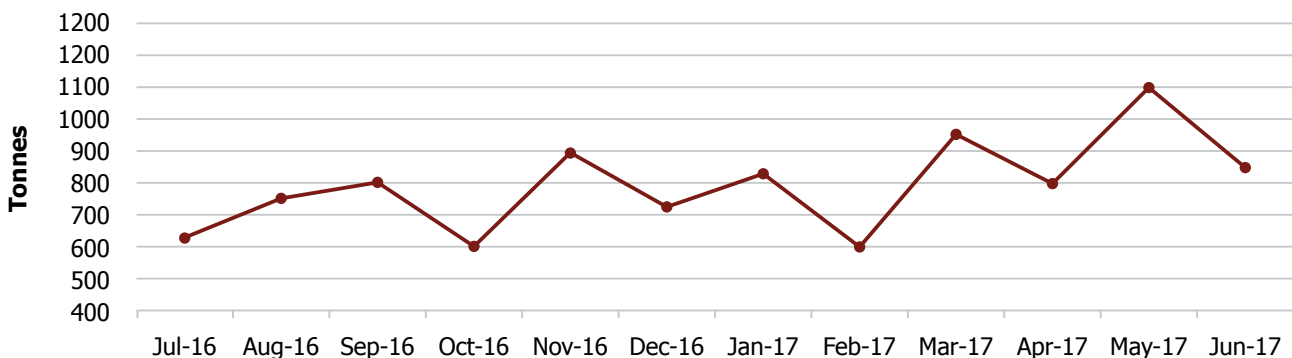
### Household Waste & Recycling Tonnes Per Month



### General Waste Skip Bins - Monthly Tonnes Collected



### Green Waste Skip Bins - Monthly Tonnes Collected



The City of Kalamunda provided residents with unlimited, free disposal of domestic waste at the Walliston Transfer Station (WTS) and included:

- 19,286 tonnes mixed waste
- 3,756 cubic metres of dry recyclables including cardboard, paper and packaging containers
- 29,900 cubic metres of unprocessed green waste
- 1,920 total collected mattresses
- 15,467 litres of motor oil
- 1,631 car batteries
- 3,666 cubic meters E-waste

Since the implementation of free and unlimited disposal of domestic waste for residences, in 2014/2015, there has been a continuous increase in the volumes of waste disposed at the Walliston Transfer Station.

Collectively Waste Trucks average approximately 1,300 bin collections per day.

All general waste is delivered to the Eastern Metropolitan Regional Council Red Hill landfill, and all recyclable waste is processed at Cleanaway's Guildford Recycling facility.

Towards the end of the financial year the City engaged a consultant to undertake a review of the current 2013 Waste Management Strategy and develop a revised draft Waste Strategy for the period 2017-2020.

The 2017-2020 Waste Management Strategy aims to provide strategic waste management options based

on a number of waste management priorities identified by the community and driven by State Government policy and direction. In developing these waste management strategies, it is hoped the strategy will address the following scope of works:

- Strategic context
- Current waste management system
- Evaluation of current system
- Demographics and waste projections
- Current waste management priorities, and
- Local Action Plan

#### **Resource Recovery Facility:**

The Eastern Metropolitan Regional Council (EMRC) has for many years been investigating a number of commercially proven resource recovery technologies for the regions waste.

Resource recovery is also a priority for the State Government with the State waste strategy setting targets for all local councils to reduce household waste to landfill and increase resource recovery.

The Eastern Metropolitan Regional Council (EMRC) moved a step closer to providing a recovery solution during 2016/2017 following the call for Tenders in August 2016, and after a five-month tender process which closed in January 2017 a diverse range of options were presented.

As a member of the EMRC, the City was involved in an extensive tender evaluation process to assess the submissions and determine the best value solution for Perth's Eastern Region.

Council will consider the outcome from the bids evaluated by the EMRC towards the end of 2017.

#### **3.6 To ensure the City's contaminated sites are reclassified to enable future land use**

In line with its statutory requirements, the City of Kalamunda continues to monitor all known contaminated sites including those at Dawson Avenue, Ledger Road and Brand Road.

With the aim of returning Alan Anderson Park to a local level park standard because of the increasing number of undulations and sink holes which had deemed it unsafe for community use, Preliminary Site Investigations (PSI) were undertaken. It determined works are required to restore the site to a local park as advised by DER and Department of Health.

Monies have been subsequently allocated in the 2017/2018 budget with works to be undertaken in the first half of 2018.





## Goal 4 Kalamunda Develops – Using our land and assets diversely and effectively

### **4.1 To ensure land use plans provide long-term sustainable population growth**

#### **Forrestfield North**

In June 2014, the State Government announced the Forrestfield Airport Link, a train line connecting with the Midland Line near Bayswater Station, servicing the airport and finishing in the Forrestfield/High Wycombe area.

The train line is scheduled to be up and running by 2020.

The new focus has resulted in the planning and delivery of high density residential, a new activity centre and a commercially focused Transit Oriented Development precinct based around the new train station.

The District Structure Plan which responds to the broad land use requirements of Forrestfield North and the adjacent Forrestfield/High Wycombe Industrial Area was adopted by the City in September 2016.

In February 2017 The Planning Group (TPG) was awarded the contract for the preparation of Local Structure Plans (LSPs) for Forrestfield North. TPG are joined by a project team of consultants specialising in a range of disciplines from community infrastructure through to drainage, traffic and transport.

In the first half of 2017 two separate consultation sessions were undertaken, one for landowners within Forrestfield North and the other for the community and interested stakeholders of the project. Consultation with landowners and the

community also included two separate surveys. A technical advisory group (TAG) was also set up which included input from key representatives of state agencies with an interest in the project, with meetings taking place on a monthly basis.

The second half of 2017 will see the development of concept plans based on the landowner and community feedback, and inputs from the project team and TAG.

The draft LSPs are anticipated to be presented to Council for the purpose of public advertising in late 2017/early 2018 with public advertising to follow.

### **4.2 To effectively plan for the diverse range of housing stock that will be required to meet the social and economic needs of the City's changing demographics**

The trend for the Perth Metropolitan Region has historically seen rapid outward growth with predominantly single storey houses. The State Government has identified infill targets for different local governments in order to stop the sprawl in favour of more efficient infill developments.

The City's Local Housing Strategy (approved 2014) is a document that provides a rationale for careful and strategic housing density changes around town centres and other focus areas. The Local Housing Strategy identifies the areas in the City that will benefit most from the density changes. These benefits include more diverse housing types and more

efficient use of the existing and new infrastructure, community services, schools and public transport.

The Local Housing Strategy led to the implementation of Local Planning Scheme Amendment 82 – Dual Density Codes which the Council adopted in July 2016 has progressed the development of the Draft Dual Density Design Guidelines as a Local Planning Policy (LPP) which will accompany the requirements for development under the Dual Density Codes adopted under Scheme Amendment 82.

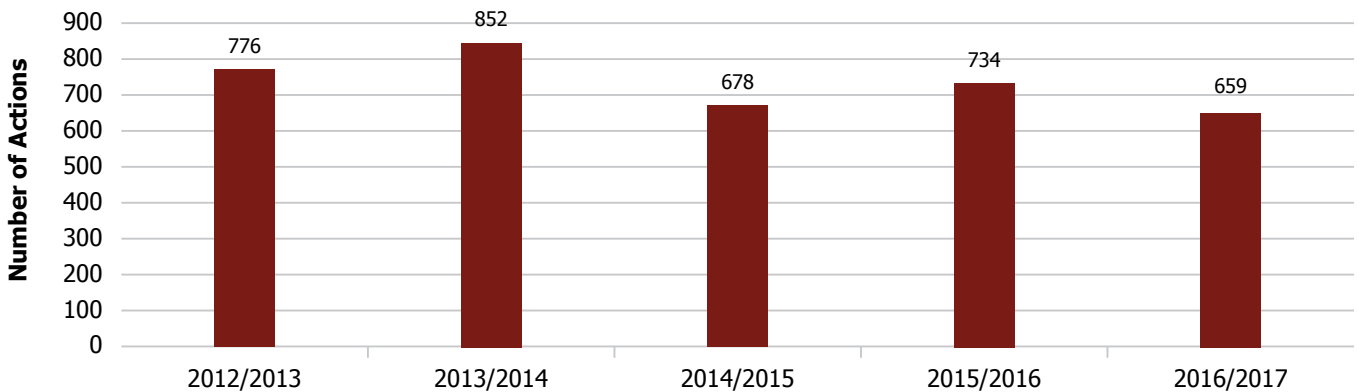
**4.3 To ensure that the City’s development is in accord with the City’s statutory and legislative obligations and accepted urban design planning standards**

All development is assessed against the provisions of Local Planning Scheme No.3, adopted policies and other relevant legislation. Land use compliance is undertaken resulting in negotiated outcomes or the issuing of directions and penalties where appropriate.

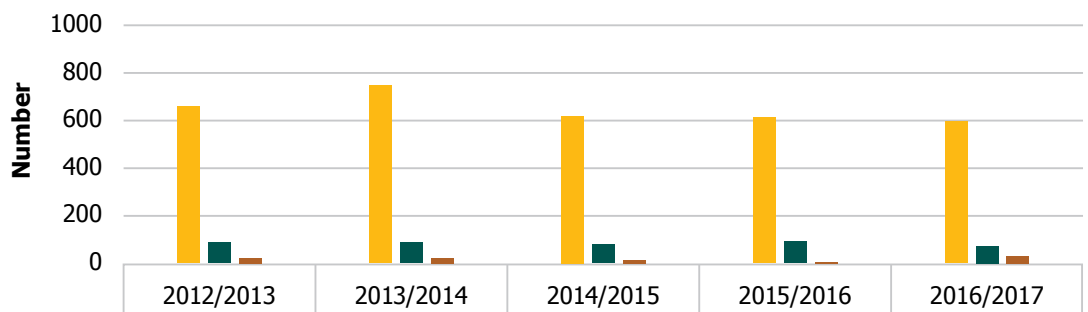
**Planning Statistics**

In 2016/2017 a total of 659 planning applications were received and processed, representing an 11% decrease in the number of planning applications when compared with the 2015/2016 financial year.

**Total Planning Applications Received - Financial Years 2012/2013 - 2016/2017**



**Statutory Planning Assessments - Financial Years 2012/2013 - 2016/2017**



■ Development Applications	691	765	621	617	600
■ Subdivision Referrals	76	76	51	79	44
■ Scheme Amendments Initiated	9	11	6	4	15

The above tables show the total number of applications received and the breakdown in the types of planning applications received.

The slight reduction in the amount of development and subdivision applications received reflects the

status of the housing market and the economy at the time.

It is anticipated development and subdivision applications received will increase in the short-term with the Forrestfield/High Wycombe Industrial Area now progressing, applications for

the Satterley’s ‘The Hales’ residential estate are now being received by the City with the total lot yield for the estate being between 440 and 460, and the likely adoption by the Minister of Planning of Scheme amendment 82 – Dual Density by the end of 2017.



Since January 2015, the City has been involved in 10 appeals lodged with the State Administrative Tribunal and five Joint Development Assessment applications. As the City continues to grow and the complexity and significance of planning applications increases, it is anticipated that the number of SAT matters and JDAP applications will increase.

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.

In 2016/2017 the following policy was adopted by Council:

- P-DEV 52 – Telecommunications Infrastructure

In addition to the adoption of the above policy, the following policies were drafted and advertised for public comment during this period:

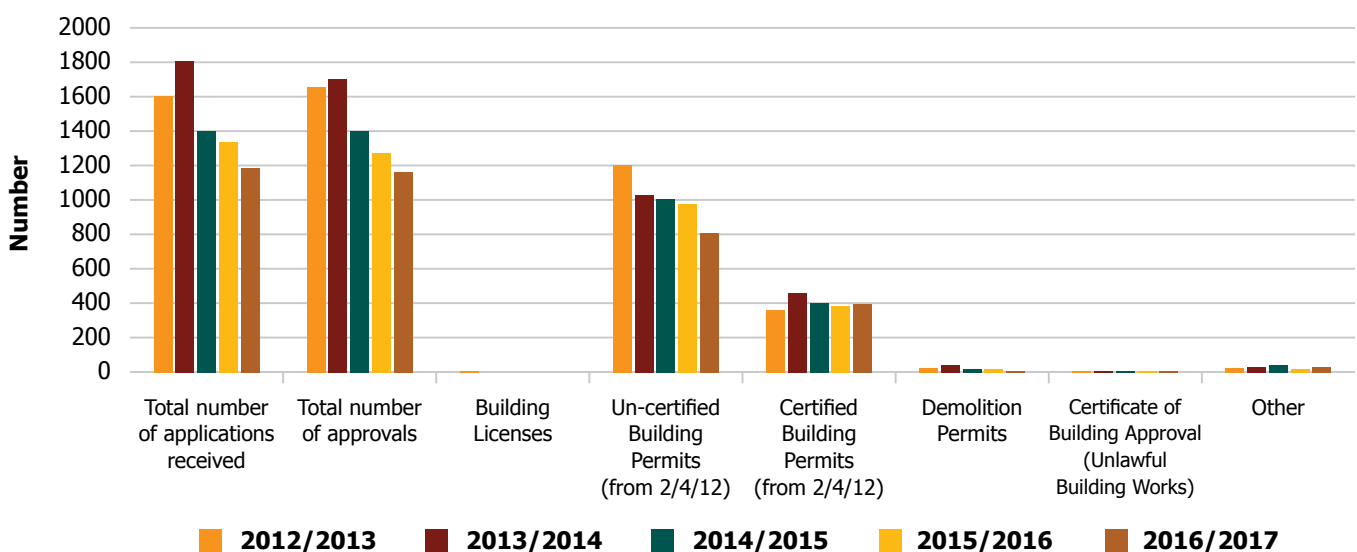
- P-DEV 60 – Design Advisory Committees

- P-DEV 61 – Retention and Upgrading of Grouped Dwellings

### Building statistics

The following graph compares the number of Building and Demolition permit approvals over the past five financial years.

## Building Approvals



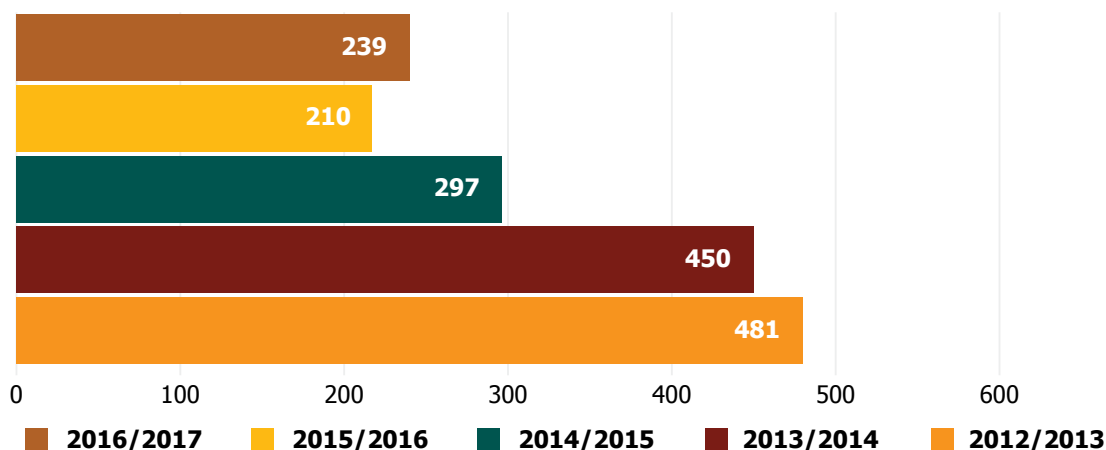
- In the 2015/2016 financial year there were 1,278 building approvals compared with 1,174 in the 2016/2017 financial year this is almost an 8% decrease compared with the previous financial year
- 1,174 Permits were issued for the year with a total value of \$131,470,799 which is an increase in building value of \$14,720,192 or approximately 11% increase in building value than last financial year. The average value per building permit was \$117,700 compared with \$94,230 last year. The relatively low average value is due to a large number of minor structures such as patios and sheds. The lowest value was \$44 (signage) and highest \$7.4m
- A total of 239 new residences were approved compared with 210 the previous year which

is almost 14% more than the previous year. This in part could be attributed to the increase in subdivisions being developed during the year

- 38 demolition permits were issued for the period compared to 45 last year
- Statute requires that a local authority approves applications for Certified Building Permit and Demolition Permit applications within 10 working days, and Uncertified Building Permit applications within 25 working days. Failure to comply with these times requires the local authority to refund the application fees. Average approval times:
  - Certified Applications – 6 days
  - Demolition Permits – 5 days
  - Uncertified Applications – 9 days

- The foothills suburb of Forresterfield proved the most popular suburb for new residential development with 55 new residences, 29 were approved in High Wycombe and 16 in Wattle Grove. In the hills, Kalamunda showed the highest level of growth with 72 new dwellings, and 25 in Lesmurdie
- Class 2 developments (multiple housing/apartment style developments) are still proving popular with 51 new dwelling units approved in Kalamunda compared to 20 last year. In the coming year it is anticipated that new sites will be developed with interests within the Kalamunda Town center or within 500m of it
- The Class 3 redevelopment of the old Mount Saint Emilee's Convent and Nursing Home by Community Housing Limited created 17 sole occupancy units

## Number of Residences Approved



- The decline in building approvals is not unique to the City of Kalamunda and similar trends have been reported across the other metropolitan local government authorities. A downturn in the mining sector has been attributed to this decline. With a number of subdivisions coming online within the City's boundaries there is expected that there will be an increase in new home permit applications, in particular those associated with the Satterley 'The Hales' residential estate which will deliver a total lot yield of between 440 and 460, and the likely adoption by the Minister of Planning of Scheme amendment 82 – Dual Density by the end of 2017.

### Compliance

The number of unlawful building works being brought to the City's attention slightly declined during the year with 32, (35 in the previous year), property owners making application for retrospective approval. 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 applications may be made for retrospective approval of unlawful works, the City can still prosecute in relation to these works, currently the penalty for a first offence is \$50,000.

### Private Swimming Pools and Spas

Currently the City has 5,685 registered private swimming pools and spas which the State Government legislates must be inspected at least once every four years.

The City has a full time Swimming Pool Fencing Compliance Officer on staff who is able to inspect on average 17 properties per day.

While most of our private swimming pool or spa owning community comply

with the legislation, it is being found that a number of properties still have non-compliant security fencing or have allowed their fencing to deteriorate to the point of non-compliance.

The City is currently working through the level of non-compliance with landowners. Infringement Notices, that carry a modified penalty of \$750, have been issued where property owners are refusing to provide compliant fencing. Where access to properties is not being afforded via the normal means Entry Warrants have been obtained and acted on.

As at 30 June 2017 the City had:

- Total number of swimming pools and spas was 5,685
- Total non-compliant (ie not yet inspected and those inspected but non-compliant) is 388, down from 1,050 last year. Total compliant (as per four yearly inspection regime) is currently 5,297
- Number of pools (properties) inspected from 01/07/16 to 30/06/2017 was 1,654
- Total number of pool inspections undertaken from 01/07/2016 to 30/06/2017 = 2,611
- Number of pools compliant on initial inspection = 862

### Hills Rural Study

In 2014 the Hills Rural Study was adopted by the City.

The Study made recommendations to investigate establishing a Priority Agriculture Zone, greater flexibility of land uses, and zoning rationalisation.

In November 2016 Department of Primary Industries and Regional Development (DPIRD) (Department of Agriculture and Food WA previously) agreed to partner with the City and undertake a revised land capability assessment of the Hills Rural Area to assist with informing the recommendations of the study.

The results from DPIRD will assist with moving forward the strategic directions and actions of the study. Detailed work on the actions was undertaken in the first half of 2017 and will continue into the second half, focussing on the viability and suitability of agricultural uses in the Hills Area and identification of the Priority Agriculture Zone.

The Strategy is scheduled to go to Council in 2018 for the purposes of public advertising, with public comment sought soon after.

#### 4.4 To enhance and protect the historic heritage of the City of Kalamunda

##### Municipal Inventory of Heritage Places

The review of the City's Municipal Inventory of Heritage Places was adopted by Council in July 2015. The new Inventory has been added to the State Heritage Office database, accessible online at [www.inherit.stateheritage.wa.gov.au](http://www.inherit.stateheritage.wa.gov.au).

#### 4.5 To create a desirable and recognising image for the City of Kalamunda

##### Community Perceptions Snapshot

A community survey was performed and workshops held with local sporting and community groups, and with a random sample of residents specifically to focus on place planning outcomes.

Survey invitations were mailed to 2,000 randomly selected households and emailed to 2,000 randomly selected residents. 442 residents submitted a response reducing the sampling error to  $\pm 4.66\%$  at the 95% confidence interval.

The final dataset was weighted by age and gender to match the ABS Census population profile.

##### Where we rated extremely well (scores of 90+)

- Place to live
- Library and information services
- Graffiti removal
- Weekly rubbish collections
- Recycling collections
- Walliston Transfer Station

##### Moving forward

The City has perceived strengths with weekly waste collections, recycling services, Walliston Transfer Station and the library and information services.

The Walliston Transfer Station is setting the Industry High score.

The top four priorities identified through this process for Council to address moving forward are:

1. Protecting and enhancing the overall character and identity of the area. This includes planning and building approvals, addressing concerns with subdivisions and the approval of large buildings that are not seen to be in keeping with the local 'village' character

2. Streetscapes, with more trees and improved maintenance
3. Parks and playgrounds, with improved facilities and maintenance
4. Better footpaths and cycleways to improve safety and access

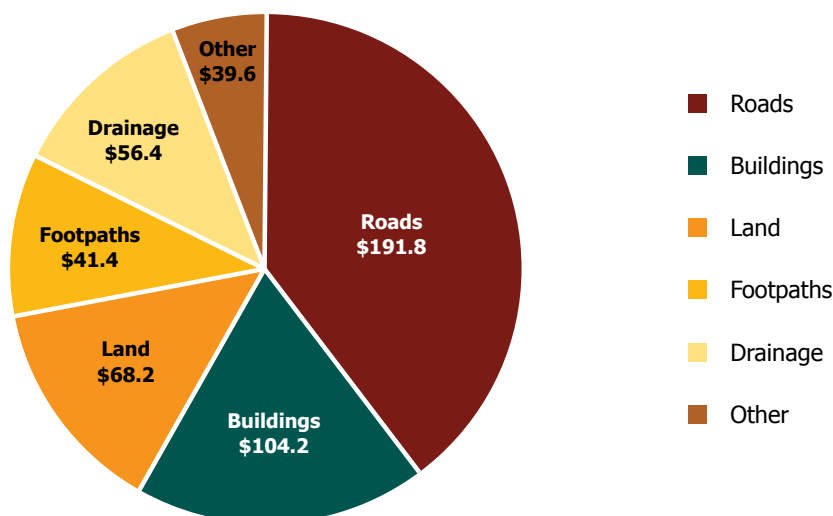
#### 4.6 To ensure optimal management of assets delivers continuity of services to the community

##### Asset Management

##### Asset Portfolio Gross Replacement Value

The assets managed by the City are grouped into the following categories: Roads, Pathways, Stormwater Drainage, Bridges, Carparks, Bus Shelters, Lighting, Fencing, Land, Buildings and Parks Assets. A full re-valuation of the Land and Buildings categories was undertaken for 30 June 2017. The following pie chart from the City's asset management system Assetic, shows the gross replacement value of the City's asset portfolio, excluding plant and equipment.

### Current Replacement Values of Total Asset Portfolio at 30/06/2017 - Total \$502 Million



## Strategic Documents

During 2016/2017 the following strategic documents were updated and adopted by Council:

- Asset Management Policy – September 2016
- Asset Management Strategy – July 2017

- Pathways Asset Management Plan – May 2017
- Parks Asset Management Plan – August 2017

These documents are aligned to City's Strategic Plans *Kalamunda Achieving: Corporate Business Plan 2017 – 2021*, and *Kalamunda Advancing: Strategic*

*Community Plan 2017 to 2027*. The documents are also aligned to the Long Term Financial Plan (LTFP) and annual works programs.

All these documents and plans form part of an asset management system as shown in this figure:

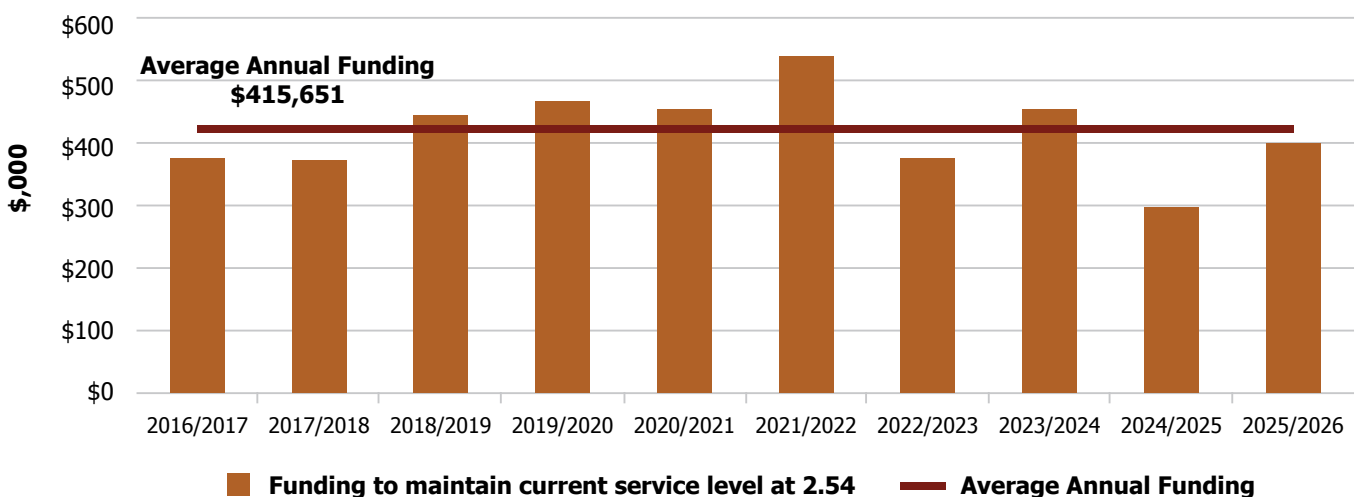


*Plans in the Asset Management System (Source: International Infrastructure Management Manual published by IPWEA, 2015)*

## Scenario Modelling

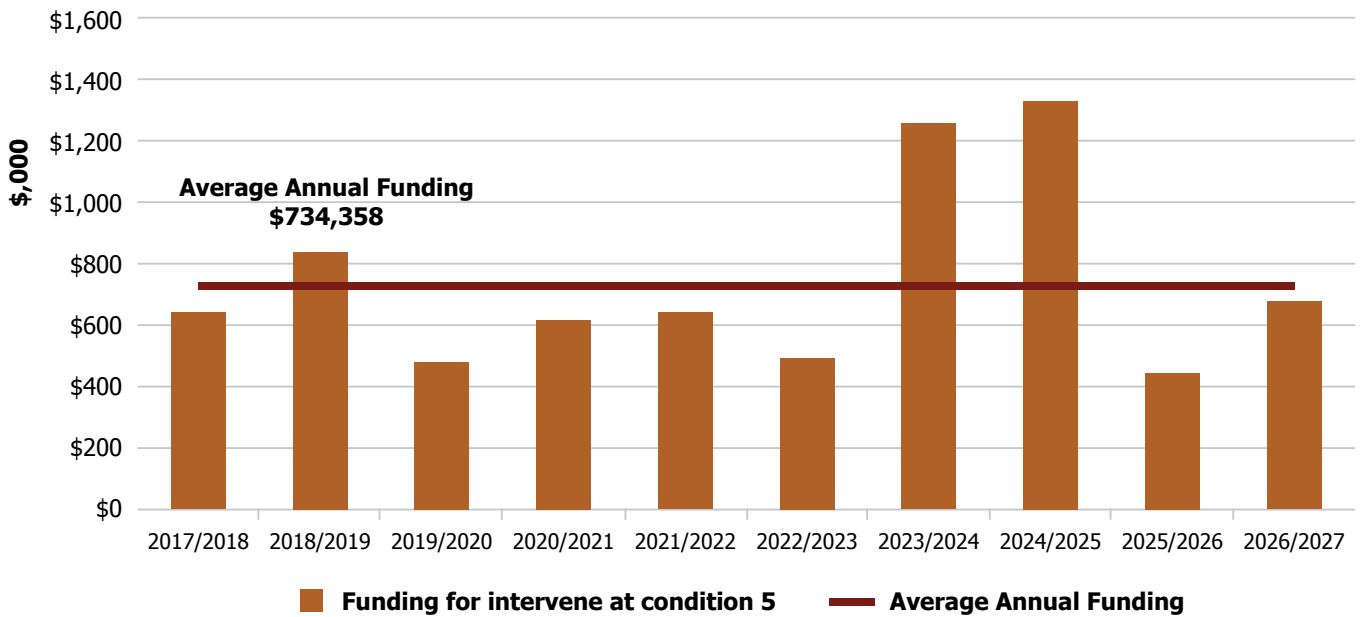
Funding predictions are generated from the asset life cycle modelling tool myPredictor, part of the Assetic system. This allows comparison of asset deterioration and levels of service for various scenarios. The adopted funding scenarios for Pathways and Parks assets are as follows:

### Scenario: Maintain current service level at 2.54



*Adopted funding scenario for pathways*

## Scenario: Budget for intervene at condition 5



### Adopted funding scenario for parks

The Pathways Asset Management Plan recommended an increase of \$83,000 per annum in funding to maintain the current levels of service. The Parks Asset Management Plan recommended to continue the current level of funding until community consultation is undertaken to identify the desired levels of service.

### Asset Data Collection

The City implemented a fully integrated mobile asset data collection platform, allowing more accurate and efficient data collection. This data is linked to the asset management system Assetic, GIS system Intramaps, and GIS system Quantum GIS.



**City's mobile data collection system with a GPS receiver and tablet**

### Asset Delivery

#### Implement the Foothills Future Waterproofing Project

The City successfully implemented the recommendations outlined by the City's Hydrologist and supported by the Department of Water (DoW). These recommendations include the drilling of a monitoring bore and the introduction of an activated Carbon Filter. The installation of the Active Carbon filtration was completed in November and subsequently featured in the Overflow magazine. The recharge trial recommenced during June 2017.



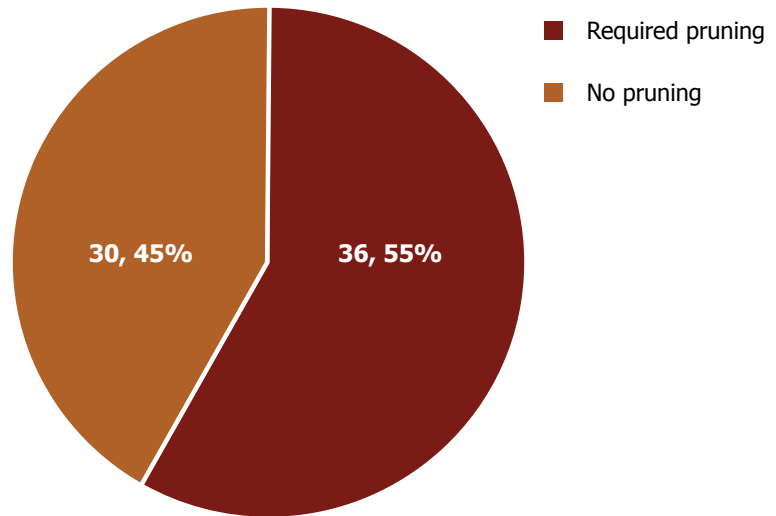
**4.7 To ensure the selection, maintenance, inspection, renewal and disposal of all categories of assets with the City is managed efficiently**

**Parks and Reserves**

Playground upgrades were completed at Kadina Park, Gooseberry Hill and Flora Terrace Reserve, Lesmurdie and the first stage of revamping the Ledger Road reserve, Gooseberry Hill playground was completed.

Playgrounds with trees in close proximity are assessed for risks associated with tree fall zones. 66 playgrounds were inspected and carefully assessed for tree condition and further monitoring and maintenance requirements. Any required works such as tree pruning was completed over 36 of the playground sites. This is an ongoing monitoring and maintenance program.

**Playgrounds**



To ensure continuation of power to homes and businesses, the City undertakes a program of Western Power infrastructure street tree pruning clearance works. Between June and November around 11,500 of the City's street trees were pruned, in addition to the pruning undertaken by Western Power.

At Falls Farm, Lesmurdie staff worked in partnership with the Heritage Roses in Australia Inc Perth Region to upgrade the historic rose gardens and arbour.

This location and its old world charm has increasingly attracted the interest of photographers and wedding

organisers. The Society is working with staff to improve the gardens and the staff have developed their heritage rose and vine pruning and maintenance techniques.

Many of the parks and reserves receive annual garden and tree pruning in readiness for spring and summer. This year the Railway Heritage Trail vegetation works facilitated fire reduction, woody weed removal and natural vegetation planting.

Around 3,200 customer requests were received by the Parks and Environmental team during the year.

They included requests for mowing verges and parks, playgrounds, assistance with neighbour's vegetation and queries about pests and weeds. More than half of the resident queries were regarding trees on the City's managed land with many people asking for street trees to be pruned or assessed for removal.

In December 2016 Council adopted the Street Tree and Streetscape Management Policy and associated management procedures to guide staff and residents on these matters.



## Building Maintenance

The following are some of the building maintenance projects completed during this year;

- Replacement of light tower at Fleming Reserve



- Refurbishment of leach drain at Stirk Park



- Refurbishment of change rooms at Norm Sadler Pavilion



- Renovation of toilets at Ray Owen

Sports Centre

- Replacement of air conditioning system at Forrestfield Library



In addition to the building maintenance projects, the team has carried out the statutory building inspections and completed more than 1,300 maintenance requests during the year.

## Infrastructure Maintenance

### Roads

The following are some of the maintenance works carried out by the Roads Maintenance Team this year:

- Patterson Road, Pickering Brook, Asphalt edge works and shoulder maintenance



- Tuart and Orangedale Road, 30m of footpath and kerbing repairs
- Pickering Brook Road, shoulder maintenance, road patching and road edge repairs

In addition, the Road Maintenance Team completed more than 300 road maintenance requests such as grading gravel roads and repairing road pavements, footpaths, kerbs and street signs.

### Drainage

The following are some of the maintenance works carried out by the Drainage Maintenance Team this year:

- Lilian Road, Maida Vale, Rock pitching in creek to prevent erosion to adjacent land



- Kalamunda Performing Arts Centre, installation of soakwells to prevent flooding to the adjacent oval



- Swan Road, High Wycombe, installation of soakwells to ease flooding and access issues

In addition, the Drainage Maintenance Team carried out the programs for gully and open drain cleaning and completed more than 200 requests for repairs and unblocking pipes.

## Capital Works

### Upgrade of the existing Forresterfield United Soccer (FUSC) Clubrooms

The spectator seating and change room upgrades were successfully completed in May 2017 and was followed by the official opening. The clubroom upgrade was one of the key deliverables detailed in the Financial Assistance Agreement between the State Government and the City of Kalamunda.



### Kostera Oval Terraced Seating

This project is joint-funded with the Kalamunda Senior High School and will provide excellent spectator viewing and control erosion of the existing bank. This project is 90% complete, with some native landscaping required to complete the project.



### Forresterfield Skate Park Lighting

The Forresterfield Skate Park Area Lighting was successfully commissioned in January 2017.



### Reconstruction of Mundaring Weir Road Hacketts Gully

This project is part of the State Government Metropolitan Regional Roads Grant (MRRG) funded projects' for the 2016/2017 financial year. The road pavement in this location has substantial cracking of the seal with some sections of patching and drop off. The geo-technical assessment determined that the pavement should be fully reconstruction including the installation of a vertical moisture barrier to mitigate future sub grade failure. This project was completed in April 2017.



### Railway Road/Elizabeth Street Intersection Widening

The road widening at the intersection of Railway Road and Elizabeth Street was considered due to the topography of the area restricting the motorist vision of the stop sign, causing confusion for drivers.

The plan was to install passive cues to reduce speed on the approach to the intersection. This project was part direct grant funded from the State Government Black Spot program

and supplemented by the City's own funding to manage its road network in accordance with best practice, asset management principles and to ensure safety and service level standards meet the needs of the community. This project was completed in April 2017.



### Kalamunda Road Widening

This project focuses on the intersection of Kalamunda and Gooseberry Hill Roads, Maida Vale, and was funded through the 2016-17 Federal Government Black Spot program (Main Roads Project reference number: 21111388).

This section of road was identified as a safety concern following complaints from the community and substantiated by the number of crashes reported at the site.

The City plans to address this issue by duplicating and extending the carriageway through the intersection at this location to allow for additional manoeuvring for residents entering and exiting the properties along this section as well as align the approaching vehicles on Kalamunda Road such that they will have the maximum possible visibility.

Furthermore, it will provide contrast between the 60km/h speed zone and the 70m/h speed zone.

### Zig Zag Centre Totem Pole Re-location

The Totem Pole was successfully relocated in December 2016. The new location has improved the visual impact to motorist and pedestrians in the Kalamunda Town Centre.





## **Public Open Space Strategy**

In late 2016 the preparation of Public Open Space (POS) Strategy began.

The POS Strategy will form an integral part of the City's new Local Planning Strategy 2018.

The POS Strategy will ensure that POS is delivered to optimise community benefit by providing direction to guide the future provision, enhancement and management of POS.

The Strategy will ensure that POS is utilised to its optimum potential to deliver maximum benefit to the community.

The Strategy will provide a local interpretation of the Western Australian Planning Commission (WAPC) Liveable Neighbourhoods policy by generating a sense of community and strong local identity, and providing an integrated approach to the design and provision of POS.

A first draft for internal review was completed mid-2017, with all relevant internal departments making comment on the first draft.

The finalised draft is scheduled to be presented to Council in November 2017 for the purpose of public advertising, with public comment sought soon after. The finalised POS Strategy is anticipated to be adopted early-mid 2018.





## Goal 5 Kalamunda Employs – Supporting our industries and businesses

### **5.1 To create a world class precinct for industrial and commercial land development**

#### **Forrestfield / High Wycombe Industrial Area Stage 1 Structure Plan Review and DCP Review**

Following extensive and ongoing community workshops and meetings, the Stage 1 Industrial Area Local Structure Plan will be amended to incorporate a number of changes, including:

- Realigning road networks
- Permitting further strategic lot subdivisions, and
- Improving access for heavy vehicles

The amendment to the Local Structure Plan has now been approved by Council and is with the Department of Planning for approval by the Minister for Planning. To coincide with these amendments, the Development Contribution Plan also needed to be updated to reflect the proposed changes.

The Development Contribution Plan will be advertised for public comment towards the end of October 2017.

#### **MKSEA – Amendment 89**

Local Planning Scheme No. 3 Amendment 89 proposes to rezone a significant portion of rural land in Wattle Grove to industrial as part of the Maddington Kenwick Strategic Employment Area.

This amendment was proposed by an industrial developer, who has gained an interest in the majority of landholdings within the affected area spanning both the City of

Kalamunda and City of Gosnells. Important factors considered during this amendment were the effect on the environment, traffic movements, amenity for nearby residents, and transitional concerns for existing rural properties.

The amendment has been supported by Council following public advertising and is now with the Department of Planning for its consideration and approval by the Minister for Planning.

#### **Amendment 83**

Local Planning Scheme No. 3 Amendment 83 proposes to bring the existing Scheme into alignment with the Model Scheme Text, a State Government publication that all local governments must comply with. The amendment affects the entire structure and layout of the Scheme but has no material change on the power of Council or its staff, or on the processes under which the Council operates. The amendment is considered to be an administrative change only.

Amendment 83 has been advertised and no objections have been received from the public or any State Government agencies. The Council must now consider the submissions received and determine whether to support the amendment with or without modifications. Following Council's decision, the Department of Planning will consider the amendment for approval by the Minister for Planning.

## **5.2 To deliver alternative funding strategies through property development to fund future investments in community infrastructure**

The City has continued to assess its property portfolio and has identified opportunities for development at Hale Road in Forrestfield and Edney Road in High Wycombe, which will facilitate future investment and business growth. The projects will be progressed through the coming year.

## **5.3 To facilitate increased economic activity within the City**

The City continues to facilitate growth of the local economy in a variety of ways. During the last year the City has focussed on developing a new Economic Development Strategy to provide direction for projects and activities for the next five years. The draft strategy identified five major priorities with a program of activities designed to achieve outcomes:

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

Throughout the year, the City has helped to build the capacity of small businesses through training workshops on some key topics. The 2017 Careers Expo saw the continuation of promoting the option for school leavers to start their own business. The City also continued to work collaboratively with the Kalamunda Chamber of Commerce on a number of joint initiatives to assist young people turn ideas into reality by starting their own businesses. The City's work with the younger work force culminated in being selected as winner of the Youth Economic Participation category of the National Awards for Local Government.

Detailed population forecasting has been updated with 2016 Census data which should assist local businesses with longer term planning to meet and predict the changing needs of their customers.

Planning for the Forrestfield North area continues and will create numerous

economic benefits in the long-term as the project progresses.

## **5.4 To be recognised as an excellent tourism destination with high levels of patronage**

The City of Kalamunda continues to develop the Perth Hills tourism through the Perth Hills Visitor Centre, demonstrating its commitment to the emerging tourism industry in the Perth Hills. The destination website - [www.experienceperthhills.com.au](http://www.experienceperthhills.com.au) - has become a major information point for visitors with over 20,000 hits each year.

Alongside this social media for the Experience Perth Hills brand has continued to gather pace. The Facebook page has now collected over 10,000 'likes'. Instagram and Twitter are also developing quickly.

The City has invested in hundreds of new tourism images to promote the unique product and created a new tear-off map to assist in directing visitors to attractions in the Perth Hills. As a result, tourism businesses were offered the opportunity to purchase professional images for their own promotional material at significantly discounted rates.

The Bickley Valley Wine Trail brochure, reflecting the Experience Perth Hills brand, has been updated, printed and circulated to promote the boutique wine and cider experiences on offer. Other brochures have also been refreshed to offer a range of useful visitor information options.

The Visitor Centre membership for local tourism businesses has increased to over 50 with the steady addition of new members. Members of the centre receive benefits such as brochure display, website listing, and promotion of events and competitions on social media pages.

## **5.5 To be courageous and tenacious in the pursuit of benefits from the State and the Federal governments through effective advocacy**

The City undertakes a strong advocacy program, regularly meeting with State and Federal representatives. Pleasingly

a number of significant commitments were made during the recent State Government election, following our advocacy efforts including:

- the promise for a \$3 million contribution to a community hub in the Kalamunda township
- a new overpass at Kalamunda Road and Roe Highway worth some \$83 million
- an extension to the operating hours of the Forrestfield police station, and
- upgrades for some sporting club facilities

The City continues to advocate for a number of key strategic projects including the development of Forrestfield North.

The Forrestfield North Station precinct is a vital transit oriented development opportunity that will provide much needed housing diversity to enable the City to meet its infill density targets. The opportunity exist for Federal and State Government to recognise the value capturing that can be derived if a partnership can be brokered to create an exemplar 21st century smart and sustainable transport oriented suburb.

The City of Kalamunda is advocating for more aged care.

The lack of facilities is a well-known fact in our community with a critical aged care bed shortfall.

The provision of aged care needs a whole of government approach that seeks to streamline approval processes, identify and isolate land and set up a funding model that is conducive to attract private investment in these facilities.

In addition, the City is pushing for grade separations along Tonkin Highway at the Hale Road and Welshpool road intersections. The Tonkin Highway will become key freight route into the future.

With rapid residential growth throughout Wattle Grove it has become apparent that the intersections at Hale Road and Welshpool Road are not coping with increased impact. The City would like the State and Federal governments to prioritise these grade separations as matter of urgency.

The City is seeking to increase promotion and product development to drive the local economy through tourism development. Again, the City would like the State and Federal governments to support the Perth Hills region to be developed and promoted as a destination for international and interstate tourism.

The City of Kalamunda is also seeking funding for a number of projects including \$500,000 to complete the Kalamunda Loop trail, \$1 million for

the development of Stirk Park, \$3.4 million for the Ray Owen Master Plan and funding to develop a series of community hubs within the City.

### **5.6 To foster regional collaboration within Perth's Eastern Region**

The City has been working with the Cities of Swan, Belmont and Canning on a collaborative project to establish a best practice approach that enables the freight and logistics industry to

achieve optimal outcomes to support the industry to adapt to growing freight needs.

The City has also been collaborating with neighbouring local governments to jointly promote the Perth Hills as a tourism destination. The project has gained momentum with a number of Perth Hills local governments interested in this collaborative approach.







## Goal 6 Kalamunda Leads – Providing Good Government

### **6.1 To ensure a highly effective and strategic thinking Council sets direction and works for the greater good of the community at all times**

#### **Audit and Risk Committee**

The Audit and Risk Committee is a committee of Council whose role is to ensure the audit of the Council's financial and statutory functions are undertaken in accordance with the provisions of the Local Government Act 1995 and associated regulations.

The City's audit activities are driven by an Internal Audit Plan providing a framework to review internal controls, legislative compliance and risk management. During the 2016/2017 financial year, the audit did not identify any material findings.

### **6.2 To ensure local laws are upheld**

The City strives for continual improvement seeking to ensure its local laws are relevant, and in keeping with contemporary lawmaking. The City gazetted the Fencing Local Law 2016. The purpose of the proposed local law is to provide landowners greater flexibility and range of options in relation to what is a sufficient fence, and gives the Council the ability to determine applications where there are disputes between neighbours. The Fencing Local Law came into effect on 16 September 2016.

### **6.3 To lead, motivate and advance the City of Kalamunda**

In June 2017 the City of Kalamunda

adopted Kalamunda Advancing - Strategic Community Plan – the highest level plan the Council prepares, setting the vision for the future of the district.

It documents the community's main priorities, expectations and aspirations for the City of Kalamunda over a 10-year time period and will be used to:

- plan and structure business activities and develop specific guiding strategies, resourcing plans and other informing strategies, such as the corporate plan, and
- Long-term Financial Plan, annual budgets, workforce plans, asset management plans and service plans.

### **6.4 To engage regularly and proactively with the community**

The City adopted the Community Engagement Strategy 2017 in June of this year. The Kalamunda Engages – Community Engagement Strategy 2017 now provides direction, definition and critical information for staff and the community to use when determining how we will engage on the many and various topics that confront the City of Kalamunda.

We engage with our community because meaningful and effective community engagement will make us a better local government more able to meet community needs and aspirations.

The following provides an overview of the range of community engagement projects undertaken this financial year:

## Public Consultation

- Local Planning Scheme No.3 - Amendment 88
- Proposal for Development Application DA17-0039
- Cell 9 Wattle Grove Development Contribution Plan Review
- Local Planning Scheme No3 - Amendment 89
- Kalamunda Bike Plan
- DRAFT Disability Access and Inclusion Plan 2017-2022
- DRAFT Strategic Community Plan (2017-2027)
- 12 Lewis Road Wattle Grove DA16-0432
- Local Planning Scheme No.3 - Amendment 91
- FFHW S1 LSP Modifications Report
- Woodlupine Brook Living Stream Enhancement
- Courtney Place Wattle Grove
- Local Planning Scheme No.3 - Amendment 81
- Call for Public Submissions: MRS amendment
- Wimbridge Road north of the Woodlupine Brook
- Draft Local Planning Policy P-Dev60 – Design Advisory Committees
- Draft Local Planning Policy P-Dev61 – Grouped Dwellings Upgrade and Retention
- Stirk Park Master Plan Final Concept Plan
- Local Planning Scheme No. 3 Amendment 83
- Local Planning Scheme No.3 - Amendment 76
- Local Planning Policy - Design Advisory Committees
- Lot 100 121 Canning Road, Kalamunda
- Notice of Proposed Development - Proposed Temporary Storage and Hardstand
- Local Planning Scheme No.3 - Amendment 85
- Forrestfield Local Structure Plan - Hawtin Road Pearce Avenue Forrestfield
- Notice of Proposed Development Single-Storey Shopping Centre 332 Hale Rd Wattle Grove
- Forrestfield airport link (FAL) project
- Local Planning Scheme No.3 - Amendment 80
- Development application - Proposed Mobile Phone Base Station - Lesmurdie DA16-0368
- Development application - Proposed Mobile Phone Base Station - Wattle Grove DA16-0432
- Stirk Park Master Plan Concept Design Online Consultation
- 2016 Review of Ward Boundaries and Representation
- draft Street Tree and Streetscape Management Policy
- Strategic Community Plan review
- Development application - Proposed Telecommunications Infrastructure George Spriggs Reserve Pickering Brook WS-04-035
- Draft Youth Plan 2017-2022
- Jacaranda Springs Park Upgrade
- Disability Access and Inclusion Plan Review
- Lot 4255 29 Lewis Road Wattle Grove.
- Local Planning Scheme No.3 - Amendment 75
- Community Safety & Crime Prevention Survey
- Stirk Park Master Plan Concept Design Online Consultation
- Strategic Community Plan Review
- Disability Access and Inclusion Plan Review 2016
- Economic Development Strategy Survey
- Have Your Say: Kalamunda Bike Plan
- Have Your Say: Community Safety Survey
- Age-Friendly Strategy Survey

## **6.5 To ensure a quality experience for every interaction with our community**

Following on from last year's review of the City's Customer Service Charter, the City developed a new Customer Service Strategy after internal and external research, consultation and revision of a range of current strategies and plans relating to customer service, communication and community engagement.

The new Strategy sets the following Customer Service Promise: All City interactions with customers will be timely and meaningful.

The key objectives of the strategy are to:

- Strive to achieve a new customer service ethos and deliver on the customer service promise and principles
- Culturally optimise the organisation to achieve best practice customer service outcomes
- Support and train staff to feel empowered, be proactive and work collaboratively toward business objectives and customer service excellence
- Effectively communicate with our customers, internally and externally

## **6.6 To ensure excellent information, technology and communication services are being consistently delivered**

The City of Kalamunda has commenced a significant journey in implementing an Information Communications Technology Strategy (ICT).

The ICT Strategy is built around seven key focus areas that are focused on the delivery of enhanced services to the community and citizens of Kalamunda.

The seven key focus areas are:

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

The City has placed a strong initial focus on governance and security so as to provide a strong foundation for the development of the ICT Strategy.

During the course of the year, the City implemented a permanent Disaster Recovery solution to enhance our resilience and increase capacity to respond to a disaster event.

## **6.7 To provide a business environment that strives for continuous improvement through the use of highly effective business systems and processes**

The City of Kalamunda together with the City of Greater Geraldton, City of Kalgoorlie Boulder and our core IT Provider – IT Vision have formed a consortium called the Altus Collaboration Consortium (ACDC) that will transform the way in which Local Government Core Applications provide services to the community.

Although the consortium project is only in its infancy, the City is well advanced in completing business process mapping and working on the implementation of mobility solutions that will enable field staff to operate anywhere any time.

## **6.8 To ensure financial sustainability through the implementation of effective financial management, system and plans**

Financial sustainability is the foundation of the City's long term planning with a strong emphasis on responsible fiscal management based on growing revenue and reducing expenditure.

During the past 12 months, the financial environment has been challenging, with lower interest rates impacting the City's interest earnings and rising utility costs and increases in state charges impacting the City's cost structures.

Despite this, the City has managed to mitigate the impacts on its cost structure through a strong focus on driving service efficiency and introducing innovation.

Some of the notable initiatives have included:

- Tight management of procurement, especially tenders
- Renegotiation of insurance contracts taking advantage of a softer insurance market
- Renegotiation of contestable power sites delivering savings in energy costs, and
- Installation of solar panels at strategic sites to reduce energy consumption

The City is committed to delivering operating budget surpluses and provisioning for the future through increasing cash reserves in order to meet future needs.

## **LONG TERM FINANCIAL PLAN**

The City operates under the Long Term Financial Plan (LTFP) which is an informing strategy outlining the City's approach to the delivery of community services and infrastructure over the next 10 years.

The LTFP is underpinned by the following financial principles:

- Sustainability
- Responsibility
- Accountability
- Transparency, and
- Innovation

Also, the LTFP will enable the City to:

- Establish a robust visible framework enabling future activities to be adequately funded
- Integrate financial strategies with service delivery and strategic direction to achieve planned outcomes
- Analyse the cumulative financial effects of the City's operations
- Identify financial challenges and opportunities
- Outline the City's financial sustainability over the next decade against which financial performance can be assessed against established industry benchmarks, and
- Ensure that maintenance, replacement, renewal of community infrastructure can be adequately funded



### **6.9 To provide a risk minimised and safe working environment in every aspect of the City's business**

The City of Kalamunda is committed to organisation wide risk management to ensure that strategic, operational and project objectives are met. During the year, Council adopted the Risk Management Plan (based on AS/NZ ISO 31,000:2009).

The Risk Management Plan is comprised of a policy statement, a risk management framework, and documents the risk management process, including tools and templates.

All employees are accountable for identifying and managing risks within the City of Kalamunda. A risk register is in place which identifies risks and then ensures mitigation strategies are in place to address them. The risk register is monitored and updated at regular intervals.

Creating a safe workplace is one area where employees and managers work together to protect the health and wellbeing of our people. By creating a safe workplace we also reduce other areas of risk, such as damage to plant and equipment.

In 2016/2017 there were many safety initiatives that were successfully implemented and included:

- Completing an asbestos register for City owned buildings and preparing an asbestos management plan
- Training for all Asset Services employees in understanding and using safety data sheets for chemicals
- Adding LED lights and light bars to trucks and trailers for safe use in poor lighting conditions, and
- Training supervisors in how to investigate and respond to safety incidents.

### **6.10 To build a high performing and motivated workforce**

Employees and managers are encouraged to strive toward high standards of professionalism, customer service and quality. These ideals are supported through our performance appraisal system and employee development programs.

Employee development comprises on-the-job mentoring, job specific training and conferences, and participation in the City's GROW program. GROW focuses on high performance skills and behaviours and in 2016/2017 included programs such as:

- Managing high performance teams
- Adapting to change, and
- Identifying and addressing discrimination, harassment and bullying





# Record Keeping and Statutory Requirements

## Statement on the City of Kalamunda's 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 approved Record Keeping Plan requires two main areas of improvement. These are:

1. Development and implementation of policy and procedures for the management of Elected Members records, and
2. Further development of staff training activities to incorporate external training courses in records management, to complement current in-house training

An elected member's records policy and procedure is currently in place. A review of the policy will be undertaken in the 2017/2018 financial year.

### Review of Electronic Document Records Management System

The current Electronic Document Records Management System, SynergySoft Records, has been assessed by staff as not being a sufficient corporate tool for information management.

As part of the ICT Strategy, the implementation of a new EDRMS has been identified as a priority. Acquisition and implementation is to occur in the 2017/2018 financial year.

## Training

The City continues to provide training to staff, including an initial Records Induction Training for all staff.

Documentation on the Responsibilities of staff regarding Record Keeping, what constitutes a Business Email, the City of Kalamunda Records Business Rules, and using the Records System.

Training Videos are accessible via the supplier's website.

## 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 Freedom of Information Coordinator for the City of Kalamunda is the Manager Technology and Corporate Support. The Information Statement for the City of Kalamunda was updated August 2016, and will continue to be updated within required timeframes. The Information Statement is available on the City's website and from the Administration Centre.

There were 37 new valid Freedom of Information requests received during the 2016/2017 financial year, with one carried through to the 2016/2017 financial year. Of these:

- 1 was for personal information
- 36 were for non-personal information

The average time taken to deal with a FOI request was 10 days.

No FOI Requests were dealt with outside of the 45-day time frame. There were two Internal Reviews, where the decision was varied on each occasion.

### Employee Remuneration

The following table sets out in bands of \$10,000 the number of employees at the City with an annual salary of \$100,000 or more.

Salary Range	2016/2017
100,000 - 109,999	8
110,000 - 119,999	6
120,000 - 129,999	2
130,000 - 139,999	1
140,000 - 149,999	0
150,000 - 159,999	2
160,000 - 169,999	2
170,000 - 179,999	1
180,000 - 189,999	4
190,000 - 199,999	0
200,000 - 209,999	2
210,000 - 219,999	0
220,000 - 229,999	0
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





# Statement by the Chief Executive Officer

SHIRE OF KALAMUNDA  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

## STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the Shire being the annual financial report and supporting notes and other information for the financial year ended 30 June 2017 are in my opinion properly drawn up to present fairly the financial position of the Shire at 30 June 2017 and the results of the operations for the financial year then ended in accordance with the Australian Accounting Standards and comply with the provisions of the Local Government Act 1995 and the regulations under that Act.

Signed as authorisation of issue on the 12 day of October 2017



Rhonda Hardy  
Chief Executive Officer

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## Independent Auditor's Report to the Ratepayers of the Shire of Kalamunda

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of the Shire of Kalamunda (the Shire), which comprises the statement of financial position as at 30 June 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and comprising notes to the financial statements, including a summary of significant accounting policies and the statement by the Chief Executive Officer.

In our opinion, the accompanying financial report of the Shire of Kalamunda:

- a presents fairly, in all material respects, the entity's financial position as at 30 June 2017 and of its performance and cash flows for the year then ended;
- b complies with Australian Accounting Standards and;
- c is prepared in accordance with the requirements of the Local Government Act 1995 Part 6 ( as amended) and Regulations under the Act.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Shire in accordance with the 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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### **Statutory compliance**

I did not, during the course of my audit, become aware of any instance where the Council did not comply with the requirements of the Local Government Act of 1995 and Local Government (Financial Management) Regulations of 1996 as they apply to the financial statements.

### **Responsibility of the Council for the Financial Report**

The Council of the Shire is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Local Government Act 1995 Part 6. This responsibility includes such internal controls as the Council determine are necessary to enable the preparation of the financial report to be free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Council is responsible for overseeing the Shire of Kalamunda's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

[http://www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M J Hillgrove  
Partner - Audit & Assurance

Perth, 13 October 2017

# Statement of Comprehensive Income by nature or type – year ending 30 June 2017

**SHIRE OF KALAMUNDA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY NATURE OR TYPE**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Rates	23	35,066,848	34,398,085	32,769,644
Operating grants & subsidies	30	6,773,668	5,343,747	4,882,108
Contributions, Reimbursements and Donations		2,080,997	819,258	828,513
Fees and charges	29	14,600,642	14,817,455	14,152,939
Interest earnings	2(a)	1,196,851	1,189,756	1,160,328
Other revenue	2(a)	78,667	62,144	274,798
		<u>59,797,673</u>	<u>56,630,445</u>	<u>54,068,330</u>
<b>Expenses</b>				
Employee costs		(25,907,535)	(24,277,622)	(24,003,114)
Materials and contracts		(23,059,891)	(21,547,130)	(18,133,837)
Utility charges		(2,258,866)	(2,457,698)	(2,482,795)
Depreciation on non-current assets	2(a)	(10,130,153)	(7,389,258)	(6,043,120)
Interest expenses	2(a)	(360,200)	(389,523)	(394,480)
Insurance expenses		(553,474)	(593,911)	(567,478)
Other expenditure		(850,964)	(531,043)	(474,055)
		<u>(63,121,083)</u>	<u>(57,186,185)</u>	<u>(52,098,879)</u>
		<u>(3,323,410)</u>	<u>(555,740)</u>	<u>1,969,451</u>
Non-operating grants, subsidies and contributions	30	3,111,106	3,539,835	5,846,078
Profit on asset disposals	21	19,069	0	2,144
(Loss) on asset disposals	21	(382,722)	(42,843)	(1,771,246)
(Loss) on revaluation of plant and equipment		0	0	(91,366)
Capital (Developer) Contributions		2,977,902	600,000	3,060,926
Change in Equity - Joint Venture	4	1,019,189	3,888,440	1,703,629
<b>Net result</b>		<b>3,421,134</b>	<b>7,429,692</b>	<b>10,719,616</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	(2,735,973)	0	(481,711)
Revaluation of Assets of Joint Venture	4	239,147	0	788,568
<b>Total other comprehensive income</b>		<b>(2,496,826)</b>	<b>0</b>	<b>306,857</b>
<b>Total comprehensive income</b>		<b>924,308</b>	<b>7,429,692</b>	<b>11,026,473</b>

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



# Statement of Comprehensive Income by program – year ending 30 June 2017

**SHIRE OF KALAMUNDA**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>	2(a)			
Governance		32,564	114,298	99,932
General purpose funding		39,964,546	38,334,823	35,605,806
Law, order, public safety		598,503	431,318	556,406
Health		380,511	350,461	261,554
Education and welfare		3,468,875	3,422,196	3,807,453
Community amenities		10,821,689	11,277,230	11,074,136
Recreation and culture		2,482,796	1,701,532	1,753,929
Transport		17,342	0	113,739
Economic services		504,768	543,121	432,468
Other property and services		1,526,079	455,467	362,907
		<u>59,797,673</u>	<u>56,630,446</u>	<u>54,068,330</u>
<b>Expenses</b>	2(a)			
Governance		(3,835,900)	(3,408,045)	(3,445,150)
General purpose funding		(663,604)	(826,514)	(831,218)
Law, order, public safety		(1,821,031)	(1,847,559)	(1,861,494)
Health		(1,505,534)	(1,292,280)	(1,179,673)
Education and welfare		(4,478,342)	(3,906,182)	(4,109,766)
Community amenities		(13,036,657)	(14,444,780)	(13,037,637)
Recreation and culture		(17,809,933)	(18,294,746)	(17,161,135)
Transport		(12,658,321)	(10,610,342)	(8,102,694)
Economic services		(1,140,798)	(1,122,265)	(1,062,980)
Other property and services		(5,810,763)	(1,043,950)	(912,652)
		<u>(62,760,883)</u>	<u>(56,796,663)</u>	<u>(51,704,399)</u>
<b>Finance costs</b>	2(a)			
Other property and services		(360,200)	(389,523)	(394,480)
		<u>(360,200)</u>	<u>(389,523)</u>	<u>(394,480)</u>
		(3,323,410)	(555,740)	1,969,451
Non-operating grants, subsidies and contributions	30	3,111,106	3,539,835	5,846,078
Profit on disposal of assets	21	19,069	0	2,144
(Loss) on disposal of assets	21	(382,722)	(42,843)	(1,771,246)
(Loss) on revaluation of plant and equipment		0	0	(91,366)
Capital (Developer) Contributions		2,977,902	600,000	3,060,926
Change in Equity - Joint Venture	4	1,019,189	3,888,440	1,703,629
<b>Net result</b>		<u>3,421,134</u>	<u>7,429,692</u>	<u>10,719,616</u>
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<b>Total comprehensive income</b>		<u>924,308</u>	<u>7,429,692</u>	<u>11,026,473</u>

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

# Statement of Financial Position – year ending 30 June 2017

**SHIRE OF KALAMUNDA  
STATEMENT OF FINANCIAL POSITION  
AS AT 30TH JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	28,486,237	26,471,157
Trade and other receivables	5	2,589,936	2,423,363
Inventories	6	120,560	224,274
<b>TOTAL CURRENT ASSETS</b>		<u>31,196,733</u>	<u>29,118,794</u>
<b>NON-CURRENT ASSETS</b>			
Other receivables	5	961,818	825,604
Inventories	6	386,067	300,707
Interest in Joint Venture	4	28,747,212	27,488,876
Capital Work-In-Progress		1,662,982	0
Property, plant and equipment	7	149,449,267	151,609,801
Infrastructure	8	164,274,289	165,957,256
<b>TOTAL NON-CURRENT ASSETS</b>		<u>345,481,635</u>	<u>346,182,244</u>
<b>TOTAL ASSETS</b>		<u>376,678,368</u>	<u>375,301,038</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	6,605,355	6,424,383
Current portion of long term borrowings	10	750,747	629,778
Provisions	11	3,281,899	2,992,612
<b>TOTAL CURRENT LIABILITIES</b>		<u>10,638,001</u>	<u>10,046,773</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	10	5,619,932	5,664,169
Provisions	11	594,724	688,693
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>6,214,656</u>	<u>6,352,862</u>
<b>TOTAL LIABILITIES</b>		<u>16,852,657</u>	<u>16,399,635</u>
<b>NET ASSETS</b>		<u>359,825,711</u>	<u>358,901,403</u>
<b>EQUITY</b>			
Retained surplus		211,834,802	209,020,577
Reserves - cash backed	12	18,767,297	18,160,388
Revaluation surplus	13	129,223,612	131,720,438
<b>TOTAL EQUITY</b>		<u>359,825,711</u>	<u>358,901,403</u>

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

# Statement of Changes in Equity – year ending 30 June 2017

**SHIRE OF KALAMUNDA  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2015</b>		<b>205,253,253</b>	<b>11,208,096</b>	<b>131,413,581</b>	<b>347,874,930</b>
Comprehensive income					
Net result		10,719,616	0	0	10,719,616
Changes on revaluation of assets	13	0	0	(481,711)	(481,711)
Increase / Decrease in EMRC revaluation reserve		0	0	788,568	788,568
Total comprehensive income		<u>10,719,616</u>	<u>0</u>	<u>306,857</u>	<u>11,026,473</u>
Transfers from/(to) reserves		(6,952,292)	6,952,292	0	0
<b>Balance as at 30 June 2016</b>		<b>209,020,577</b>	<b>18,160,388</b>	<b>131,720,438</b>	<b>358,901,403</b>
Comprehensive income					
Net result		3,421,134	0	0	3,421,134
Changes on revaluation of assets	13	0	0	(2,735,973)	(2,735,973)
Increase / Decrease in EMRC revaluation reserve		0	0	239,147	239,147
Total comprehensive income		<u>3,421,134</u>	<u>0</u>	<u>(2,496,826)</u>	<u>924,308</u>
Transfers from/(to) reserves		(606,909)	606,909	0	0
<b>Balance as at 30 June 2017</b>		<b><u>211,834,802</u></b>	<b><u>18,767,297</u></b>	<b><u>129,223,612</u></b>	<b><u>359,825,711</u></b>

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

# Cash Flow Statement – year ending 30 June 2017

**SHIRE OF KALAMUNDA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		34,766,087	34,383,131	32,104,297
Operating grants & subsidies		6,773,668	5,343,747	4,882,108
Contributions, Reimbursements and Donations		2,080,997	819,258	828,513
Fees and charges		11,492,860	15,219,918	12,301,560
Interest earnings		1,196,851	1,189,756	1,160,328
Goods and services tax		3,332,311	1,494,867	4,181,659
Other revenue		125,167	62,146	88,748
		<u>59,767,941</u>	<u>58,512,823</u>	<u>55,547,213</u>
<b>Payments</b>				
Employee costs		(25,656,266)	(23,367,401)	(23,624,351)
Materials and contracts		(22,678,101)	(20,949,469)	(18,222,620)
Utility charges		(2,258,866)	(2,457,698)	(2,482,795)
Interest expenses		(368,915)	(404,435)	(404,802)
Insurance expenses		(553,474)	(593,914)	(567,478)
Goods and services tax		(526,642)	(1,805,273)	(2,042,345)
Other expenditure		(850,967)	(531,043)	(474,055)
		<u>(52,893,231)</u>	<u>(50,109,233)</u>	<u>(47,818,446)</u>
<b>Net cash provided by (used in) operating activities</b>	14(b)	<u>6,874,710</u>	<u>8,403,590</u>	<u>7,728,767</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(4,061,830)	(5,262,117)	(1,777,925)
Payments for construction of infrastructure		(5,435,339)	(11,178,811)	(8,960,280)
Capital Work-In-Progress		(1,662,982)	0	0
Non-operating grants, subsidies and contributions		3,111,106	3,539,835	5,846,078
Proceeds from sale of fixed assets		64,392	50,000	578,387
<b>Net cash provided by (used in) investment activities</b>		<u>(7,984,653)</u>	<u>(12,851,093)</u>	<u>(4,313,740)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(629,778)	(629,778)	(593,852)
Proceeds from self supporting loans		70,389	72,300	66,074
Proceeds from new debentures		706,510	500,000	0
Developer Contributions (capital)		2,977,902	0	3,060,926
<b>Net cash provided by (used In) financing activities</b>		<u>3,125,023</u>	<u>(57,478)</u>	<u>2,533,148</u>
<b>Net increase (decrease) in cash held</b>		2,015,080	(4,504,981)	5,948,175
Cash at beginning of year		26,471,157	24,767,772	20,522,982
<b>Cash and cash equivalents at the end of the year</b>	14(a)	<u><u>28,486,237</u></u>	<u><u>20,262,791</u></u>	<u><u>26,471,157</u></u>

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

# Rate Setting Statement – year ending 30 June 2017

## SHIRE OF KALAMUNDA RATE SETTING STATEMENT FOR THE YEAR ENDED 30TH JUNE 2017

NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>	<u>4,378,271</u>	<u>3,282,233</u>	<u>4,968,115</u>
	4,378,271	3,282,233	4,968,115
<b>Revenue from operating activities (excluding rates)</b>			
Governance	32,564	114,298	99,932
General purpose funding	6,105,979	7,958,748	4,677,215
Law, order, public safety	598,503	431,318	556,406
Health	380,511	350,461	261,554
Education and welfare	3,472,614	3,422,196	3,807,453
Community amenities	10,822,587	11,277,230	11,074,136
Recreation and culture	2,495,671	1,701,532	1,753,929
Transport	17,342	0	113,739
Economic services	504,980	543,121	432,468
Other property and services	1,527,424	455,467	365,050
	<u>25,958,175</u>	<u>26,254,371</u>	<u>23,141,882</u>
<b>Expenditure from operating activities</b>			
Governance	(3,835,900)	(3,408,045)	(3,445,150)
General purpose funding	(663,604)	(826,514)	(831,218)
Law, order, public safety	(1,821,031)	(1,847,559)	(1,861,494)
Health	(1,505,534)	(1,292,280)	(1,179,673)
Education and welfare	(4,490,642)	(3,906,182)	(4,109,766)
Community amenities	(13,036,657)	(14,444,780)	(13,037,637)
Recreation and culture	(18,177,809)	(18,294,746)	(18,836,135)
Transport	(12,658,321)	(10,610,342)	(8,102,694)
Economic services	(1,141,370)	(1,122,265)	(1,062,980)
Other property and services	(6,172,935)	(1,476,316)	(1,403,378)
	<u>(63,503,803)</u>	<u>(57,229,029)</u>	<u>(53,870,125)</u>
<b>Operating activities excluded from budget</b>			
(Profit) on disposal of assets	21	(19,069)	0
Loss on disposal of assets	21	382,722	42,843
Profit from Sale of Land Classified as Inventory		0	0
Capital Assets exchange value received		46,500	0
EMRC Contribution (Non-cash)		(1,019,189)	(3,888,440)
Movement in deferred pensioner rates (non-current)		(10,364)	(32,000)
Interest on Deferred Loan Repayment		(325)	(479)
Movement in employee benefit provisions		195,318	673,003
Depreciation and amortisation on assets	2(a)	10,130,153	7,389,258
<b>Amount attributable to operating activities</b>		<u>(23,461,611)</u>	<u>(19,521,064)</u>
		(23,461,611)	(19,521,064)
<b>INVESTING ACTIVITIES</b>			
Non-operating grants, subsidies and contributions		3,111,106	3,539,835
Proceeds from disposal of assets	21	64,392	50,000
District Development plan costs		(200,514)	
Purchase of property, plant and equipment	7(b)	(4,061,830)	(5,262,117)
Purchase and construction of infrastructure	8(b)	(5,435,339)	(11,178,811)
Infrastructure Assets - Capital Work-in progress		(1,662,982)	0
<b>Amount attributable to investing activities</b>		<u>(8,185,167)</u>	<u>(4,313,740)</u>
		(8,185,167)	(4,313,740)
<b>FINANCING ACTIVITIES</b>			
Repayment of debentures	22(a)	(629,778)	(629,778)
Proceeds from new debentures	22(a)	706,510	500,000
Proceeds from self supporting loans		70,389	72,300
Capital (Developer) - Contributions		2,977,902	600,000
Transfers to reserves (restricted assets)	12	(10,333,601)	(2,899,268)
Transfers from reserves (restricted assets)	12	9,726,692	7,747,580
<b>Amount attributable to financing activities</b>		<u>2,518,114</u>	<u>(4,419,145)</u>
		2,518,114	(4,419,145)
<b>Surplus(deficiency) before general rates</b>		<u>(29,128,664)</u>	<u>(28,253,949)</u>
<b>Total amount raised from general rates</b>	23	<u>34,877,756</u>	<u>34,264,515</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	24	<u><u>5,749,092</u></u>	<u><u>3,296,016</u></u>
		5,749,092	3,296,016

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



# Notes to and forming part of the Financial Report - year ending 30 June 2017

## SHIRE OF KALAMUNDA NOTES TO AND FORMING PART OF THE FINANCIAL REPORT FOR THE YEAR ENDED 30TH JUNE 2017

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) 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), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1995 and accompanying regulations. Material accounting policies which have been adopted in the preparation of this financial report are presented below and 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 Shire 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 20 to these financial statements.

#### (b) 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.

#### (c) 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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) 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.

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.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

**(e) Inventories**

***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 sale***

Land held for development and sale 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. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

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

**(f) Fixed Assets**

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

***Mandatory requirement to revalue non-current assets***

Effective from 1 July 2012, the Local Government (Financial Management) Regulations were amended and the measurement of non-current assets at Fair Value became mandatory.

During the year ended 30 June 2013, the Shire commenced the process of adopting Fair Value in accordance with the Regulations.

Whilst the amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years, as at 30 June 2015 all non-current assets were carried at Fair Value in accordance with the requirements.

Thereafter, each asset class must be revalued in accordance with the regulatory framework established and the Shire revalues its asset classes in accordance with this mandatory timetable.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made in the financial report as necessary.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Fixed Assets (Continued)**

***Land under control***

In accordance with Local Government (Financial Management) Regulation 16(a)(ii), the Shire 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.

***Initial recognition and measurement between mandatory revaluation dates***

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework detailed above.

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 Shire 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 detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

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 asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

***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 Shire.



**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(f) Fixed Assets (Continued)**

***Depreciation***

The depreciable amount of all fixed assets including buildings but excluding freehold 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.

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) Restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount; or
- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Major depreciation periods used for each class of depreciable asset are:

Buildings	30 to 50 years
Furniture and equipment	5 to 10 years
Plant and equipment	5 to 10 years
Infrastructure	
Roads	
- Surface	20 years
- Base	60 years
- Sub base	60 years
- Formation	60 years
Drains	80 years
Parks (plant & equipment)	10 to 40 years

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.



**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fair Value of Assets and Liabilities**

When performing a revaluation, the Shire uses a mix of both independent and management valuations using the following as a guide:

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

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

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

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

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

**Market approach**

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

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(g) Fair Value of Assets and Liabilities (Continued)**

**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 an asset at its current service capacity.

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

As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued in accordance with the regulatory framework.

**(h) Financial Instruments**

***Initial recognition and measurement***

Financial assets and financial liabilities are recognised when the Shire becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Shire commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

***Classification and subsequent measurement***

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or at cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Financial Instruments (Continued)**

***Classification and subsequent measurement (continued)***

*(i) Financial assets at fair value through profit and loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss. Assets in this category are classified as current assets.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Shire has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets, where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into 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.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available-for-sale financial assets are classified as non-current.

*(v) Financial liabilities*

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

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(h) Financial Instruments (Continued)**

***Impairment***

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which will have an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

***Derecognition***

Financial assets are derecognised where the contractual rights to receipt of cash flows expire or the asset is transferred to another party whereby the Shire no longer has any significant continual involvement in the risks and benefits associated with the asset.

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.

**(i) Impairment of Assets**

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

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

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 assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset.

**(j) Trade and Other Payables**

Trade and other payables represent liabilities for goods and services provided to the Shire prior to the end of the financial year that are unpaid and arise when the Shire becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(k) Employee Benefits**

**Short-term employee benefits**

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

The Shire's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Shire's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**Other long-term employee benefits**

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other 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 rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

**(l) 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.

**(m) Provisions**

Provisions are recognised when the Shire 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.

**(n) 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 Shire, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to 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.

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 in the periods in which they are incurred.

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

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(o) Investment in Associates**

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

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Shire's share of the net fair value of the associate exceeds the cost of investment, is recognised in profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transactions between the Shire and the associate are eliminated to the extent of the Shire's interest in the associate.

When the Shire's share of losses in an associate equals or exceeds its interest in the associate, the Shire discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Shire will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

**(p) Interests in Joint Arrangements**

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method. Refer to note 1(o) for a description of the equity method of accounting.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Shire's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 17.

**(q) Rates, Grants, Donations and Other Contributions**

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

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

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 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 2(c). 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.

**(r) Superannuation**

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

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(s) Current and Non-Current Classification**

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

**(t) Rounding Off Figures**

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

**(u) Comparative Figures**

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

When the Shire applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, 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.

**(v) 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.



**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(w) New Accounting Standards and Interpretations for Application in Future Periods**

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 Shire.

Management's assessment of the new and amended pronouncements that are relevant to the Shire, applicable to future reporting periods and which have not yet been adopted are set out as follows:

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable <sup>(1)</sup></b>	<b>Impact</b>
(i)	AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the Shire, it is not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.  The effect of this Standard will depend upon the nature of future transactions the Shire has with those third parties it has dealings with. It may or may not be significant.
(iii)	AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted.  Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the Shire, the impact is not expected to be significant.

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**1. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(x) New Accounting Standards and Interpretations for Application in Future Periods (Continued)**

Title	Issued / Compiled	Applicable <sup>(1)</sup>	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	<p>These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are:</p> <ul style="list-style-type: none"> <li>- Assets received below fair value;</li> <li>- Transfers received to acquire or construct non-financial assets;</li> <li>- Grants received;</li> <li>- Prepaid rates;</li> <li>- Leases entered into at below market rates; and</li> <li>- Volunteer services.</li> </ul> <p>Whilst it is not possible to quantify the financial impact (or if it is material) of these key areas until the details of future transactions are known, they will all have application to the Shire's operations.</p>

Notes:

<sup>(1)</sup> Applicable to reporting periods commencing on or after the given date.

**(z) Adoption of New and Revised Accounting Standards**

During the current year, the Shire 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 associate with the amendment of existing standards, the only new standard with material application is as follows:

<p>(i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</p> <p>[AASB 10, 124 &amp; 1049]</p>	<p>The objective of this Standard was to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard has had a significant disclosure impact on the financial report of the Shire as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.</p>
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**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**2. REVENUE AND EXPENSES**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net result includes:		
(i) Charging as an expense:		
<b>Auditors remuneration</b>		
- Audit of the Annual Financial Report	24,279	22,291
- Audit and Acquittal of external funded projects	17,098	3,100
<b>Depreciation</b>		
Buildings - specialised	1,745,168	1,704,201
Furniture and equipment	451,248	469,085
Plant and equipment	311,406	529,836
Infrastructure - Roads	4,779,402	2,330,025
Infrastructure - Footpaths	843,896	266,689
Infrastructure - Drainage	691,607	234,428
Infrastructure - Parks and Ovals	859,989	170,887
Infrastructure - Other	447,437	337,969
	<u>10,130,153</u>	<u>6,043,120</u>
<b>Interest expenses (finance costs)</b>		
Debentures (refer Note 22 (a))	360,200	394,480
	<u>360,200</u>	<u>394,480</u>
<b>Rental charges</b>		
- Operating leases	392,791	374,727
	<u>392,791</u>	<u>374,727</u>
(ii) Crediting as revenue:		
<b>Significant revenue</b>		
Increase in Equity Value	1,019,189	1,703,629
Eastern Metropolitan Regional Council (EMRC)		
<b>Other revenue</b>		
Other	78,667	274,798
	<u>78,667</u>	<u>274,798</u>

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>Actual</b>	<b>Budget</b>	<b>Actual</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>			
- Loans receivable - clubs/institutions	19,356	25,120	23,628
- Reserve funds	151,956	95,268	173,613
- Municipal funds	557,254	525,000	543,644
Non-investments - Municipal	42,449	73,000	87,614
- Other funds	425,836	471,368	331,829
	<u>1,196,851</u>	<u>1,189,756</u>	<u>1,160,328</u>

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective**

In order to discharge its responsibilities to the community, the Shire has developed a set of operational and financial objectives. These objectives have been established both on an overall basis, reflected by the Shire's Community Vision, and for each of its broad activities/programs.

**COMMUNITY VISION**

The Shire of Kalamunda is dedicated to providing high quality services to the community through the various service oriented programs which it has established.

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

**GOVERNANCE**

**Objective:**

The provision to allow decision-making process to efficiently allocate scarce resources. Administration services allocated to other areas and administration of council members.

**Activities:**

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.

**GENERAL PURPOSE FUNDING**

**Objective:**

Collection of revenue to finance Shire activities including; rates, government grants, interest revenue collection and administration.

**Activities:**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

To provide services to ensure a safer community through the supervision of local laws, fire prevention, emergency services and animal control.

**Activities:**

Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.

**HEALTH**

**Objective:**

To provide an operational structure for good community health including pest control, immunisation and child health services.

**Activities:**

Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.

**EDUCATION AND WELFARE**

**Objective:**

To aid the needs of the community by providing senior citizens and day-care centres, pre-schools, playgroup assistance and other voluntary services.

**Activities:**

Provision and maintenance of home and community care programs, day care centres, youth services and other voluntary services.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**2. REVENUE AND EXPENSES (Continued)**

**(b) Statement of Objective (Continued)**

**COMMUNITY AMENITIES**

**Objective:**

The provision of services required by the community, including; waste management, collection and recycling programmes, environmental controls, town planning and storm water drainage and maintenance.

**Activities:**

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.

**RECREATION AND CULTURE**

**Objective:**

To establish and manage facilities for the well-being of the community and ensure the availability of halls, aquatic centres, recreation centres, sports grounds and libraries.

**Activities:**

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.

**TRANSPORT**

**Objective:**

To provide safe, effective and efficient transport services to the community.

**Activities:**

Construction and maintenance of roads, footpaths, bridges, lighting and cleaning of streets.

**ECONOMIC SERVICES**

**Objective:**

To help promote the shire and its economic wellbeing.

**Activities:**

Tourism and area promotion, rural services and building control.

**OTHER PROPERTY AND SERVICES**

**Objective:**

To monitor and control council's overheads operating accounts.

**Activities:**

Private works operation, plant repair and operation costs and engineering operation costs.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**2. REVENUE AND EXPENSES (Continued)**

**(c) Conditions Over Grants/Contributions**

Grant/Contribution	Function / Activity	Opening Balance <sup>(1)</sup>	Received <sup>(2)</sup>	Expended / Allocated to Unexpended Capital Works & Specific Purpose Grants Reserve <sup>(3)</sup>	Closing Balance <sup>(1)</sup>	Received <sup>(2)</sup>	Expended / Allocated to Unexpended Capital Works & Specific Purpose Grants Reserve <sup>(3)</sup>	Closing Balance
		1/07/15 \$	2015/16 \$	2015/16 \$	30/06/16 \$	2016/17 \$	2016/17 \$	30/06/17 \$
State Emergency Services	Law, order, public safety	13,335	54,044	(53,340)	<b>14,039</b>	129,582	(110,181)	<b>33,440</b>
Bush Fire Brigade	Law, order, public safety	32,800	130,332	(131,200)	<b>31,932</b>	59,412	(76,350)	<b>14,994</b>
Woodlupine family centre - CCTV camera	Community amenities	8,966	0	(8,966)	<b>0</b>	0	0	<b>0</b>
Banksia Woodland Project	Community amenities	5,790	5,550	(11,340)	<b>0</b>	0	0	<b>0</b>
Mobile Graffiti removal implementation project	Community amenities	0	18,842	0	<b>18,842</b>	0	(18,842)	<b>0</b>
Hartfield Park Master plan	Recreation and culture	2,345,025	2,755,000	(857,555)	<b>4,242,470</b>	0	(3,112,192)	<b>1,130,278</b>
Kostera Oval redevelopment project	Recreation and culture	277,628	500,000	(777,628)	<b>0</b>	0	0	<b>0</b>
Kids Sport Program	Recreation and culture	4,792	110,000	(114,792)	<b>0</b>	121,670	(121,670)	<b>0</b>
Hartfield Park Offset Proposal Funding	Recreation and culture	40,621	0	(21,981)	<b>18,640</b>	0	(18,640)	<b>0</b>
Installation of Synthetic Bowling Green - Forrestfield Bowling club	Recreation and culture	0	0	0	<b>0</b>	54,546	0	<b>54,546</b>
Lot 24 Hardey Road East	Transport	12,125	0	(12,125)	<b>0</b>	0	0	<b>0</b>
Lot 47 Hardey Road East	Transport	15,572	0	(15,572)	<b>0</b>	0	0	<b>0</b>
Financial Assistance Grant - Bridges	Transport	0	210,000	(10,000)	<b>200,000</b>	0	0	<b>200,000</b>
<b>Total</b>		<b>2,756,654</b>	<b>3,783,768</b>	<b>(2,014,499)</b>	<b>4,525,923</b>	<b>365,210</b>	<b>(3,457,875)</b>	<b>1,433,258</b>

**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 or funds are allocated to Unexpended Capital Works & Specific Purpose Grants Reserve and treated as restricted funds under reserves

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	Note	2017 \$	2016 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Cash on Hand - Unrestricted		5,790	7,190
Cash at Bank - Municipal		9,713,150	8,303,579
Cash at Bank - Restricted Reserves		<u>18,767,297</u>	<u>18,160,388</u>
		<u>28,486,237</u>	<u>26,471,157</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Long Service Leave Reserve	12	1,556,519	1,530,051
Land and Property Enhancement and Maintenance Reserve	12	1,835,358	1,578,059
Waste Management Reserve	12	1,301,219	787,591
EDP IT Equipment Reserve	12	831,397	542,562
Local Government Elections Reserve	12	128,191	126,009
HACC Reserve	12	341,726	741,168
Forrestfield Industrial Area Reserve	12	121,445	119,376
Insurance Contingency Reserve	12	178,606	175,565
Revaluation Reserve	12	253,407	249,098
Nominated Employee Leave Provisions Reserve	12	1,775,543	1,135,890
Forrestfield Industrial Scheme Stage 1 Reserve	12	2,937,443	5,022,391
Asset Enhancement Reserve	12	1,300,091	856,713
Unexpended Capital Works and Specific Purpose Grants Reserve	12	5,989,205	5,229,908
Waste Avoidance and Resource Recovery Reserve	12	60,000	0
Environmental Reserve	12	<u>157,147</u>	<u>66,007</u>
		<u>18,767,297</u>	<u>18,160,388</u>
<b>Municipal Cash - Restricted</b>			
Conditional Unspent Grants and Contributions	2(c)	1,433,258	4,525,923
Bonds	9	<u>2,628,842</u>	<u>1,949,970</u>
		<u>4,062,100</u>	<u>6,475,893</u>
Total Restricted		<u>22,829,397</u>	<u>24,636,281</u>

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>4. INTEREST IN JOINT VENTURE</b>		
Equity Accounted Investment	<u>28,747,212</u>	<u>27,488,876</u>
<b>Investment in Joint Venture</b>		
At the beginning of the year	27,488,876	24,996,679
Change in Equity		
Other property and services	1,019,189	1,703,629
<b>Other Comprehensive Income</b>		
Revaluation of Assets of Joint Venture	239,147	788,568
At the end of the year	<u>28,747,212</u>	<u>27,488,876</u>
<p>The Shire held investments in the Eastern Metropolitan Regional Council (EMRC) as at 30 June 2017 (for details refer to Note 17)</p>		
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates outstanding	1,531,087	1,238,207
Sundry debtors	358,058	384,668
Prepayments	176,934	315,198
GST receivable	448,869	414,902
Loans receivable - clubs/institutions	74,988	70,388
	<u>2,589,936</u>	<u>2,423,363</u>
<b>Non-current</b>		
Rates outstanding - pensioners	565,011	554,647
Loans receivable - clubs/institutions	196,293	270,957
Forrestfield North Development Project	200,514	0
	<u>961,818</u>	<u>825,604</u>
<b>6. INVENTORIES</b>		
<b>Current</b>		
Fuel and Materials	120,560	138,914
Land Held for Resale - Cost		
Cost of Acquisition	0	85,360
	<u>120,560</u>	<u>224,274</u>
<b>Non-current</b>		
Land held for resale - cost		
Cost of acquisition	370,021	284,661
Development costs	16,046	16,046
	<u>386,067</u>	<u>300,707</u>



**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>7 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land and buildings		
- Independent valuation 2017 - level 2	62,876,000	0
- Independent valuation 2014 - level 2	0	61,426,000
- Additions after valuation - cost	<u>0</u>	<u>2,000</u>
	<u>62,876,000</u>	<u>61,428,000</u>
Land - vested in and under the control of Council at:		
- Independent valuation 2017 - level 3	2,883,100	0
- Independent valuation 2014 - level 3	<u>0</u>	<u>2,799,800</u>
	<u>2,883,100</u>	<u>2,799,800</u>
	<u>65,759,100</u>	<u>64,227,800</u>
Buildings - specialised		
- Independent valuation 2017 - level 3	79,190,796	0
- Independent valuation 2014 - level 3	0	83,141,844
- Additions after valuation - cost	0	3,157,318
- Less: accumulated depreciation	<u>0</u>	<u>(3,404,265)</u>
	<u>79,190,796</u>	<u>82,894,897</u>
	<u>79,190,796</u>	<u>82,894,897</u>
Total land and buildings	<u>144,949,896</u>	<u>147,122,697</u>
Furniture and equipment at:		
Cost	6,340,789	6,309,984
- Less: accumulated depreciation	<u>(5,293,456)</u>	<u>(4,905,165)</u>
	<u>1,047,333</u>	<u>1,404,819</u>
Plant and equipment at:		
- Management valuation 2016 - level 2	2,976,408	3,082,285
- Additions after valuation - cost	781,135	0
- Less: accumulated depreciation	<u>(305,505)</u>	<u>0</u>
	<u>3,452,038</u>	<u>3,082,285</u>
	<u>149,449,267</u>	<u>151,609,801</u>

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening 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.



**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**7. 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.

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Reclassifications \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Impairment (Losses)/ Reversals \$	Depreciation (Expense) \$	Carrying Amount at the End of Year \$
Land - freehold land	61,428,000	0	0	0	1,448,000	0	0	62,876,000
Land - vested in and under the control of Council	2,799,800	0	0	0	83,300	0	0	2,883,100
<b>Total land</b>	<b>64,227,800</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,531,300</b>	<b>0</b>	<b>0</b>	<b>65,759,100</b>
Buildings - specialised	82,894,897	3,180,242	0	(211,626)	(4,559,673)	(367,876)	(1,745,168)	79,190,796
<b>Total buildings</b>	<b>82,894,897</b>	<b>3,180,242</b>	<b>0</b>	<b>(211,626)</b>	<b>(4,559,673)</b>	<b>(367,876)</b>	<b>(1,745,168)</b>	<b>79,190,796</b>
<b>Total land and buildings</b>	<b>147,122,697</b>	<b>3,180,242</b>	<b>0</b>	<b>(211,626)</b>	<b>(3,028,373)</b>	<b>(367,876)</b>	<b>(1,745,168)</b>	<b>144,949,896</b>
Furniture and equipment	1,404,819	100,453	(6,692)	0	0	0	(451,248)	1,047,333
Plant and equipment	3,082,285	781,135	(99,975)	0	0	0	(311,406)	3,452,038
<b>Total property, plant and equipment</b>	<b>151,609,801</b>	<b>4,061,830</b>	<b>(106,667)</b>	<b>(211,626)</b>	<b>(3,028,373)</b>	<b>(367,876)</b>	<b>(2,507,822)</b>	<b>149,449,267</b>

**SHIRE OF KALAMUNDA  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017**

**7. 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
<b>Land and buildings</b>					
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 depreciated 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 depreciated 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
Buildings - specialised	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
<b>Plant and equipment</b>					
- Management valuation 2016	2	Market approach using recent observable market data for similar assets	Management valuation	June 2016	Market price per item
- Management valuation 2016	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase cost and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

The Shire engaged an Independent Valuer to determine the fair value of the land and buildings. The valuation was carried out as of 30 June 2017 by professional valuation company APV Valuers & Asset Management

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.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	2017	2016
	\$	\$
<b>8 (a). INFRASTRUCTURE</b>		
Infrastructure - Roads		
- Independent valuation 2015 - level 3	115,916,874	115,916,874
- Additions after valuation - cost	5,896,864	3,664,334
Less: accumulated depreciation	<u>(7,109,427)</u>	<u>(2,330,025)</u>
	114,704,311	117,251,183
Infrastructure - Footpaths		
- Independent valuation 2015 - level 3	13,255,933	13,255,933
- Additions after valuation - cost	388,851	71,765
Less: accumulated depreciation	<u>(1,096,943)</u>	<u>(253,046)</u>
	12,547,841	13,074,652
Infrastructure - Drainage		
- Independent valuation 2015 - level 3	18,640,817	18,640,817
- Additions after valuation - cost	1,082,481	299,458
Less: accumulated depreciation	<u>(923,661)</u>	<u>(232,054)</u>
	18,799,637	18,708,221
Infrastructure - Parks and Ovals		
- Independent valuation 2015 - level 3	5,795,052	5,795,052
- Additions after valuation - cost	6,058,143	4,719,185
Less: accumulated depreciation	<u>(1,002,835)</u>	<u>(142,846)</u>
	10,850,360	10,371,391
Infrastructure - Other		
- Independent valuation 2015 - level 3	6,615,233	6,615,233
Increase in value in other infrastructure belongs to reserves vested under council from revaluation	292,400	0
- Additions after valuation - cost	1,180,906	205,538
Less: accumulated depreciation	<u>(716,399)</u>	<u>(268,962)</u>
	7,372,140	6,551,809
	<u>164,274,289</u>	<u>165,957,256</u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening 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 infrastructure to be shown at fair value.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**8. 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.

	<b>Balance as at the Beginning of the Year</b>	<b>Additions</b>	<b>Reclassifications</b>	<b>Revaluation Increments/ (Decrements) Transferred to Revaluation</b>	<b>Depreciation (Expense)</b>	<b>Carrying Amount at the End of the Year</b>
	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	117,251,183	2,232,530	0	0	(4,779,402)	114,704,311
Infrastructure - Footpaths	13,074,652	317,086	0	0	(843,896)	12,547,841
Infrastructure - Drainage	18,708,221	783,023	0	0	(691,607)	18,799,637
Infrastructure - Parks and Ovals	10,371,391	1,338,958	0	0	(859,989)	10,850,360
Infrastructure - Other	6,551,809	763,742	211,626	292,400	(447,437)	7,372,140
<b>Total infrastructure</b>	<b><u>165,957,256</u></b>	<b><u>5,435,339</u></b>	<b><u>211,626</u></b>	<b><u>292,400</u></b>	<b><u>(7,622,331)</u></b>	<b><u>164,274,289</u></b>

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**8. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Basis of valuation</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
Infrastructure - Roads	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2015	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - Footpaths	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2015	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - Drainage	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2015	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - Parks and Ovals	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2015	Observable input based on depreciation replacement cost (Level 3)
Infrastructure - Other	Level 3	Cost approach using depreciated replacement cost	Independent valuation	June 2015	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.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	3,685,988	3,901,573
Bonds and Deposits	2,628,842	1,949,970
Accrued Expenses	67,680	409,021
Accrued interest on debentures	117,618	126,333
Accrued salaries and wages	77,836	21,885
Income in Advance	27,391	15,601
	<u>6,605,355</u>	<u>6,424,383</u>

**10. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by floating charge		
Borrowings	<u>750,747</u>	<u>629,778</u>
	<u>750,747</u>	<u>629,778</u>
<b>Non-current</b>		
Secured by floating charge		
Borrowings	<u>5,619,932</u>	<u>5,664,169</u>
	<u>5,619,932</u>	<u>5,664,169</u>

Additional detail on borrowings is provided in Note 22.

**11. PROVISIONS**

	<b>Provision for Annual Leave</b>	<b>Provision for Long Service Leave</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Opening balance at 1 July 2016</b>			
Current provisions	1,618,725	1,373,887	2,992,612
Non-current provisions	<u>0</u>	<u>688,693</u>	<u>688,693</u>
	1,618,725	2,062,580	3,681,305
Additional provision	1,707,401	356,699	2,064,100
Amounts used	(1,997,080)	(471,656)	(2,468,736)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	<u>375,856</u>	<u>224,098</u>	<u>599,954</u>
<b>Balance at 30 June 2017</b>	<u>1,704,902</u>	<u>2,171,721</u>	<u>3,876,623</u>
<b>Comprises</b>			
Current	1,704,902	1,576,997	3,281,899
Non-current	<u>0</u>	<u>594,724</u>	<u>594,724</u>
	<u>1,704,902</u>	<u>2,171,721</u>	<u>3,876,623</u>



**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**12. RESERVES - CASH BACKED**

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
(a) Long Service Leave Reserve	1,530,051	26,468	0	1,556,519	1,521,098	315,078	(400,000)	1,436,176	1,060,585	469,466	0	1,530,051
(b) Plant and Equipment Reserve	0	0	0	0	0	0	0	0	29,696	0	(29,696)	(0)
(c) Land and Property Enhancement and Maintenance Reserve	1,578,059	257,298	0	1,835,358	1,543,653	510,333	(1,000,000)	1,053,986	1,354,213	223,846	0	1,578,059
(d) Waste Management Reserve	787,591	513,628	0	1,301,219	736,140	198,596	0	934,736	232,426	555,165	0	787,591
(e) EDP IT Equipment Reserve	542,561	325,390	(36,555)	831,397	541,805	201,863	(310,000)	433,668	139,325	403,236	0	542,561
(f) Local Government Elections Reserve	126,009	2,182	0	128,191	126,967	4,045	0	131,012	50,000	76,009	0	126,009
(g) Stirk Park Reserve	(0)	0	0	(0)	0	0	0	0	25,897	0	(25,897)	(0)
(h) HACC Reserve	741,168	40,825	(440,267)	341,726	677,280	6,552	0	683,832	1,220,151	21,017	(500,000)	741,168
(i) Forrestfield Industrial Area Reserve	119,376	2,069	0	121,445	118,906	1,605	0	120,511	117,322	2,054	0	119,376
(j) Insurance Contingency Reserve	175,565	3,041	0	178,606	174,764	2,251	0	177,015	172,542	3,023	0	175,565
(k) Light Plant Reserve	0	0	0	0	0	0	0	0	35,033	0	(35,033)	0
(l) Revaluation Reserve	249,098	4,308	0	253,407	248,150	3,385	0	251,535	244,811	4,287	0	249,098
(m) Nominated Employee Leave Provisions Reserve	1,135,890	939,654	(300,000)	1,775,543	1,062,452	814,055	(800,000)	1,076,507	525,500	610,390	0	1,135,890
(n) Forrestfield Industrial Scheme Stage 1 Reserve	5,022,390	1,864,922	(3,949,870)	2,937,443	4,171,549	618,978	0	4,790,527	1,932,377	3,108,446	(18,432)	5,022,390
(o) Asset Enhancement Reserve	856,713	443,378	0	1,300,091	856,242	200,856	(70,000)	987,098	0	856,713	0	856,713
(p) Unexpended Capital Works and Specific Purpose Grants Reserve	5,229,908	5,759,296	(5,000,000)	5,989,205	5,229,645	6,794	(5,167,580)	68,859	4,003,345	4,860,401	(3,633,838)	5,229,908
(q) Waste Avoidance and Resource Recovery Reserve	0	60,000	0	60,000	26,750	535	0	27,285	0	0	0	0
(r) Environmental Reserve	66,009	91,140	0	157,148	11,439	14,342	0	25,781	64,873	1,136	0	66,009
	<u>18,160,389</u>	<u>10,333,601</u>	<u>(9,726,692)</u>	<u>18,767,297</u>	<u>17,046,840</u>	<u>2,899,268</u>	<u>(7,747,580)</u>	<u>12,198,528</u>	<u>11,208,096</u>	<u>11,195,189</u>	<u>(4,242,897)</u>	<u>18,160,388</u>

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

**SHIRE OF KALAMUNDA**  
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**12. RESERVES - CASH BACKED**

In accordance with council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

<b>Name of Reserve</b>	<b>Purpose of the reserve</b>
Long Service Leave Reserve	To be used to provide cash-backing for all annual and long service leave entitlements. Transfers to this reserve are based on the leave liability at the end of each year.
Plant and Equipment Reserve	To be used to fund future replacement of Shire's plant and associated equipment.
Land and Property Enhancement and Maintenance Reserve	To be used to fund land and property purchases, upgrade and maintenance of existing properties.
Waste Management Reserve	To be used to fund financing operations for the development of Shire's sanitation service.
EDP IT Equipment Reserve	To be used for the upgrade/replacement of the Shire's computer hardware and software requirements.
Local Government Elections Reserve	To be used to fund the cost of future elections.
Stirk Park Reserve	To be used to fund improvements to Stirk Park.
HACC Reserve	To be used to fund future HACC Service programmes and asset replacement.
Forrestfield Industrial Area Reserve	To be used to fund infrastructure requirements for the Forrestfield Industrial Area.
Insurance Contingency Reserve	To be used to fund insurance variations and potential call backs.
Light Plant Reserve	To be used to fund future replacement of Shire's plant and associated equipment.
Revaluation Reserve	To be used to fund triennial rating revaluations.
Nominated Employee Leave Provisions Reserve	To be used to fund future nominated staff leave entitlements.
Forrestfield Industrial Scheme Stage 1 Reserve	The reserve is established to meet the Shires' reporting obligation under clause 6.5.16 of the Shire 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.
Asset Enhancement Reserve	To be used to fund future replacement of Shires' infrastructure and plant and equipment needs
Unexpended Capital Works and Specific Purpose Grants Reserve	To be used to carry forward available funding for uncompleted projects and specific purpose grants, that will be completed and expended in ensuing financial years.
Waste Avoidance and Resource Recovery Reserve	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.
Environmental Reserve	To be used to fund environment strategies and projects.

**SHIRE OF KALAMUNDA**  
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**13. REVALUATION SURPLUS**

	2017	2017	2017	2017	2017	2016	2016	2016	2016	2016
	Opening	Revaluation	Revaluation	Movement on	Closing	Opening	Revaluation	Revaluation	Total	2016
	Balance	Increment	(Decrement)	Revaluation	Balance	Balance	Increment	(Decrement)	Revaluation	Closing
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land & Land - vested in and under the control of Council	59,097,346	1,531,300	0	1,531,300	60,628,646	59,097,346	0	0	0	59,097,346
Buildings - specialised	69,248,449	0	(4,559,673)	(4,559,673)	64,688,776	69,248,449	0	0	0	69,248,449
Plant and equipment	0	0	0	0	0	481,711	0	(481,711)	(481,711)	0
Infrastructure	2,586,075	292,400	0	292,400	2,878,475	2,586,075	0	0	0	2,586,075
EMRC asset revaluation	788,568	239,147	0	239,147	1,027,715	0	788,568	0	788,568	788,568
	<u>131,720,438</u>	<u>2,062,847</u>	<u>(4,559,673)</u>	<u>(2,496,826)</u>	<u>129,223,612</u>	<u>131,413,581</u>	<u>788,568</u>	<u>(481,711)</u>	<u>306,857</u>	<u>131,720,438</u>

Movements on revaluation of fixed assets 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.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Cash and cash equivalents	<u>28,486,237</u>	<u>20,262,791</u>	<u>26,471,157</u>

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

Net result	3,421,134	7,429,692	10,719,616
Non-cash flows in Net result:			
Depreciation	10,130,153	7,389,258	6,043,120
(Profit)/Loss on sale of asset	363,653	42,843	1,769,102
Change in Equity - Joint Venture	(1,019,189)	(3,888,440)	(1,703,629)
Loss on revaluation of fixed assets	0	0	91,366
(Profit)/Loss on sale of land classified as inventory	0	0	(186,050)
Interest on deferred loans	(325)	(479)	(316)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(372,852)	(342,746)	(377,095)
(Increase)/Decrease in inventories	18,354	(46,623)	(26,973)
Increase/(Decrease) in payables	180,972	799,700	(50,434)
Increase/(Decrease) in provisions	195,318	778,003	357,064
Developer Contributions (capital)	(2,977,902)	(600,000)	(3,060,926)
Asset / transfer exchange valuation	46,500	0	0
Grants contributions for the development of assets	<u>(3,111,106)</u>	<u>(3,157,618)</u>	<u>(5,846,078)</u>
Net cash from operating activities	<u>6,874,710</u>	<u>8,403,590</u>	<u>7,728,767</u>

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	1,500,000	1,500,000
Bank overdraft at balance date	0	(102,414)
Credit card limit	75,000	75,000
Credit card balance at balance date	(4,367)	(1,486)
<b>Total amount of credit unused</b>	<u>1,570,633</u>	<u>1,471,100</u>
<b>Loan facilities</b>		
Loan facilities - current	750,747	629,778
Loan facilities - non-current	5,619,932	5,664,169
<b>Total facilities in use at balance date</b>	<u>6,370,679</u>	<u>6,293,947</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>	<u>NIL</u>

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

**15. CONTINGENT LIABILITIES**

The Shire of Kalamunda has no known contingent liabilities that require disclosure or adjustments in the Financial report as at 30 June 2017.

<b>16. CAPITAL AND LEASING COMMITMENTS</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	240,039	316,431
- later than one year but not later than five years	<u>166,080</u>	<u>278,966</u>
	<u><u>406,119</u></u>	<u><u>595,397</u></u>

**(b) Capital Expenditure Commitments**

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



**SHIRE OF KALAMUNDA**  
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**17. JOINT VENTURE ARRANGEMENTS**

The Shire of Kalamunda has a share in the Net Assets in the Eastern Metropolitan Regional Council (EMRC) as a member council.

The accounting share applicable to the Shire of Kalamunda as at 30 June 2017 as disclosed in the Financial Statements of the Eastern Metropolitan Regional Council is \$28,747,212. This represents the Shire's 16.43% 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.

The Shire's interest in the Assets and Liabilities to the EMRC are as follows:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Interest in the Joint Venture	<u>28,747,212</u>	<u>27,488,876</u>
Current Assets	15,539,052	15,206,585
Non-Current Assets	<u>15,321,807</u>	<u>14,746,573</u>
	<u>30,860,859</u>	<u>29,953,158</u>
Current Liabilities	868,312	1,219,898
Non-Current Liabilities	<u>1,245,336</u>	<u>1,244,384</u>
	<u>2,113,648</u>	<u>2,464,282</u>
Net Assets	<u>28,747,212</u>	<u>27,488,876</u>

**18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	8,782,757	8,780,575
General purpose funding	12,793,859	8,627,335
Law, order, public safety	1,066,952	1,100,824
Health	1,476,778	812,302
Education and welfare	3,371,094	3,844,331
Community amenities	72,389,721	70,266,656
Recreation and culture	94,349,762	99,103,601
Transport	173,286,337	175,466,245
Economic services	2,425	2,425
Other property and services	<u>9,158,683</u>	<u>7,296,744</u>
	<u>376,678,368</u>	<u>375,301,038</u>

**SHIRE OF KALAMUNDA**  
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	2017	2016	2015
<b>19. FINANCIAL RATIOS</b>			
Current ratio	1.79	0.83	1.17
Asset sustainability ratio	0.54	1.50	0.42
Debt service cover ratio	9.06	8.35	9.51
Operating surplus ratio	(0.03)	0.04	0.05
Own source revenue coverage ratio	0.84	0.91	0.87

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 sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 111 of this document.

Three of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017

The early payment of the grant increased operating revenue in 2017 by \$1,226,992.

Three of the 2016 and 2015 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$1,206,203.

If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

	2017	2016	2015
Current ratio	1.53	1.05	0.97
Operating surplus ratio	(0.05)	0.06	0.02
Debt service cover ratio	7.82	9.57	8.37

**SHIRE OF KALAMUNDA**  
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**20. TRUST FUNDS**

Funds held at balance date over which the Shire has no control and which are not included in the financial statements are as follows:

	1 July 2016	Amounts Received	Amounts Paid	30 June 2017
	\$	\$	(\$)	\$
Unclaimed Monies	21,999	1,752	(923)	22,828
Wattle grove - Cell 9	13,663,960	2,528,392	(4,654,994)	11,537,358
B.C.I.T.F Levies	29,026	184,082	(213,108)	0
B.S.L Levies	25,742	202,068	(202,446)	25,364
Cash in lieu of Public Open Space	2,247,000	784,113	(587,739)	2,443,374
	<u>15,987,727</u>	<u>3,700,407</u>	<u>(5,659,210)</u>	<u>14,028,924</u>

**21. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds / transfer value \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
<b>Plant and Equipment</b>								
Education and welfare	52,591	44,030	3,739	(12,300)	0	0	0	0
Community amenities	14,134	15,032	898	0	0	0	0	0
Recreation and culture	5,625	18,500	12,875	0	0	0	0	0
Economic services	13,983	13,623	212	(572)	0	0	0	0
Other property and services	20,335	19,707	1,345	(1,973)	92,843	50,000	0	(42,843)
<b>Land &amp; Building</b>								
Recreation and culture	367,876	-	-	(367,876)	0	0	0	0
	<u>474,544</u>	<u>110,891</u>	<u>19,069</u>	<u>(382,722)</u>	<u>92,843</u>	<u>50,000</u>	<u>0</u>	<u>(42,843)</u>

**Actual Sales Proceeds / Asset transfer value**

Sales Proceeds	64,392
Asset transfer value	46,499
	<u>110,891</u>



**SHIRE OF KALAMUNDA**  
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**22. INFORMATION ON BORROWINGS**

(a) Repayments - Debentures

Particulars	Principal	New	Principal		Principal		Interest	
	1 July		Loans	Repayments	Budget	30 June 2017	Budget	Repayments
	2016		Actual		Actual		Actual	
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Community amenities</b>								
Land Acquisition Kalamunda Rd	777,456	0	156,524	156,524	620,932	620,932	38,692	41,229
Depot Waste Trucks	989,659	0	41,407	41,407	948,252	948,252	54,447	55,143
Waste Compactor	0	206,510	0	0	206,510	0	891	0
Forrestfield North Project	0	500,000	0	0	500,000	500,000	2,639	20,608
<b>Recreation and culture</b>								
Foothills Netball Association	76,491	0	4,134	4,134	72,357	72,357	4,770	4,808
Wet'n'Wild	237,220	0	53,972	53,972	183,248	183,248	12,321	13,929
Kalamunda Swimming Pool	1,592,061	0	66,611	66,611	1,525,450	1,525,450	87,589	88,708
<b>Transport</b>								
Newburn Rd Extension	370,135	0	65,989	65,989	304,146	304,146	20,023	20,064
<b>Other property and services</b>								
Shire Depot	1,730,006	0	77,347	77,347	1,652,659	1,652,659	112,811	115,834
Plant & Equipment Purchase	192,501	0	93,406	93,406	99,095	99,095	8,294	10,170
	5,965,529	706,510	559,389	559,389	6,112,650	5,906,140	342,476	370,493
<b>Self Supporting Loans</b>								
<b>Recreation and culture</b>								
*Forrestfield Bowling Club	19,368	0	4,277	4,277	15,091	15,091	1,378	1,479
*Kalamunda Cricket Club	4,199	0	2,031	2,031	2,168	2,168	198	242
*Kalamunda & District Basketball	41,875	0	20,258	20,258	21,617	21,617	2,057	2,398
*Forrestfield United Soccer Club	102,745	0	6,221	6,221	96,524	96,524	5,496	5,526
*Lesmurdie Tennis Club	11,901	0	4,538	4,538	7,363	7,363	618	676
*Maida Vale Tennis Club	33,765	0	3,156	3,156	30,609	30,609	1,937	1,963
*Kalamunda Club	105,553	0	27,858	27,858	77,695	77,695	5,573	6,218
*Forrestfield Junior Football Club	9,013	0	2,051	2,051	6,962	6,962	468	529
	328,419	0	70,389	70,389	258,029	258,030	17,724	19,031
	6,293,948	706,510	629,778	629,778	6,370,679	6,164,170	360,200	389,524

\*Self supporting loan financed by payments from third parties.

All other loan repayments were financed by general purpose revenue.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**22. INFORMATION ON BORROWINGS (Continued)**

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate	Amount Used		Balance Unspent
	Actual	Budget						Actual	Budget	
	\$	\$				\$	%	\$	\$	\$
New Waste Compactor	206,510	0	Western Australian Treasury Corporation	Fixed Rate Principal & Interest	5	14,227	2.46%	206,510	0	0
Technical studies in the Forrestfield North Area	500,000	500,000	Western Australian Treasury Corporation	Fixed Rate Principal & Interest	10	82,746	3.01%	100,000	500,000	400,000
	<u>706,510</u>	<u>500,000</u>				<u>96,972</u>		<u>306,510</u>	<u>500,000</u>	<u>400,000</u>

(c) Unspent Debentures

Particulars	Date Borrowed	Balance 1 July 16	Borrowed	Expended	Balance 30 June 17
			During Year	During Year	
		\$	\$	\$	\$
Technical studies in the Forrestfield North Area	Apr 2017	0	500,000	(100,000)	400,000
		<u>0</u>	<u>500,000</u>	<u>(100,000)</u>	<u>400,000</u>

(d) Overdraft

Council established an overdraft facility of \$1,500,000 in 2011 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2016 was \$102,414 and 30 June 2017 was nil.

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**23. RATING INFORMATION - 2016/17 FINANCIAL YEAR**

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
<b>Differential general rate / general rate</b>										
<b>Gross rental value valuations</b>										
General GRV	0.05689	20,096	434,226,685	24,264,658	100,816	2,210	24,367,684	24,704,025	250,000	24,954,025
Industrial / Commercial GRV	0.06233	539	121,297,777	7,475,955	388,704	109,481	7,974,140	7,560,005	50,000	7,610,005
Vacant GRV	0.07613	393	11,296,899	738,814	25,685	(947)	763,552	859,977	0	859,977
<b>Unimproved value valuations</b>										
General UV	0.00316	238	167,660,000	529,405	(355)	0	529,050	529,303	0	529,303
Commercial UV	0.00373	62	41,811,249	152,665	0	0	152,665	155,914	0	155,914
<b>Sub-Total</b>		21,328	776,292,610	33,161,497	514,850	110,744	33,787,091	33,809,224	300,000	34,109,224
<b>Minimum payment</b>	<b>\$</b>									
<b>Gross rental value valuations</b>										
General GRV	865	1,045		940,100	0	0	940,100	95,758	0	95,758
Industrial / Commercial GRV	1,080	55		59,185	0	0	59,185	14,997	0	14,997
Vacant GRV	730	170		87,275	0	0	87,275	41,368	0	41,368
<b>Unimproved value valuations</b>										
General UV	865	1		865	0	0	865	865	0	865
Commercial UV	1,080	3		3,240	0	0	3,240	2,303	0	2,303
<b>Sub-Total</b>		1,274		1,090,665	0	0	1,090,665	155,291	0	155,291
<b>Total amount raised from general rate</b>										
							<b>34,877,756</b>			<b>34,264,515</b>
<b>Ex-gratia rates</b>							189,092			133,570
<b>Totals</b>							<b>35,066,848</b>			<b>34,398,085</b>

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**24. NET CURRENT ASSETS**

Composition of net current assets

	2017	2017	2016
	(30 June 2017 Carried Forward) \$	(1 July 2016 Brought Forward) \$	(30 June 2016 Carried Forward) \$
<b>Surplus/(Deficit) 1 July 16 brought forward</b>	<u>5,749,092</u>	<u>4,378,271</u>	<u>4,378,271</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Cash on Hand - Unrestricted	5,790	7,190	7,190
Cash at Bank - Municipal	9,713,150	8,303,579	8,303,579
Cash at Bank - Restricted Reserves	18,767,297	18,160,389	18,160,389
Receivables			
Rates outstanding	1,531,087	1,238,207	1,238,207
Sundry debtors	358,058	384,668	384,668
Prepayments	176,934	315,198	315,198
GST receivable	448,869	414,902	414,902
Inventories			
Fuel and Materials	120,560	138,914	138,914
Land Held for Resale - Cost Cost of Acquisition	0	85,360	85,360
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(3,685,988)	(3,901,573)	(3,901,573)
Accrued interest on debentures	(117,618)	(126,333)	(126,333)
Accrued salaries and wages	(77,837)	(21,885)	(21,885)
Bonds and Deposits	(2,628,842)	(1,949,970)	(1,949,970)
Accrued Expenses	(67,680)	(409,025)	(409,025)
Income in Advance	(27,391)	(15,601)	(15,601)
Current portion of long term borrowings			
Secured by floating charge	(750,747)	(629,778)	(629,778)
Provisions			
Provision for annual leave	(1,704,902)	(1,618,725)	(1,618,725)
Provision for long service leave	(1,576,997)	(1,373,887)	(1,373,887)
<b>Unadjusted net current assets</b>	<u><b>20,483,743</b></u>	<u><b>19,001,630</b></u>	<u><b>19,001,630</b></u>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(18,767,297)	(18,160,389)	(18,160,389)
Less: Cost of Acquisition			
Cost of Acquisition	0	(85,360)	(85,360)
Add: Secured by floating charge	750,747	629,778	629,778
Add: Provision for Annual Leave	1,704,902	1,618,725	1,618,725
Add: Provision for Long Service Leave	1,576,997	1,373,887	1,373,887
<b>Adjusted net current assets - surplus/(deficit)</b>	<u><b>5,749,092</b></u>	<u><b>4,378,271</b></u>	<u><b>4,378,271</b></u>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

**SHIRE OF KALAMUNDA  
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**25. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR**

No specified area rates were imposed by the Shire during the year ended 2017.

**26. SERVICE CHARGES - 2016/17 FINANCIAL YEAR**

No service charges were imposed by the Shire during the year ended 2017.

**27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2016/17 FINANCIAL YEAR**

Pursuant to Section 6.46 of the Local Government Act 1995, Shire offered the following incentive prizes to ratepayers who have paid their rates in full one week before the due date 16 August 2016.

All Elected Members, staff of the Shire of Kalamunda and government bodies and their related agencies be ineligible to be chosen as a winner of the early rate payment incentive prizes either as a sole or part owner of any property within the Shire boundaries.

- ◆ 8 cash prizes of \$1,000 donated by the Shire of Kalamunda.
- ◆ 1 cash prize of \$1,000 donated by the Commonwealth Bank of Australia.
- ◆ 1 \$500 passbook account donated by the Bendigo Bank - Forrestfield & High Wycombe Community
- ◆ 2 double passes to a concert performed and donated by the Western Australian Symphony Orchestra.

A new rate incentive prize is also introduced in addition to the above. All ratepayers who register to have their future rates notices received electronically (eRates) by the same date as above will be eligible for :

- ◆ 2 Samsung Galaxy Tab A 8" 16GB Wifi tablets
- ◆ 2 Apple iPad Mini 2 16GB WiFi tablets
- ◆ 5 Garmin Vivosmart HR Activity Trackers

**SHIRE OF KALAMUNDA**  
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**28. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR**

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
<b>Instalment Options</b>				
<b>Option One</b>				
Single full payment	16-Aug-16	0		11.00%
<b>Option Two</b>				
First Instalment	16-Aug-16	0	5.50%	11.00%
Second Instalment	17-Oct-16	6	5.50%	11.00%
<b>Option Three</b>				
First Instalment	16-Aug-16	0	5.50%	11.00%
Second Instalment	17-Oct-16	6	5.50%	11.00%
Third Instalment	16-Dec-16	6	5.50%	11.00%
Fourth Instalment	17-Feb-17	6	5.50%	11.00%

	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	207,157	77,250
Interest on instalment plan	187,629	358,788
Charges on instalment plan	113,562	0
	508,348	436,038

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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<b>29. FEES &amp; CHARGES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	21,778	84,417
General purpose funding	170,986	341,146
Law, order, public safety	354,409	318,907
Health	362,225	232,756
Education and welfare	429,229	527,765
Community amenities	11,368,271	10,786,575
Recreation and culture	1,315,115	1,314,331
Transport	0	55,622
Economic services	502,180	432,365
Other property and services	76,449	59,055
	<u>14,600,642</u>	<u>14,152,939</u>

**30. GRANT REVENUE**

Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

<b>By Nature or Type:</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
General purpose funding	3,510,483	1,311,428
Law, order, public safety	188,994	184,376
Education and welfare	2,899,551	3,186,399
Community amenities	4,500	39,947
Recreation and culture	144,215	126,800
Transport	0	31,908
Other property and services	25,925	1,250
	<u>6,773,668</u>	<u>4,882,108</u>
<b>Non-operating grants, subsidies and contributions</b>		
Health	202,614	0
Education and welfare	25,515	0
Recreation and culture	602,525	3,623,239
Transport	2,280,452	2,222,839
	<u>3,111,106</u>	<u>5,846,078</u>
	<u>9,884,774</u>	<u>10,728,186</u>

**31. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>251</u>	<u>254</u>
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**32. ELECTED MEMBERS REMUNERATION**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Meeting Fees	278,091	283,841	273,433
President's allowance	62,727	62,727	61,899
Deputy President's allowance	15,682	15,682	15,465
Travelling expenses	588	600	1,156
Telecommunications allowance	41,125	42,000	41,039
	<u>398,213</u>	<u>404,850</u>	<u>392,992</u>

**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**33. RELATED PARTY TRANSACTIONS**

**Key Management Personnel (KMP) Compensation Disclosure**

	<b>2017</b>
	<b>\$</b>
The total of remuneration paid to KMP of the Shire during the year are as follows:	
Short-term employee benefits	2,823,020
Post-employment benefits	328,027
Other long-term benefits	253,607
	3,404,654

**Short-term employee benefits**

These amounts include all salary, paid leave, 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 at Note 32.

**Post-employment benefits**

These amounts are the current-year's estimated cost of providing for the Shire's superannuation contributions made during the year.

**Other long-term benefits**

These amounts represent long service benefits accruing during the year.

**Related Parties**

**The Shire's main related parties are as follows:**

*i. Key management personnel*

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

*ii. Entities subject to significant influence by the Shire*

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.

*iii. Joint venture entities accounted for under the equity method*

The Shire of Kalamunda has a share in the Net Assets in the Eastern Metropolitan Regional Council (EMRC) as a member council. The interest in the joint venture entity is accounted for in these financial statements using the equity method of accounting. For details of interests held in joint venture entities refer to Note 17.



**SHIRE OF KALAMUNDA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**33. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

The following transactions occurred with related parties:

	<b>2017</b>
	<b>\$</b>
<b>Joint venture entities:</b>	
Increase in equity in joint venture entities	1,258,336
Purchase of services	3,893,931
<b>Amounts payable to related parties:</b>	
Trade and other payables	308,770

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

**34. MAJOR LAND TRANSACTIONS**

The Shire did not participate in any major land transactions during the 2016/2017 financial year.

**35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The Shire did not participate in any trading undertakings or major trading undertakings during the 2016/2017 financial year.

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**36. FINANCIAL RISK MANAGEMENT**

The Shire's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The Shire's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Shire.

The Shire 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 Shire held the following financial instruments at balance date:*

	<b>Carrying Value</b>		<b>Fair Value</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>				
Cash and cash equivalents	28,486,237	26,471,157	28,486,237	26,471,157
Receivables	3,551,754	3,248,967	3,551,754	3,248,967
	<u>32,037,991</u>	<u>29,720,124</u>	<u>32,037,991</u>	<u>29,720,124</u>
<b>Financial liabilities</b>				
Payables	6,605,355	6,424,383	6,605,355	6,424,383
Borrowings	6,370,679	6,293,947	6,370,679	6,293,947
	<u>12,976,034</u>	<u>12,718,330</u>	<u>12,976,034</u>	<u>12,718,330</u>

Fair value is determined as follows:

- Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.
- Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

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**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**36. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

**Financial assets at fair value through profit and loss**

**Available-for-sale financial assets**

**Held-to-maturity investments**

The Shire's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the Shire.

The Shire manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	284,862	264,712
- Statement of Comprehensive Income	284,862	264,712

**Notes:**

<sup>(1)</sup> Sensitivity percentages based on management's expectation of future possible market movements.

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**36. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

The Shire's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The Shire 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 Shire to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The Shire 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 Shire makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subject to a re-negotiation of repayment terms.

The profile of the Shire's credit risk at balance date was:

	<b>2017</b>	<b>2016</b>
Percentage of rates and annual charges		
- Current	73%	69%
- Overdue	27%	31%
Percentage of other receivables		
- Current	96.00%	76.00%
- Overdue	4%	24%

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**36. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**

**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 Shire 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.

The contractual undiscounted cash flows of the Shire's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<b><u>2017</u></b>					
Payables	6,605,354	0	0	6,605,354	6,605,355
Borrowings	750,747	2,220,493	3,399,440	6,370,680	6,370,679
	<u>7,356,101</u>	<u>2,220,493</u>	<u>3,399,440</u>	<u>12,976,034</u>	<u>12,976,034</u>
<b><u>2016</u></b>					
Payables	6,424,383	0	0	6,424,383	6,424,383
Borrowings	629,778	2,264,791	3,399,378	6,293,947	6,293,947
	<u>7,054,161</u>	<u>2,264,791</u>	<u>3,399,378</u>	<u>12,718,330</u>	<u>12,718,330</u>

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**36. FINANCIAL RISK MANAGEMENT (Continued)**

**(c) Payables**

**Borrowings (continued)**

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The Shire 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 following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

	<u>&lt;1 year</u>	<u>&gt;1&lt;2 years</u>	<u>&gt;2&lt;3 years</u>	<u>&gt;3&lt;4 years</u>	<u>&gt;4&lt;5 years</u>	<u>&gt;5 years</u>	<u>Total</u>	<u>Weighted Average Effective Interest Rate</u>
	\$	\$	\$	\$	\$	\$	\$	%
<b>Year ended 30 June 2017</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	750,747	660,349	677,593	521,550	361,001	3,399,440	6,370,680	5.67%
Weighted average								
Effective interest rate	5.61%	5.52%	5.51%	5.36%	5.25%	5.83%		
<b>Year ended 30 June 2016</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debentures	629,778	667,890	575,199	590,085	431,618	3,399,377	6,293,947	6.01%
Weighted average								
Effective interest rate	5.96%	5.96%	5.93%	5.92%	5.91%	6.07%		

# Supplementary Ratio Information – year ending 30 June 2017

## SHIRE OF KALAMUNDA SUPPLEMENTARY RATIO INFORMATION FOR THE YEAR ENDED 30TH JUNE 2017

### RATIO INFORMATION

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report.

	2017	2016	2015
Asset consumption ratio	0.95	0.965	0.831
Asset renewal funding ratio	1	0.998	0.927

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$



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