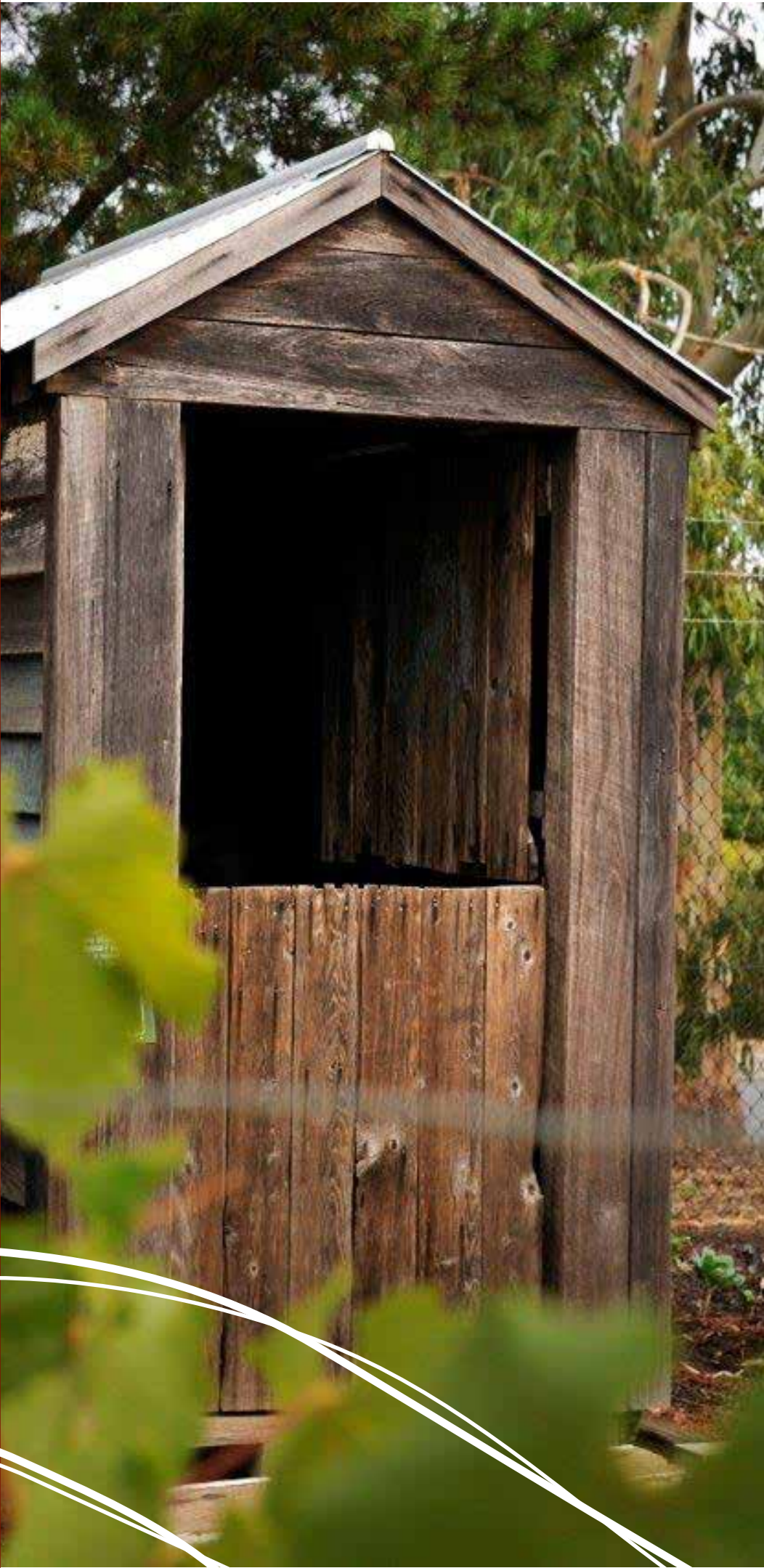


# Annual Report

## 2017/2018



**city of**  
**kalamunda**





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## Message from the Mayor



**John Giardina**  
Mayor

It gives me great pleasure to present the 2017/2018 Annual Report.

The City has continued to see a high level of investment in community infrastructure, with the successful delivery of various roads and pathway projects, the continuation of the Hartfield Park Redevelopment, completion of the Bibbulmun Track Northern Terminus, Woodlupine Brook Living Stream, a stormwater drainage upgrade in the Kalamunda Town Centre and many other significant projects.

We continue to work with our community and agricultural industry, with a strong focus on diversity and tourism development.

The City has worked proactively to maintain tight control over expenditure growth, minimise rate increases and to introduce efficiencies to better manage costs.

We developed our Kalamunda Connected Strategy, which was adopted by Council in April 2018 and is now being implemented. The initiative provides a plan for building community capacity and increasing volunteering in the City of Kalamunda.

One of the City of Kalamunda's key objectives is to build a connected community. We want to connect our people to each other, places, spaces and opportunities. The Creating Active Citizens Plan is a unique and fantastic opportunity for us to do so and will change the way we engage with the Community.

Whilst the City already provides a myriad of volunteering and community development opportunities for its residents, the aim is to provide a more formalised way of becoming an engaged and active citizen.

This year the City was recognised by the Institute of Public Works Engineering Australasia (IPWEA) Excellence Awards for the Hartfield Park Managed Aquifer Project. We were also successful in taking out the Public Health Advocacy Institute of WA (PHAIWA) Report Card Award for Climate Change for both the City's Commemorative Tree Planting event and the Railway Heritage Trail – Education Support Project.

I wish to thank our dedicated staff and councillors for their ongoing commitment to service, professionalism and quality.

# Message from the Chief Executive Officer



**Rhonda Hardy**  
Chief Executive Officer

The City remains committed to achieving its vision of a connected community, valuing nature and creating our future together. There has been a strong focus on community engagement in the City over the past financial year, with our community demonstrating their interest and commitment in working together as community builders.

We have continued to progress long-term financial and strategic planning across the City. We have commenced delivering on the revised Strategic Community Plan, Kalamunda Advancing, with significant progress in the first year of the Plan.

The City adopted its new Customer Service Strategy. For the first time the City of Kalamunda has introduced the new strategy to assist with ongoing initiatives for better working relationships. The City is committed to continually improving the customer service experience. The new strategy outlines the key principles, strategies, actions, and performance measures for improved customer service standards over the next four years. It is all about the Customer, their journey and how we can create a better experience.

We have continued to demonstrate a strong commitment to Community Development, with several key strategies such as our Age Friendly Strategy, Youth Plan and Disability Access and Inclusion Plan currently being implemented. The City has also commenced development of its first Reconciliation Action Plan.

Planning in the City continues to be key focus area, with technical studies and community engagement taking place for the Forrestfield North District Structure Plan. The draft Forrestfield North Local Structure Plan for the residential precinct was adopted by Council for public advertising.

Care for our environment also continues to be a key area for progress, with a strong desire to enhance and maintain the biodiversity of the region requiring the City to be innovative and challenge our thinking.

I look 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.

---

## Workforce



49.7% are 45 years and older

59.4% Female



33% Casual

16.8% Outdoor workers



0.3% Aboriginal Australian

1% person with disability



397 Employees  
(257 full-time equivalent)

19.5% culturally diverse background



8.4% are 24 years and under

# Councillor Attendance

## Councillor attendance at Committee and Council Meetings 1 July 2017 – 30 June 2018

Councillor	No. Eligible to Attend	Development & Asset Committee	Corporate & Community Committee	Special Meetings of Council	Audit & Risk Committee	Public Agenda Briefing	Ordinary Council Meeting	Leave of Absence	Total Meeting Attendance
	<b>39</b>	<b>4</b>	<b>4</b>	<b>10</b>	<b>3</b>	<b>7</b>	<b>11</b>		<b>39</b>
<b>Cr Michael Fernie</b>	39	4	4	9	2	7	11		37
<b>Cr John Giardina</b>	39	4	4	10	3	6	10		31
<b>Cr Geoff Stallard</b>	39	2	2	7	3	7	10	7	31
<b>Cr Allan Morton</b>	39	4	3	9	2	6	10		34
<b>Cr Brooke O'Donnell</b>	39	4	3	7	2	6	10		32
<b>Cr Lesley Boyd</b>	24	n/a	n/a	6	2	7	6	2	21
<b>Cr David Almond</b>	24	n/a	n/a	2	2	6	6		16
<b>Cr Dylan O'Connor</b>	39	3	4	5	3	6	11		32
<b>Cr Sara Lohmeyer</b>	39	4	4	6	3	6	10	2	33
<b>Cr Tracy Destree</b>	39	3	3	6	3	4	8	5	27
<b>Cr Cameron Blair</b>	24	n/a	n/a	7	2	7	8		24
<b>Cr Margaret Thomas</b>	24	n/a	n/a	6	2	7	7	1	22
<b>Cr Noreen Townsend</b>	15	4	3	3	1		2	2	13
<b>Cr Andrew Waddell</b>	15	3	4	3	1		3		14
<b>Cr Sue Bilich</b>	15	4	3	3	1		3		14

### Notes

1. Crs Waddell, Bilich and Townsend were defeated at the Ordinary Election in October 2017
2. Crs Boyd, Almond, Blair and Thomas were elected at the Ordinary Election in October 2017
3. The Development & Assets Services and Corporate & Community Services Committees were disbanded in October 2017
4. Public Agenda Briefing Meetings were introduced in November 2017

# 2017/2018 Financial Highlights

## Statement of Comprehensive Income – Surplus for the Year \$5.5 Million

### Income

- The City ended the Financial Year with \$57.2 million in Operating Revenue.
- In comparison with 2016/2017, revenue decreased by 4.3%.
- Revenue from Rates increased by 3% overall.
- Contributions and reimbursements decreased by \$0.7 million mainly due to the reduced operational expenditure reimbursements from the CELL9 Trust account.
- Operating grants decreased by \$4.1 million mainly due to the discontinuation of grants received from Department of Health upon divestment of Home and Community Care Services in 2016/2017.
- Fees and Charges increased by \$1.4 million primarily due to an adjustment relating to skip bin charges.

### 2017/2018 Operating Revenue

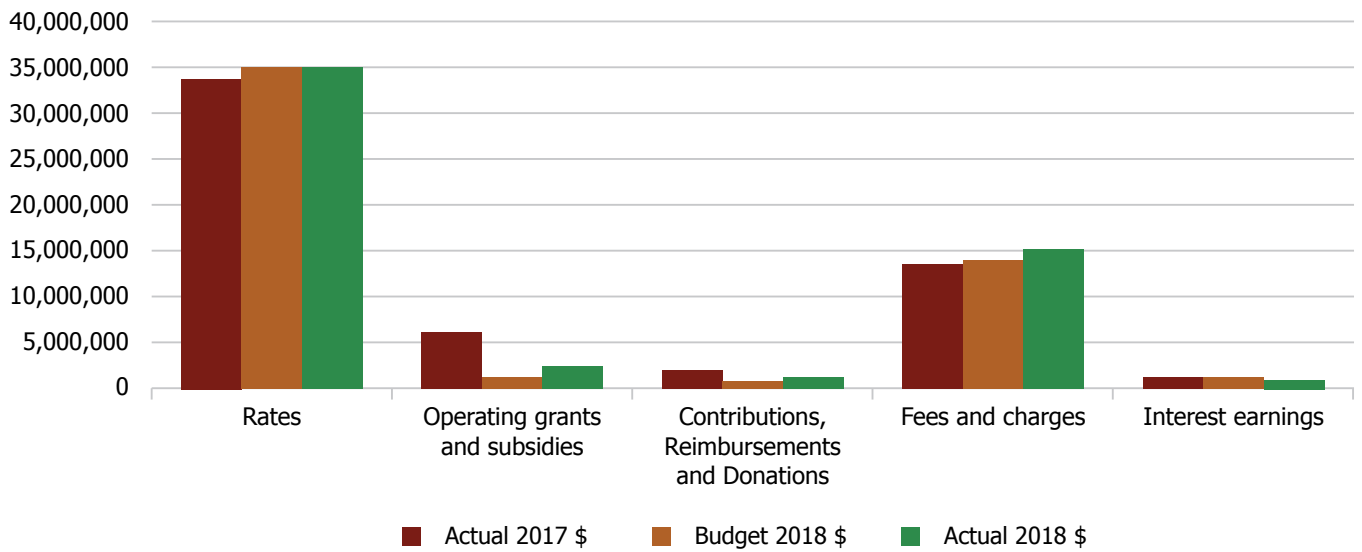
#### Revenue Comparisons by Nature or Type 2016/2017 to 2017/2018

Revenue from Ordinary Activities	Actual 2017	Budget 2018	Actual 2018
	\$	\$	\$
Rates	35,066,848	36,001,139	35,992,132
Operating grants and subsidies	6,773,668	1,412,166	2,683,366
Contributions, Reimbursements and Donations	2,080,997	583,665	1,401,505
Fees and charges	14,600,642	15,040,032	16,010,818
Interest earnings	1,196,851	1,148,432	1,094,348
Other revenue	78,667	101,564	62,043
<b>Total</b>	<b>59,797,673</b>	<b>54,286,998</b>	<b>57,244,212</b>

**Table 1. Operating Revenue Comparisons by Nature or Type comparison 2016/17 to 2017/18**







**Figure 1. Operating Income Comparison by Nature or Type 2016/17 to 2017/18**

## 2017/2018 Operating Expenditure

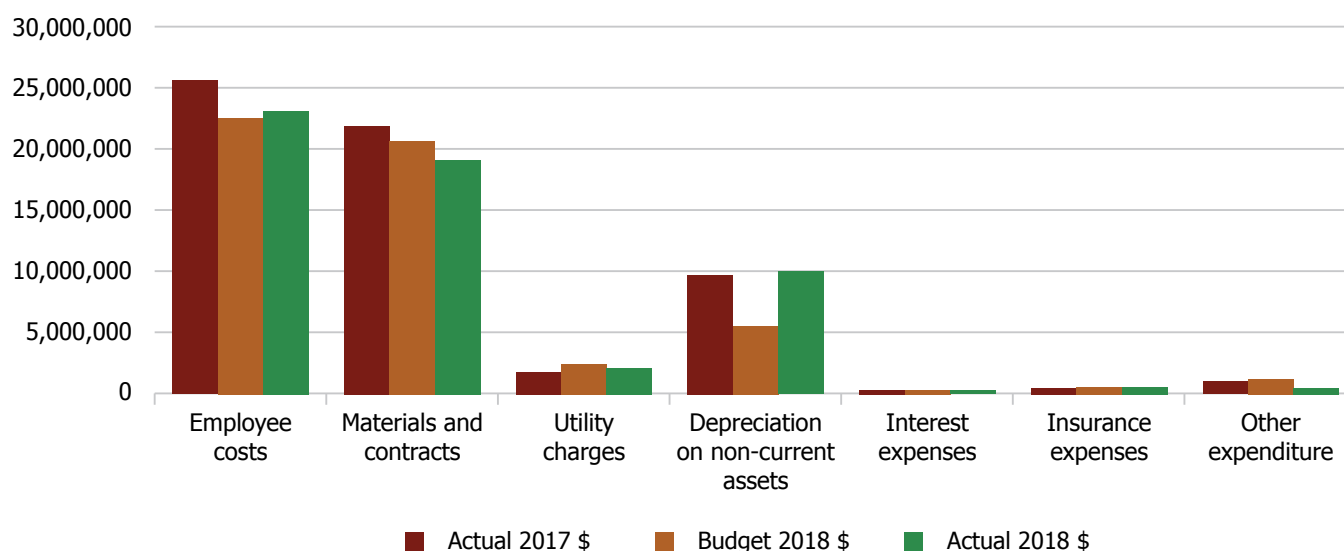
### Expenditure

- The City ended the Financial Year with \$57.6 million in Operating Expenditure.
- Operating Expenditure decreased by 8.2% or \$5.2 million compared to 2016/2017.
- Employment Costs were decreased by \$1.9 million, mainly because of City's decision to outsource HACC services as of 30 June 2017.
- Materials and Contracts decreased by \$3.1 million due mainly to the reduced level of land acquisitions for infrastructure projects relating to the Forresterfield Industrial Area Scheme Stage 1.

## Expenditure Comparisons by Nature or Type 2016/2017 to 2017/2018

Expenses from Ordinary Activities	Actual 2017	Budget 2018	Actual 2018
	\$	\$	\$
Employee costs	25,907,535	23,783,866	24,026,597
Materials and contracts	23,059,891	21,256,113	19,923,884
Utility charges	2,258,866	2,454,603	2,338,226
Depreciation on non-current assets	10,130,153	6,047,128	10,237,301
Interest expenses	360,200	350,410	337,878
Insurance expenses	553,474	562,243	588,539
Other Expenditure	850,964	1,699,277	461,950
<b>Total</b>	<b>63,121,083</b>	<b>56,153,640</b>	<b>57,914,375</b>

**Table 1. Operating Expenses Comparisons by Nature or Type comparison 2016/17 to 2017/18**



**Figure 2. Operating Expenses Comparison by Nature or Type 2016/17 to 2017/18**

### Other

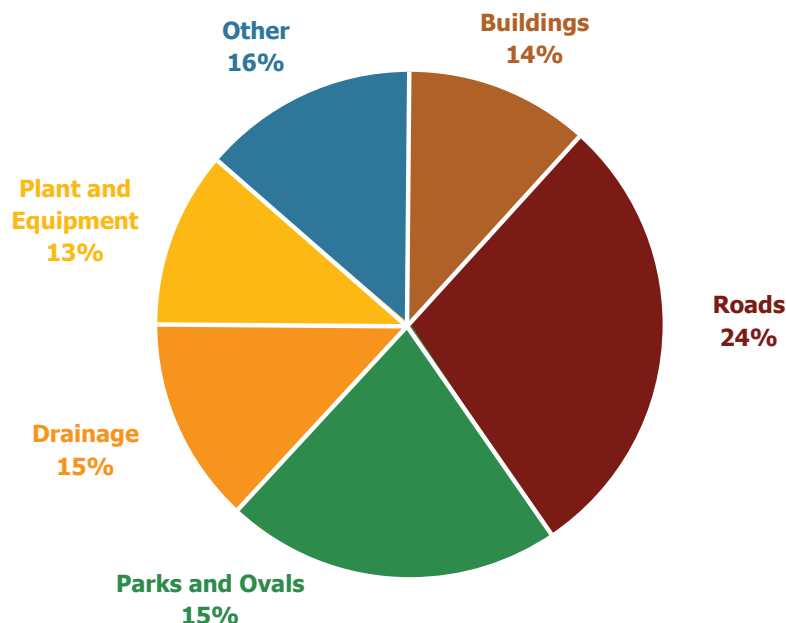
- Non-operating grants were increased by \$0.3 million mainly because of donation of an Emergency Services Fire truck by the Department of Fire and Emergency Services (DFES).
- Developer contributions at \$1.3 million reduced by \$1.6 million because of the reduced amount of developer contributions received from Forrestfield Industrial Area Scheme Stage1.
- The revaluation of infrastructure assets has resulted in a \$198 million increase in revaluation surplus in other comprehensive income.

### Net Result

**The City continues to strengthen its financial position with a surplus of \$5.5 million for the year as a Net Result.**

# Statement of Financial Position

- The increase in the value of the East Metropolitan Regional Council joint venture amounted to \$1.6 million.
- Capital expenditure during the year amounted to \$13.3 million.
- Asset classes invested in during the year were as follows: -



- The value of the Property, Plant & Equipment and Infrastructure assets increased by \$201 million mainly due to a \$198 million increase from infrastructure asset revaluations.

## Ratio Analyses


- The Financial Ratios (Local Government Operational Guidelines) are satisfactory overall.
- A summary of the key financial indicators is given below:

Financial Ratios	2018	2017	Standard
Current ratio	1.71	1.79	1
Asset consumption ratio	0.99	0.95	0.5
Asset renewal funding ratio	0.83	1	0.75
Asset sustainability ratio	0.51	0.54	0.9
Debt service cover ratio	11.53	9.06	2
Operating surplus ratio	0.04	-0.03	0.01
Own source revenue coverage ratio	0.94	0.84	0.6

## Outlook

- The City has adopted its Budget for the ensuing year and in November approved the first of two budget reviews for the year.
- The 2018/2019 estimated operating result stands at a closing surplus position of \$2,864,875 compared to the 2017/2018 Budget cash surplus of \$3,142,249. The maintenance of a budget operating surplus has been achieved through the leadership taken by the Council in maintaining strong control over growth in operating expenditure and revenue streams.
- Capital investment of \$30 million is projected for the year which is an intensive program and a major increase on the spend in 2017/2018. This will result in favourable Asset Ratios.





# Priority 1: Kalamunda Cares and Interacts

## **1.1 To be a community that advocates, facilitates and provides quality lifestyle choices**

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

#### **Seniors**

##### **Age Friendly Strategy and Action Plan**

The Age Friendly Strategy and Action Plan replaced the previous Positive Ageing Plan as the City's primary guiding document for older people. The Age Friendly Strategy and Action Plan focuses on four key areas such as transportation, housing, social participation and communication and information.

##### **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.

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

- **Seniors Week**

The Seniors' Week activities, in November, included a Supper Club Variety Show with a performance featuring dance and variety music from the 40's, 50's and 60's. A Senior Residents Art Exhibition was held and hosted at the Zig Zag Gallery. The opening was well attended. The City also hosted a Melbourne Cup lunch which included in the fun prizes for best dressed lady and gent.

- **Laffternoon Tea**

The City partnered with the Forrestfield Seniors Leisure Group to present Laffternoon Tea with Jani Goss – author of Love, Laughter and Longevity. The presentation was attended by 84 people. Attendees learnt strategies to outsmart stress and making the most of their health and longevity.

- **Tech Savvy Seniors**

During the July School Holidays young people aged 12 -17 volunteered their time to mentor ten seniors, helping them to become TechnSavvy. In pairs, the group discussed everything tech-related including texting, selfies and how to connect to Wifi. All participants had a fantastic time sharing both skills and stories.

## People with a disability

### Disability and Carers Advisory Committee

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

Opportunities to attend free information sessions and a range of events were held throughout the year:

- **Disability Awareness Week**

In December, Disability Awareness Week and International Day of People with Disability took place with activities including a partnership with the Kalamunda Farmers Market for an interactive music activity and a visit by young people with disability to explore how accessible they find the Markets and Kalamunda Town Centre area. The City launched the Accessible Business Toolkit including a self-checklist, help videos and training package.

- **Chamber of Commerce Breakfasts**

A series of Chamber of Commerce Accessible Businesses Breakfasts were held during the year, in August more than 20 local businesses attended. This breakfast introduced the Accessible Business Toolkit assisting local businesses to assess how accessible and welcoming their business is to people with disability and the wider community.

- **All Abilities Online Forum**

An online forum has been launched to provide the community with an opportunity to share stories and increase awareness of accessible venues. This online area allows a platform for careers and persons with disability to share their tips, knowledge and insight into all things accessible in the local area.

Railway Heritage Track and Kalamunda Education Support Centre Student Project

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

- **Buildings and Facilities**

People with disability have the same opportunities as other people to access the buildings and other facilities of the City of Kalamunda. The City upgraded access to handrails and steps throughout the Town Hall precinct in Kalamunda.

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

#### The City of Kalamunda Youth Plan 2017/2022

The new Youth Plan identifies the youth interests, issues and aspirations of the Kalamunda community and establishes priorities and strategies to guide the City over the next five years in its provision of youth services.

This year the youth services team has run an extensive program of free activities and events for young people primarily aged 12–25 years including:

- **Forrestfield Youth Initiative**

This free afterschool drop-in program is for young people aged 8-15 who live in the City of Kalamunda, and includes social sports, a creative craft activity and a healthy snack.

- **Little Libraries**

The Little Library book exchange project was launched where six small wooden boxes of books were placed throughout the City where community members can take a book, browse and return it with a replacement.

- **PCYC Drop-In Bus**

Police Community & Youth Centres have a drop-in bus that stopped by Forrestfield Skate Park providing snacks, video games, board games and arts and crafts.

- **Barista Workshop at Dome Kalamunda**

Supporting the up-skilling of local young people the hospitality sector, young people aged 16-25 had the opportunity to learn how to use an espresso machine, interact with customers and serve coffee like a pro.

- **Kalamunda Careers Expo**

Over 700 hundred Year 10 students from Kalamunda, Carmel, Lesmurdie, Darling Range and Rolleston Senior High Schools passed through the Expo. Students connected and chatted with some 35 exhibitors from various universities, TAFES, local businesses and registered training organisations to help them make informed choices about their future careers.

This year through a partnership with the City's Senior & Disability Services, the Expo has been promoted to seniors and mature aged residents in the City of Kalamunda who may be looking to return to work or study, or change careers. This partnership has brought new exhibitors to the Expo, including the WA Council on the Ageing and Volunteering WA.

All students and community members who attend had the opportunity to participate in a 25 minute motivational presentation with energetic speaker Greg Mitchell.

- **In the Mix Music Program**

Fifteen young local musicians registered to take part in this year's music program. Five workshops were held and included performances from participants and a masterclass courtesy of the two program mentors from a local Forrestfield company, Focus Music. The programme culminates in the musicians performing an outdoor concert in front of a large

live audience on the Main Stage at Corymbia Multicultural Festival.

- **Corymbia Multicultural Festival**

This multicultural family fun filled event had amusement, rides, entertainment, food vans, stalls and activities for kids including a DIY Henna Tattoo Workshop, a say hello in 10 different languages challenge and a chill out zone.

- **The Influence YAK (Youth Action Kalamunda)**

The City launched an advisory group for young people aged 12 to 20 who have a connection to Kalamunda. The Kalamunda Youth Network will act as a voice for young people in the local government area and propose, plan and deliver youth events and programs in their community. The group participated in a team building day at the Bickley Outdoor Recreation Camp including raft building, a vertical high ropes challenge and a brainstorming session for what they want to achieve over the next six months.

- **Skate, scooter and BMX clinics**

A series of free ongoing clinics where held this year at both Forrestfield Skate Park and High Wycombe Skate Park. These clinics feature experts from Freestyle Now who specialise in teaching skaters all the tips and tricks for Skating, scooter and BMX. Participants are encouraged to attend the venue on the day with their boards, bikes and scooters, ready to jump into the action.

- **Young Creatives Month**

A busy program of events opened in August with an exhibition of young artists called "Placing the Periphery" featuring the works of emerging Perth-based artists all under the age of 30. A Shop Front Mural Project took place matching young, local artists with local businesses and community organisations to transform empty windows into temporary works of art. Other highlights included a Photo Walk with tips and tricks for using your smartphone to 'capture unique moments everyday', a yarn bombing workshop giving skills to create wearable art and board game battles.

- **The High Wycombe Film Project**

Kalamunda's Youth Team partnered with The Bank of I.D.E.A.S' Connect 6057 pilot project in High Wycombe to create three short films about the High Wycombe community. These short films will each tell a different story about High Wycombe, focusing on either the past, the present or the future. All short film was screened as part of the City of Kalamunda's Young Creatives Month.

- **Constable Care Child Safety Foundation Partnership**

The City continues to partner with the Constable Care Child Safety Foundation to support the delivery of safety, crime prevention and citizenship theatre-in-education performances to schools and libraries. In 2018 we are delighted to be able to give one of our local primary schools the opportunity to win a free class visit to the newly

opened Constable Care Child Safety School in Maylands.



- **WA Youth Week**

The purpose of WA Youth Week is to celebrate young people and acknowledge the valuable contribution they make to our community. Young people aged 12 to 17 supported the City to plan activities including two skate, scooter and BMX Clinics in Kalamunda and Forrestfield, a Tee with a Twist youth art workshop at the Kalamunda Town Square Hall and an Eco-themed festival at the Kalamunda Night Markets. These activities were incredibly well attended by local young people and their families, with over 300 participating in the various WA Youth Week events.

- **"We Are 10" - An exhibition of what it's like to be 10 years old and living in Western Australia**

The Commissioner for Children and Young People's office is 10! To celebrate more than 4,200 children from around Western Australia shared their views on life at 10 years old. There are 80 exhibition locations across WA, two of which were located at the Kalamunda Library and Hawaiian's Shopping Centre in Forrestfield. Alex from Woodlupine Primary School created the winning entry from the South Metropolitan Education Region.



- **Children’s Consultation Award**

The City of Kalamunda received the 2017 Children’s Consultation Award at the Children’s Environment and Health Local Government Policy Awards recognising consultation excellence for the way the City engaged children and young people to inform their Youth Plan.

- **Youth and Community Assistant**

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

- **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. Highlights for the year include a series of pop up play days extremely well attended by families throughout the area, a workshop on the impact of screen time on children’s development attended by 130 community members.

The City continues to support the presence of three Child Health Nurses – Kalamunda, High Wycombe and Forrestfield and City facilities are host to many playgroups in the community.

- **Reconciliation Action Plan (RAP)**

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

### 1.1.3 Facilitate opportunities to pursue learning

High quality activities and support services have been provided by the City’s four libraries through the year including:

- **60th Anniversary of Library Services**

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

- **Better Beginnings**

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

- **Rhymetime/Storytime**

In Kalamunda weekly Rhymetime sessions for children ages 0 to 2 years and Storytime sessions for children ages 2 to 4 years continue to attract high attendance across all branches. These are very popular programs in the community as they impart literacy skills in a fun relaxed manner and allow parents to meet in an inclusive social setting.

Literacy support packs for ages from 0 to 5 years are distributed by libraries, with the assistance of Child Health Nurses and teachers. These provide books and other resources to assist parents with reading to their children along with Yellow Discovery Backpacks aimed at children aged two to three years, available to borrow from each library.

- **School Holiday Programs**

The School Holiday programs ran well throughout the year with various author events and information talks including a robotics workshop, cartooning

workshop, a visit by a humanoid robot, a colouring competition a puppet shows and a summer reading club.

- **Children’s Book Week**

In August this year four authors and illustrators presented 13 sessions across four libraries for 28 classes from nine local schools. Excellent feedback from primary school teachers who attended the sessions indicated the City had a very successful Children's Book Week.

- **National Simultaneous Story Time**

The City of Kalamunda Libraries celebrated National Simultaneous Storytime. This successful annual event had librarians visiting five-day care and kindergartens in the City and read “Hickory Dickory Dash” to 120 children on two consecutive days.

- **Workshops and author talks**

Many workshops were held this year on topics such as creative writing, the HMAS Sydney II and her men, photography, photo books, forensic science, meditation, mental health, how to make choices about your will and enduring Power of Attorney, aromatherapy and birds just to name a few.

Free conversation classes held at the Forrestfield Library were focused toward community members whose first language is not English to learn new vocabulary, practice speaking English and meet new people.

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

Many author talks took place this year including Judy Nunn speaking about her recent novel “Sanctuary” and Anthea Hodgson speaking about her rural romance novel



“The Drifter”. Countless author talks held this year at the various library locations received positive feedback from the community.

• **The Scribblers Golden Feather Treasure Hunt**

The City of Kalamunda Libraries took part in a literary treasure hunt in the lead up to the launch of the Scribbler's Festival, a new Children's Literature Festival, a celebration of the magic and discovery that happens when a child reads a book. Feather-shaped bookmarks have been hidden in children's & young adult books in public libraries across the state. There were five 'Golden Feathers' to find and 20 silver feathers to be found.

• **Resources**

A new eResource is now available to City of Kalamunda Library members. Kanopy is an on-demand video streaming platform for public libraries and education institutions, delivering one of the largest collections of indie films, classic cinema, festival and educational documentaries. City of Kalamunda Library members can view up to four films a month.

**1.2 To provide safe and healthy environments for community to enjoy**

The City's is committed to increasing the community's perception of safety throughout the the local government

area. This is achieved by having a program of initiatives backed by legislation and policy focused on making Kalamunda a safe and healthy environment for everyone to enjoy. The program of works undertaken to facilitate a safe community includes:

- Rangers
- Environmental Health
- Fire Prevention
- Community Safety

**Rangers**

The City's Rangers are committed to providing a positive customer experience for all the community. The Rangers are responsible for creating a safer community through the provision of following services:

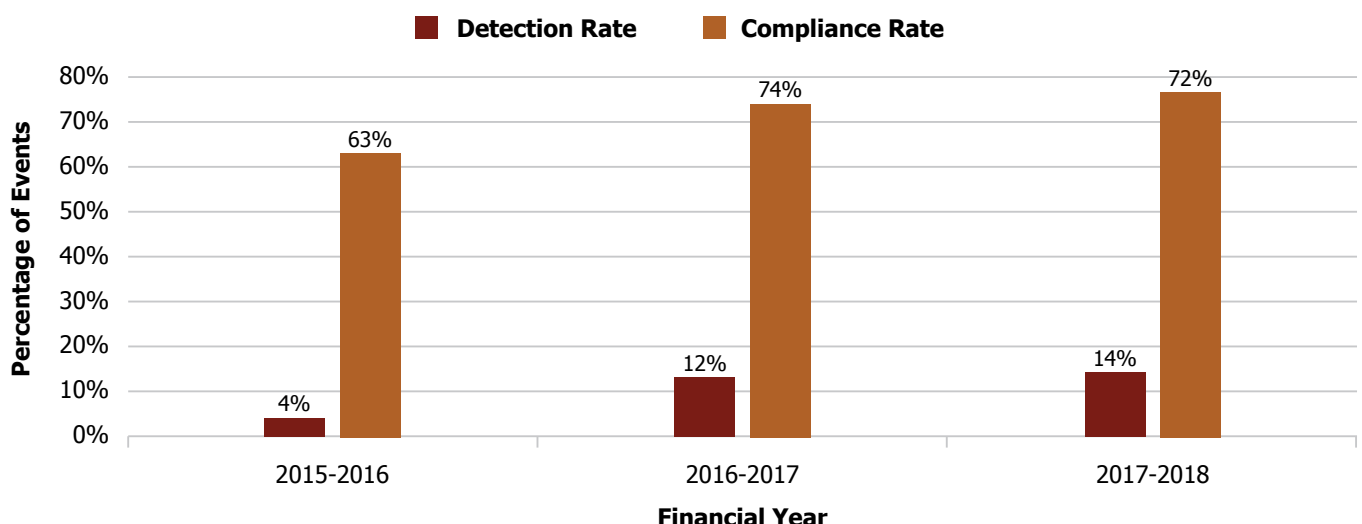
- Reduce the risk of pedestrian and motor vehicle incidents occurring in school zones, shopping districts, major events and our suburban streets. The Rangers achieve ensuring motorists do not park on footpaths, double park and generally comply the City's parking signs.
- Reduce the risk of harm to people and animals caused by dogs, through active patrols of our parks, reserves and streets. The active patrols allow the Rangers the opportunity to engage with and educate the community, while restraining dogs which are in public places and are not under effective control. The program's

focus is to remove unrestrained dogs from locations where they make either cause or become the victim of physical harm.

- Timely and thorough investigation of dog attacks, with the owners of dogs involved in minor offenders and near misses receiving cautions. While, repeat offenders and serious offenders receive infringements or are prosecuted.
- Timely removal of abandoned vehicles to prevent acts of vandalism and to ensure the natural beauty of the City's landscape is maintain for all to enjoy.
- Reduce the risk of bush fire through the issuing of permits to burn and the timely response to members of the community who lie fires without the necessary permits or in unsafe manner.

The doubling of the City's Rangers' program of proactively engaging with the community to encourage compliance has proven successful. The program has seen a significant increase in the number of detected events per capita from 4% to 14%. The engagement strategy has produced a marked increase in the compliance rate growing from 63% to 72%. The statistics illustrate the strong commitment of the Rangers to not only detect events but to bring about lasting positive change.

**Ranger Detected Events**



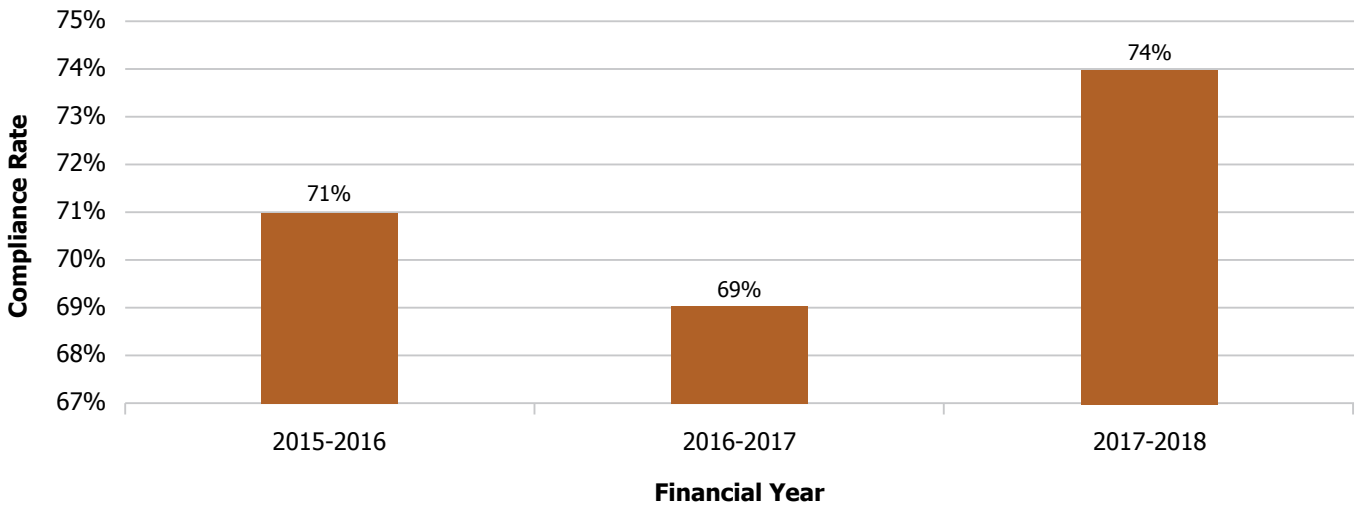
## Environmental Health

The City continues to provide a high quality Environmental Health service to community. It is the responsibility of the City to protect the public health of residents and visitors, through the provision of the following services:

- assessment of onsite sewage treatment systems
- assessment of food businesses
- assessment of public buildings
- assessment of public swimming pool water
- assessment of other health premises.

Working with business owners and members of the community to increase their knowledge and ability to protect public health. The engagement strategy implemented by the City has brought about increased levels of compliance.

## Environmental Health Assessments



## Fire Prevention

The City of Kalamunda rate the protection of the local community against impact of bush fire as an extremely important aspect of operational functions. In recent years, the fire hazard assessment program has focused on building the resilience of residents, empowering them with the knowledge needed so they can make their premises defensible during a bush fire.

The 2017/2018 fire season the City provided a focused effort in the extreme risk suburbs, assessing the quality of the fire breaks within the hills community. The program maintained a compliance rate at the time of assessment of 92% over the past three fire seasons.

## Bushfire Risk Mitigation

The City's Fire Mitigation program monitors and manages fuel loads and priority high risk areas to achieve the best-balanced outcomes for the bushfire risk and fuel reduction across more than 400 reserves and 300 hectares of parks, bushland and road verges. The City partners with Department Fire and Emergency Services (DFES) and Department Biodiversity Conservation and Attractions (DBCA) to coordinate complimentary reserve management for environmental values and bushfire risk.

Working with key stakeholders, landowners and contractors, the City achieved 72 kilometres of firebreak upgrades, more than 250 tonnes of woody fuel was removed and 63.34 hectares of grass (dead flammable material) slashed to meet annual compliance requirements of the Bush Fire Act 1954. This mechanical and manual fuel reduction work was complimented with cool season burns completed before the prohibited burning season achieving targets of 28.69 hectares of hazard reduction burns, which equated to a total fuel reduction of approximately 479.63 tonnes of fire fuel removed. In addition, priority reserves were the subject of operation projects including

cutting down and mulching in-situ 2 hectares of mature woody weeds in Hedley Jorgensen Park as part of an environmental restoration project



*Hazard reduction burn*



*Woody weeds in Hedley Jorgensen Park*

## Powerline and road clearance tree pruning

The 2017/2018 annual powerline and traffic clearance vegetation pruning program was completed prior to the summer fire ban season beginning December 2017. This allowed machinery to operate near powerlines without risk of causing canopy and pole top fires. This contracted work addresses more than 11,000 trees per year. The City also clears vegetation from pedestrian and vehicle sight lines and overhang. This year saw excessive growth and limb weighting because of the warm wet weather throughout our summer and winter seasons. This resulted in trees growing and leaning further into clearance zones or being damaged in storm events, and a second pruning service for the year in many locations required.

## Local Emergency Management Committee

The Local Emergency Management Committee meets quarterly and

City's Recovery Group twice yearly as required under legislation. The Committee is well attended by key emergency services and critical organisation from within the Kalamunda Community and government agencies. Efforts are being made to rejuvenate the committee, allowing for more detailed emergency management planning.

## Community Safety Education and Awareness

The Community Safety and Crime Prevention Advisory Committee was re-established this year. The City advertised four new committee member positions. The committee will begin in earnest within the new financial year.

In March 2018, a workshop was held with representatives from the City's aged care facilities. The workshop addressed issues relating to the evacuation of these facilities and the need for the management to plan to ensure all vulnerable residents can be safely evacuated. The City emphasised the importance of proactively planning for the safe evacuation and rapid recovery of facilities. This process will be reinitiated in the new year, to emphasise the importance of this partnership and the need for the community to work as one.

The City installed Closed Circuit Television cameras at four locations to improve security surveillance and support the work of the WA Police. The City has also installed a work station at the Forrestfield Police Station, this allows 24-hour access to the newly installed cameras.

## Local Community Health & Wellbeing Plan

The review of the Community Health Plan was finalised in December 2017. Improvements were made to the Plan both in content and readability. The Plan was submitted to the community for comment. The City has made further amendments to the document ready for submission to Council in the new financial year.

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

#### **Heart Foundation Walking Groups**

Each week the many walking groups in the City continue to be consistently active. The walkers recently received red Heart Foundation shirts to promote this program. Many members of the various walking groups agreed, "It's good to feel like I belong to this community".



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

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

Netball and basketball season competitions were well attended this year along with lifestyle programs including Boot Camp, Pilates, Yoga and Mums & Bubs Yoga.

The Active Seniors Program ran including Living Longer Living Stronger, Stretch & Tone, Zumba Gold, Live Active. A social table tennis program was introduced and added to the ongoing activities.

A newly revised School Holidays Program was introduced. The interactive program is for kids aged 5 to 12 years to keep active and creative by engaging in a range of sports and crafts. Activities included a music workshop to develop your singing, dancing and acting skills, an interactive circus play session. A visit from wildlife from the Kanyana Wildlife Rehabilitation Centre attracted 263 community members.

Crèche services are available for community members with older age pre-primary to year 6 crèche available

on school holidays include arts and crafts, PlayStation, movies and sport activities.

International Women's Day was celebrated at Hartfield Park with guest speakers, lunch, networking a speaker panel and a variety of activities. Free 'Come and Try' one day passes were made available for new visitors.

The gymnasium cardio equipment was upgraded with replacement treadmills, elliptical trainers and exercise bikes. Gym members were impressed and are enjoying the new equipment. New classes have been added throughout the year including Body Attack 100 and 3XR.

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

Kids Cooking Club, aimed at kids aged 5 to 12 years, helps them gain basic kitchen skills while making healthy food. The classes were so well attended additional classes needed to be added to the program.

#### **Stage 1 of the Perth Trails Loop**

The Trail locations and detailed design for stage one of the Kalamunda Loop Trail from Kalamunda to Pickering Brook is currently in the works. The City is currently working with the Kalamunda Mountain Bike Collective to progress stage one of the project.

#### **Ray Owen Master Plan**

Designs for the additional car parking are in progress and will be completed in 2017/2018. A power upgrade was completed to provide additional capacity for future developments.

A consultant has completed a review of the Ray Owen Master Plan for the Court Redevelopment Review for the Sports Centre. This report was considered by Council in July 2018.

#### **Maida Vale Reserve Master Plan**

A draft Maida Vale Master Plan has been developed and was presented to Council. Following endorsement of the draft document, a period of 40 days public comment will commence.

#### **Scott Reserve Master Plan**

The City received notification in June 2018 the application for funding through the Community Sport and Recreation Facilities Fund (CSRFF) to support a Master Plan for Scott Reserve had been successful. The City is currently undertaking the process of engaging a suitable consultant to commence this project.

#### **Kalamunda Water Park**

Belgravia Leisure and Health Group Pty Ltd were appointed to manage the Kalamunda Water Park for the 2017/2018 financial year.

This year's season opened in November with Belgravia introducing some new elements to the park including an inflatable water slide.

The Kalamunda Water Park hosted a well anticipated annual Australia Day Pool Party. This event had two for one entry along with great entertainment and fun for all aged kids. The City received positive feedback from the community for its support of this event.

#### **Playground safety, compliance and condition audits**

The City annually engages a certified playground assessor to inspect all City's playground facilities. The playgrounds are checked for operational compliance and condition. The data collated from each inspection assists with developing a renewal program and proposing improvements to meet safety standards for the City's 65 playgrounds. Every five years the City conducts a detailed safety and structural assessment which informs the ten-year replacement program.



Playground renewals were undertaken at Ledger Road Reserve in Gooseberry Hill, Hartfield Park and Peter Annus Park in High Wycombe.

### 1.3 To support the active participation of local communities

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

#### Sport and Club Development

##### Clubs 4 Life

As series of workshops took place throughout the year aimed at assisting and educating clubs on a wide variety of topics including a free workshop on inclusion, diversity and how clubs and the community connect. A "Finance for Clubs" workshop was attended by representatives from 17 different groups within the City providing advice on club budgeting, financial management, capital raising and sponsorship and fundraising.



Three free workshops were offered to all clubs and community groups to assist with recruiting, retaining and rewarding volunteers.

##### Community Funding Program

This program supports local community and sporting groups. In September, Kalamunda Inc. was selected to receive the \$5,000 grant which entitled them to work with a consultant to develop a Strategic Plan for their club.

##### Kala Sports Star Program

The award night celebrated the successful applicants of the program congratulating local young athletes on the success of their elite sports pursuits. Special guest Tyler Lovell, Hockey Australia Kookaburras Goalkeeper, presented on the evening.

##### KidSport

The City was successful again in obtaining KidSport Funding from the Department of Sport and Recreation for the 2017/2018 financial year. The grant funding amount provided a much-needed benefit to clubs and local families by enabling children to participate in team sport on a regular basis.

##### Have A Go Hartfield

The City of Kalamunda hosted the 'Have A Go Hartfield' Community event at Hartfield Park Recreation Centre with an estimated 800 community members attending. With over 25 different free activities for families to try, the Recreation Centre was truly buzzing as people of every age and ability took part. There were cultural walks with Elder Neville Collard, come and try music and sport activities, a pop up play area, library rhyme and story times, intergenerational arts and crafts, a silent disco and many other free activities. The event also featured the launch of the City's partnership with Act Belong Commit. The event truly embraced the City's vision of Connected Communities by providing a taste of what Forrestfield offers to the surrounding suburbs. It is hoped those who attended will

follow up with their "taster" session and connect with a local community group, sporting club or hobby.



##### Strategic Sport and Recreation Committee

The Strategic Sport and Recreation Committee (SSRC) is a new committee of Council which was created around the principals of Participatory Budgeting, which is a process of democratic deliberation and decision-making mechanism by which the community determines spending priorities, investment and budget allocation decisions within the City's sport and recreation program.



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

#### Kalamunda Performing Arts Centre

The Kalamunda Performing Arts Centre continues to be one of the premier attractions for locals and visitors, offering a diverse range of exciting and engaging performances throughout the year.

The Centre is utilised by local community groups, artists, youth, seniors, schools and businesses with its ever-popular attractive facade, coupled with an amazing array of spaces for activation. These events range from one to ten days at a time, offering a very diverse programme for both the local community and visitors.

In 2017/2018 Kalamunda Performing Arts Centre were pleased to secure a variety of local and interstate headline acts for their ever popular evening programme with highlights including:

- Comedy Gold – the best of Adelaide Fringe Festival
- A Night of Respect and Wonder
- David Hyams and the Miles to Go Band
- Menopause the Musical – Women on Fire!
- Grigoryian Brothers – award-winning classical guitarists
- Eleanor's Story – an American girl in Hitler's Germany
- Johnny Cash – Prison Songs
- James Blundell
- A Fine Romance – the Magic of Fred Astaire
- Pearl – the Janis Joplin Story

The Morning Music programme, which runs on the first Wednesday of the month continues to be a major draw card for the City. The Performing Arts Centre delivered eleven performances throughout the year attended by 1,488 people. The successful format of a social morning tea, followed by a concert continues to get great reviews and toe tapping from the regular local and visiting patrons.

#### Zig Zag Cultural Centre

##### Perth Hills Visitor Centre

The Zig Zag Cultural Centre, incorporating the Perth Hills Visitor Centre and Zig Zag Gallery, welcomed 46,823 visitors during the financial year 2017/2018, an increase of 2,625 visitors.

The Visitor Centre continues to provide excellent visitor servicing complemented by a stunning array of local and regional products and giftware. The gift shop generated an \$128 000 in merchandise sales for the year which represented significant growth.

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

##### Kalamunda History Village

The Kalamunda History Village is a unique and popular tourist and education attraction to locals,

visitors and school groups. The Village attracted over 14,000 visitors in 2017/2018, a 14% increase. The education programme for the year was fully booked without any advertising a testament to the regard the educational program is held. Demand now exceeds the number of available days, with the History Village being the number one "thing" to do on TripAdvisor in Kalamunda.



Throughout the school holidays bespoke education programmes have run and been exceptionally well received. Similarly, the opening of the History Village on a Thursday has allowed for special interest groups including special needs, seniors groups and childcare groups to immerse themselves in the Village. This saw 1,209 visitors over the year on a Thursday afternoon.

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



## Priority 2: Kalamunda Clean and Green

### 2.1 To protect and enhance the environmental values of the City

With more than 200 local natural areas, the City's reserve management programs are supported by our local community and volunteers. Through the provision of materials, education and training we can increase our capacity to enhance our bushland reserves and waterways. Through increased knowledge of the local environment our community and volunteers can contribute to our efforts to conserve and enhance local biodiversity.

#### Friends of Group Program

The City's Friends of Group program supports passionate community members to work within their communities and lead volunteer activities. They are our "eyes in the bush" reporting threats to our bushland through regular surveillance and monitoring. In 2017/2018 the City supported 20 active Friends of Groups with seven specific activities targeted at revegetation, health and safety, weed control and coordinating skills sharing and action planning. It is estimated this volunteering contribution of 584 hours resulted in 2,500 plants installed.



*Friends of Hedley Jorgenson Park planting day 2018*

#### Start of the City's first Local Environment Strategy

A significant engagement program was launched in the first half of 2018 to capture community and key stakeholder views on what they value in the local environment and where the City should direct efforts. These inform the City's Local Environmental Strategy to be completed in the 2018/2019 year.

#### Community environmental education events and training

To improve knowledge and capacity to manage our local natural areas, the City ran several education events for our Friends of Groups, volunteers and residents. A range of activities delivered with assistance from a number of industry partners assisted with identifying important habitats and methods of protection, delivered through 12 community events and workshops engaging 180 participants:

- Three Bird identification workshops - to learn about ducks, birds of prey, honeyeaters, insect eaters and other common bird species found in our area.
- Biodiversity in City of Kalamunda Workshop
- Bird watching tours over 3 days.
- Three nature walks
- Birds in Backyards training and Citizen Science data collection.
- Eagle Extravaganza
- School and other youth based activities
- Fourteen Wildlife experiences with Kanyana Wildlife Rehabilitation Centre
- Corymbia festival information and nature play

Our children and youth are supported by the City to become citizen scientists and Friends volunteers of the future. Whether they stay in the City of Kalamunda or choose to reside elsewhere, our local youth are supported by the City to become active participants in local environmental activities. The *Railway Heritage Trail Education Support Project* in partnership with Kalamunda Senior High School Education Support, engaged 28 students to achieve their Duke of Edinburgh Bronze Award for completing a variety of environmental conservation tasks such including planting, weeding, rubbish collection and tracking native animals.



*Students from Kalamunda Senior High School - Education Support learn from Kanyana*

### **Plants to Residents**

The annual Plants for Residents program grows each year as people become more aware of the benefits of water wise and local plants for biodiversity. This year the event was held at Forrestfield Hall and Gooseberry Hill Hall with a total of 14,000 plants given to residents for their gardens. The focus this year was on local plants to link backyards with nearby natural areas, habitat and food sources for our wildlife, great looking plants for any style of garden, plus 3,000 vegetable seedlings to promote healthy lifestyles. In 2018 we celebrated 20 years of this popular program which has given more than 176,000 plants to residents.



*Selecting the right plant - Plants for Residents*

### **Eagle Extravaganza**

More than 150 families joined Simon Cherriman, Yvonne and "Micro" the eagle and Dr Noel Nannup for an interesting and engaging night learning about Wedge-tailed Eagle ecology. Attendees could hold "Micro" and heard from Yvonne about the work the WA Bird of Prey Club do in the community.

Dr Noel Nannup treated the audience to a fabulous Welcome to Country explaining the importance of people's connection to country and the role we can all play in keeping country healthy. Simon explained the life of Wedge-tailed Eagles using the Noongar seasons as a reference point. Simon also spoke about the wide-ranging movements of young Wedge-tailed Eagles when they leave their nests, which he is investigating as his PhD topic.



*Building a nest at the Eagle Extravaganza*

The City of Kalamunda supported research through a crowd-funded campaign to fund GPS transmitters being fitted to birds from the Perth Hills and Matru Country in WA's interior.

### **Our strategic environmental partnerships**

To value add to the City's budget and increase the capacity to deliver events to the community the City engaged with key regional partners, to deliver environmental objectives. The City collaborated with the Eastern Metropolitan Regional Council (EMRC) to deliver the Eastern Region Catchment Management Plan. This is a partnership between the EMRC, member Councils and the Perth Natural Resource management (Perth NRM).

The program coordinates management on lands not managed by the City, including assistance to catchment management groups at Piesse Brook, Lesmurdie Falls and Lower Helena. As part of this regional program, the City focuses on managing the Lower Lesmurdie Falls rehabilitation project and working with private landowners to manage environmental weeds.

- Bush Skills for Hills is an environmental skills program in partnership with EMRC and other local governments for a range of community education events across the member councils. In 2017/2018 Kalamunda facilitated two workshops for Green Card certification and a restoration for reptiles workshop.
- The EMRC supported a Bush Skills for Youth program, with State NRM Community Capacity funding, to engage with schools over 17



workshops with 423 youth and 119 adults.

- The City hosted Perth NRM to run a seed collection workshop at Lesmurdie Hall for regional community members and staff.
- The City also partnered with Birdlife Australia to provide several community information sessions.

While the City utilised the volunteer workforce Green Army Program for bushland reserve works in the second half of 2017, the City provided cultural awareness training for them in

collaboration with the Department for Biodiversity, Conservation and Attractions' (DBCA) Nearer to Nature Program. The last Green Army program for the City planted 100 trees, collected 144 bags rubbish, 120 bags of weeds and implemented 50 meters of erosion control works in Poison Gully West and the Railway Heritage Trail.

The City provides operational support through adjoining land management programs, by coordinating activities and sharing promotions, providing advice, directing interested community members and sharing information.

### **Grants and Environmental projects**

External funding assists the City to deliver key environmental programs and projects. Several grants were finalised and joint applications were prepared for a range of funding opportunities. In the 2017/2018 year the City was successful in gaining a \$16,000 Swan and Alcoa Landcare program (SALP) grant for Hedley Jorgensen Park invasive weed and erosion control and bushland restoration for Black Cockatoo foraging habitat.

### **Key environmental projects**

More than 11 operational erosion control projects were identified and resolved through collaborative processes, with DWER Beds and Banks permits and implemented by the City. The community driven Forrestfield Woodlupine Brook erosion control project between Strelitzia Way and Dawson Avenue came into focus for planning and design. The Woodlupine Brook section west of Dawson Avenue was carefully treated with rock armouring, two riffle structures and soft landscaping and planting.

### **Environmental Pests and weeds**

Weed control in road, park, drainage facility and natural areas continued to be a key focus in two main campaigns after winter rains and in spring. An integrated program targeted typical annual weeds and specific persistent weeds such as Caltrop, Tambooki Grass, non-native wattles, Patterson's Curse and Japanese Pepper. Rural verges were also treated to reduce fire fuel loads from dry grasses and woody weeds. In addition, 16 priority natural reserve areas targeted a total 16 hectares for chemical weed control.

The City maintains a register for Patterson's Curse and Caltrop to assist with annual control programs. Caltrop is a weed on the increase in the City and is rapidly spread long distances on the tyres of vehicles. In an effort to control infestations in Wattle Grove, High Wycombe and Forrestfield the City provided information to residents through our website and social media platforms. In addition, 500 brochures were printed and distributed in areas where the weed was most prevalent.

The Department of Fisheries spent six days removing feral catfish from

Lake Nimbin at Ledger Road Reserve. It is believed all catfish were removed from the waterbody.

Red foxes have played a major role in the decline of our native animals. The City and land owners are required to reduce the impact of foxes and our annual fox trapping program saw 5 reserves set with of soft jawed leghold traps, over 12 nights with four foxes caught.

Dieback is a serious threat to a specific range of flora throughout the City of Kalamunda. This year the City undertook the treatment in Fleming Reserve, Norwood Reserve and Grove Road Reserve. The treatment consisted of the application of phosphite through stem injection and application to the leaves of infected susceptible plants. Other activities include the replacement and maintenance of signage and boot cleaning stations and the *Phytopfighter* station at Jorgenson Park.

## 2.2 To achieve environmental sustainability through effective natural resource management

The City has demonstrated significant commitment to protecting threatened species and ecological communities through the District Structure Plan outcomes for Forreestfield North urban development. This project aims to ensure protection of the Wavy Leaf Smokebush and Black Cockatoo habitat, while providing for high quality urban amenity functionality.

All lot development and City project proposals are considered for protection of biodiversity and vegetation of significance. Where any vegetation is removed, the City seeks to off-set this loss with like for like replacement and improved restoration outcomes.

The City has embedded activities and programs to mitigate and adapt to climate change, particularly in regard to efficient use of resources. Some of the achievements for 2017/2018 were:

- Retrofit of buildings with solar panels to reduce use of carbon emitting energy sources
- Upgrading and using energy efficient appliances and fittings
- Installation of water efficient fittings
- Use of water monitoring and saving technologies and upgrading irrigation systems to reduce water use on reserves
- Implementing hydrozoning projects to parks and streetscapes by removing irrigation and installing mulch and water wise plantings
- Implementing fertigation systems to optimise nutrients to plants and minimise water use
- Planting of streets and reserves with shade trees to cool the urban environment
- Upgrading and installing a connected pathway system for passive transport

### Environmental Audits

Environmental audits are undertaken for:

- Contaminated sites to prevent environmental pollution and exposure to humans

- Pest and weed monitoring and controls
- Ground water use and quality testing in compliance with licenced allocations
- Water quality testing and monitoring twice per year in all water bodies and streams

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

### Water management and reserve irrigation

Along with maintaining all ground water licences and reporting on compliance with water allocations, the City continually investigates and develops opportunities to improve water use efficiencies. Irrigation system renewals and maintenance improvements address reductions in existing irrigation demands and new parks and streetscapes are to use low or no water demand landscaping. The City identified the specific need for dedicated resources to develop innovative approaches to water sources for park irrigation.

In 2017/2018 the City achieved:

- Groundwater use 223,000 kilolitres under the City's allocation.
- Scott Reserve stage one infield pipework delivery system for the main cricket oval and hydrozoned surrounds for optimum water efficiencies
- Irrigation fertiliser injection system installed at Scott Reserve to accurately apply wetting agents and soluble nutrients
- Controller upgrades and remote access to 25 sites including the Administration Centre gardens, Kalamunda Water Park and Crystal Brook Reserve
- Aerator and floatation upgrade at Juniper Reserve
- Annual programmed bore and pump testing and servicing to pinpoint bore capability and water quality to inform forward planning for servicing, replacement, repair and accurate nutrient selection for fertiliser programmes

- Successful second trial of the managed aquifer recharge (MAR) at Hartfield Park, with 20 million litres harvested and a new injection controller installed giving smoother more controlled rates of injection. The filtration system worked well with no signs of screen clogging and the extraction well was upgraded for a more issue free operation.



*Scott Reserve cricket ground irrigation replacement at minimum inconvenience to the grounds use.*



*Hartfield MAR extraction well.*

### Streetscape improvements

The street tree planting in Wattle Grove was continued in 2017/2018 with planting of more than 200 trees in Sheffield and St John Roads, along with Hardey Road East and Arthur Roads. This resulted in a significant improvement in these streets and a positive response from residents.

The City reviewed streetscape proposals as part of The Hales development and a few small lot developments in Forrestfield, High Wycombe and Wattle Grove. Residential road improvements are largely an outcome of local traffic treatments that include pavement and landscape upgrades and from annual verge tree planting programs.

### **Kalamunda Town Centre Recycling Stations**

The City completed Stage 1 of its planned up-grade and introduction of recycling bin amenities in the Kalamunda Town Centre. Stage 1 identified priority sites, made up of twelve bin stations, each including one general waste and one recycling bin and surround. In addition, two recycling bins and surrounds were retrofitted to existing general waste bins and surrounds at the Northern Bibbulmun Track Terminus.

Stage 2 will consist of an additional eighteen bins and surrounds, comprising of nine recycling and general waste stations. At completion of the project the City will have installed a total of twenty recycling and general waste bin stations. The aim of the bin surrounds is to now provide recycling options for residents and visitors within our central hub, highlighting the importance of recycling and increasing the amount of reuse and recycling of waste.



### **Walliston Transfer Station**

During 2017/2018 – Almost 70,000 visitors entered and utilised the Walliston Transfer Station with the highest daily number of entries being 593 equating to 80 vehicles per hour.

A snapshot of a 4-week period over October/November 2017 saw 3,641 people enter in that 4-week period with some 147 persons entering more than four times in the 4-week period with the highest number of entries by a single person being 19 just in that 4-week period.



With the Transfer Station having an annual budget of over \$4 million, each entry equates to \$187 per household or \$61 per entry. City of Kalamunda residents enjoyed free unlimited access, however with the increasing cost of Landfill, significantly increasing volumes of waste received (i.e.; building rubble over 5000 tonnes at \$95 per tonne almost \$500k) and non-Kalamunda residents illegitimately trying to use the facility the City has reviewed operations to limit the increasing cost to ratepayers and introduced new entry requirements.

### **Waste to Energy**

As a member of the EMRC the City committed to the Resource Recovery Facility project. The EMRC entered into a Waste Supply Agreement with the Hitachi Zosen Inova (HZI) consortium and a Participants Agreement with the Cities of Belmont, Kalamunda, Swan and the Shire of Mundaring.

The agreements will see 95,000 tonnes of the Regions residual waste diverted from landfill to the East Rockingham Resource Recovery Facility from early 2021 and represents a major step forward by the City as part of the EMRC into the future of waste management.

The East Rockingham Resource Recovery Facility is Australia's first utility scale municipal solid waste to energy facility that will use state of the art technology recognised as 'world's best practice' for producing saleable energy from waste that would otherwise go to landfill.

The facility will have the capacity to convert 330,000 tonnes of waste per year into clean renewable energy, producing 28 megawatts (MW) of baseload energy which is enough to power 36,000 homes.

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

Alan Anderson Reserve, Walliston heavy compaction as part of restorations work.





## Priority 3: Kalamunda Develops

### 3.1 To plan for sustainable population growth

#### Significant Developments

The City has an efficient process for managing regular subdivisions and development applications, however the larger and more significant developments can require a greater level of organisation to ensure the City can respond to developer needs while also managing and ensuring compliance on behalf of the community. The following developments have required a greater level of internal project management and improved procedures:

- The Roe Highway Industrial Park (also known as the Maddington Kenwick Strategic Employment Area (MKSEA)),
- The Forrestfield Airport Link, and
- The Hales Estate subdivision designs and POS.

The Roe Highway Industrial Park commenced earthworks in April 2018, with the City having assessed a Local Water Management Strategy, Environmental Impacts, and the subdivision proposal associated with the overall development. In 2018 the developer released designs for the connection of the new Grove Road on the Welshpool Road East and Hale Road intersection. The assessment for these designs included consideration of movement diagrams the future Restricted Access Vehicle (RAV) network, and the integration of the developer's works with the City's plans to upgrade Hale Road (under the Cell 9 development scheme funds).

The Forrestfield Airport Link project, managed by the Public Transport Authority (PTA) and delivered by the contractor Salini Impregilo NRW Joint Venture (SINRW), has been delivered through a series of development applications. The City has been managing various aspects of these developments including:

- Assisting to resolve community concerns such as dust and vibrations from the works,
- Checking the work associated with the Dundas Road realignment,
- Assessing road and carpark designs, with the roads ultimately to become City managed roads, and including 119 detailed design drawings,
- Setting up conditions for the haulage of tunnel spoil materials from the developer's Milner Road site to a temporary storage site on Abernethy Road, and
- Assessing and responding to a wide range of conditions of development.

The Hales Estate subdivision is being delivered by Satterley, and during 2017/2018 an attractive new playground was completed on the west side of Crumpet Creek, off Gala Way. The developer has progressed rapidly with work on the Hawtin Road side of the subdivision. As each stage is designed, the City assesses the designs for general compliance with standards and to ensure the future infrastructure needs of the community are being provided. The developer also creates new areas of Public Open Space (POS) as part

of the subdivision process. In this respect the City seeks to receive parks that have low cost maintenance needs, which requires compromise with the developer as they are seeking a high quality presentation for their land sales.

All development in the City of Kalamunda is assessed against the

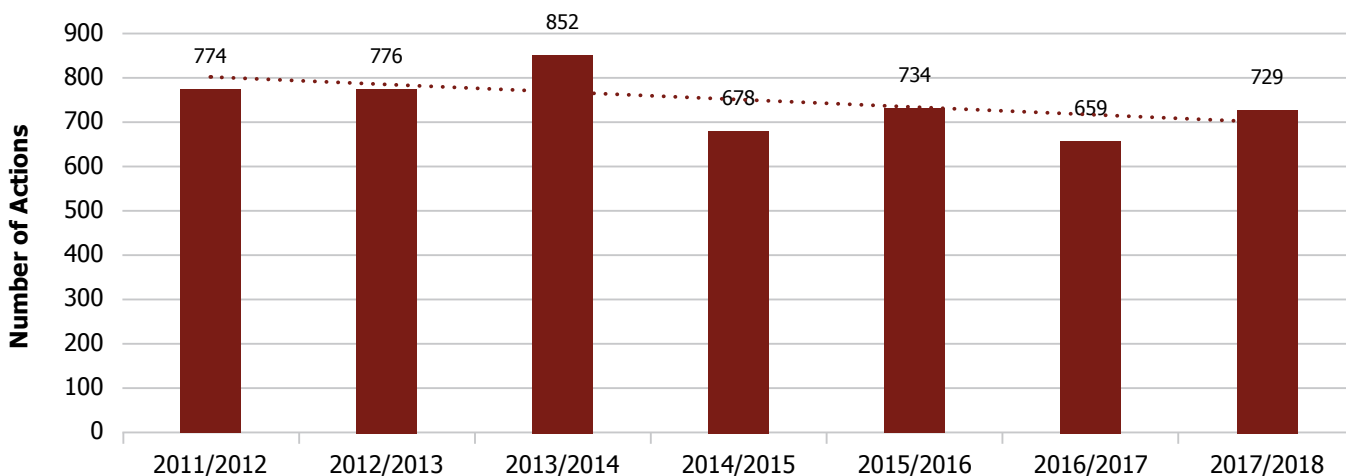
provisions of Local Planning Scheme No.3, adopted policies and other relevant State legislation including the *Planning and Development Act 2005*, and the *Planning and Development (Local Planning Schemes) Regulations 2015*. Land use compliance is undertaken in accordance with the City's legislative and policy obligations resulting in negotiated outcomes or

the issuing of directions and penalties where appropriate.

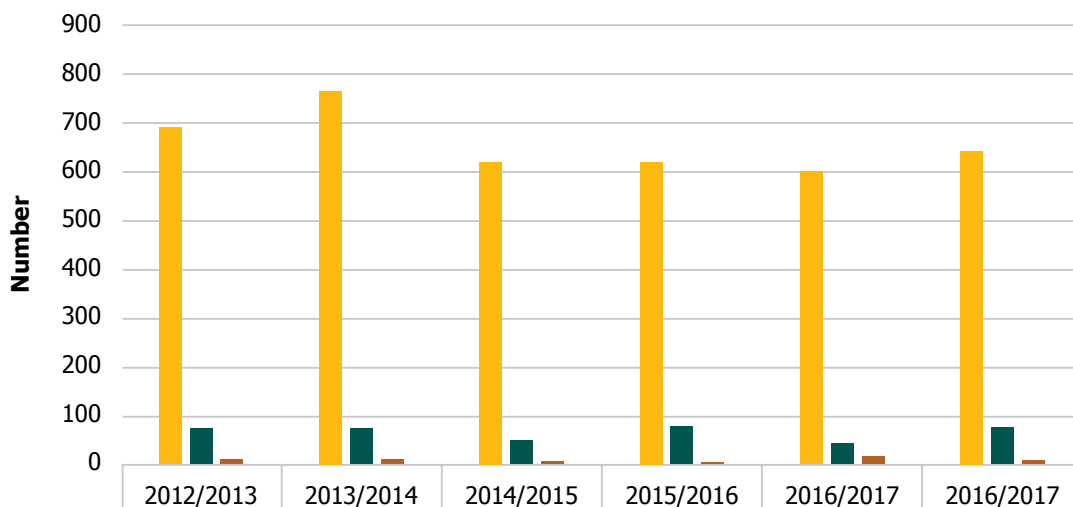
### Planning statistics

In 2017/2018 a total of 729 planning applications were received and processed, representing a 10% increase in the number of planning applications when compared with the 2016/2017 financial year.

## Total Planning Applications Received - Financial Years 2011/2012 - 2017/2018



## Statutory Planning Assessments - Financial Years 2012/2013 - 2017/2018



	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2016/2017
Development Applications	691	765	621	617	600	643
Subdivision Referrals	76	76	51	79	44	78
Scheme Amendments Initiated	9	11	6	4	15	8

The City saw an 10% increase in the total number of planning applications received. The increase was due principally to an increase in the number of development applications (7%) and subdivision referrals (44%) particularly in the suburbs of Forrestfield, High Wycombe and Wattle Grove.

It is anticipated development applications and subdivision referrals received will continue to increase due principally to the development of the Satterley's "The Hales" residential estate with the total lot yield for the estate being between 440 and 460, and infill development associated with the City's Dual Density Scheme amendment which was adopted by the Minister for Planning, Lands and Heritage. Development of the Forrestfield Industrial Area Stage 1 continues to yield high quality freight and logistics industrial development due primarily to its strategic location with respect to road, rail and air transport.

During the 2017/2018 financial year the City has been involved in seven appeals lodged with the State Administrative Tribunal and three Joint Development Assessment applications. As the City continues

to grow and the complexity and significance of planning applications increases, it is anticipated the City will continue to receive an increasing number of SAT reviews and JDAP applications.

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 2017/2018 period, the following Planning Policies were adopted by Council:

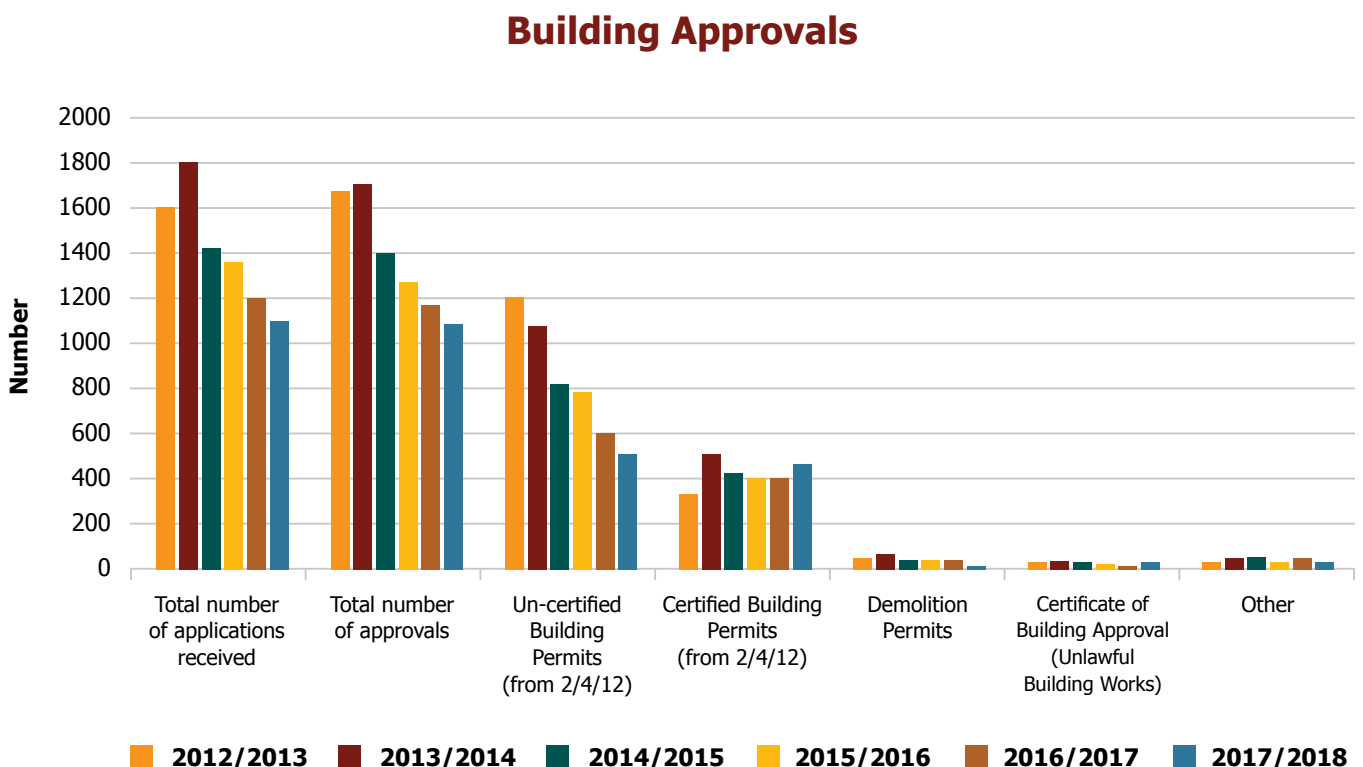
- Local Planning Policy P-DEV 45 – Public Notification of Planning Proposals
- Local Planning Policy P-DEV 64 – Dual Density Guidelines
- Local Planning Policy P-DEV 55 – Places of Worship
- Local Planning Policy P-DEV 56 – Family Day Care and Child Care Premises
- Local Planning Policy P-DEV 60 – Design Advisory Committees
- Local Planning Policy P-DEV 61 – Retention and Upgrade of Grouped Dwellings
- Local Planning Policy P-DEV 20 – Outbuildings and Sea Containers

The City commenced operation of its Design Advisory Committee. The Committee comprises eminent architects and urban designers whose purpose is to provide an independent critique of development design in the City. The City is increasingly required to consider complex and significant planning proposals with multiple major design considerations. The operation of the Committee will allow additional independent review of the design aspects of the proposals and will be valuable to the successful delivery of a range of commercial, industrial and residential developments with the City. Since the Committees inception, the Committee has met on six occasions.

Online Planning Application tracking portal has been introduced and is available through the City's website. The portal enables applicants to track the progress of their planning application through its various stages of assessment without the need to contact the City's administration.

### Building Approvals

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



In 2017/2018 there was almost a 7.0% decrease in the number of building applications the City received.

A total of 1,098 permits were issued with a total building value of \$97,728,561. The average value per building permit was \$91,506. The relatively low average value is due to a large number of minor structures such as patios and sheds.

A total of 176 new residences were approved which is 26% less than the previous year. This in part could be attributed to the decrease

in subdivisions being developed during the year with the exception of the "Hales" Residential Estate in Forrestfield.

The City issued 35 Demolition permits for the period.

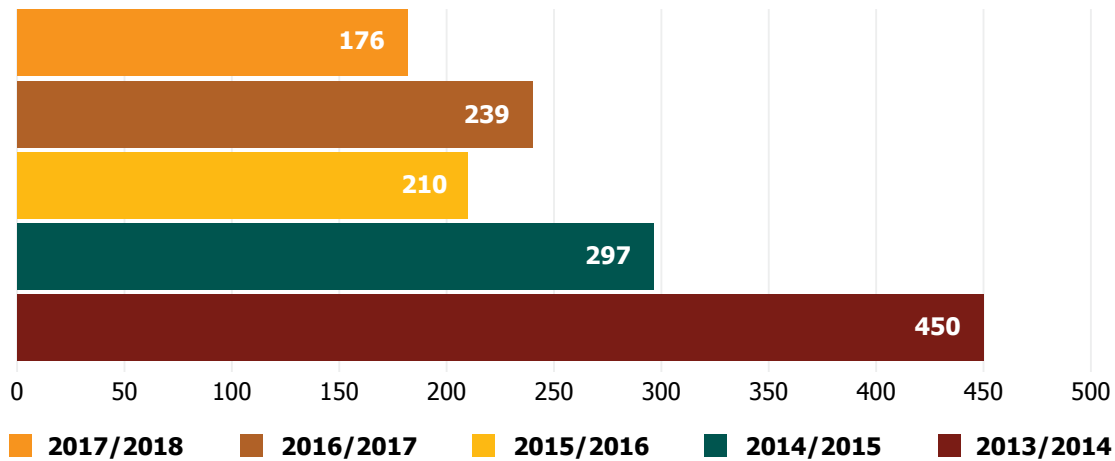
Statute requires a local authority approves applications for Certified and Demolition Permits within 10 working days, and Uncertified applications within 25 working days. Failure to comply with these times requires the local authority to refund the application fees.

Average approval times:

- Certified Applications – 6 days
- Demolition Permits – 6 days
- Uncertified Applications – 8 days

The foothills suburb of Forrestfield proved the most popular suburb for new residential development with 84 new residences which included the 2018 Telethon Home, 25 were approved in High Wycombe, and 21 in Wattle Grove. In the hills suburbs, Kalamunda showed the highest level of growth with 11 new dwellings, and 10 in Lesmurdie.

## Number of Residences Approved



### Building Compliance

The number of unlawful building works being brought to the City's attention increased to 55 (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.

While application may be made for retrospective approval for unlawful works, the City can still prosecute in relation to these works, currently the penalty for a first offence is \$50,000.

Three issues which resulted in prosecutions through the Courts due to the severity of the cases have recently be dealt with by the City. The prosecutions were in relation to unauthorised building and demolition works.

### Private Swimming Pools and Spas

The City has 5,733 registered private swimming pools and spas, 38 of which are currently under construction. The State Government legislates all private swimming pools and spas within the local government's boundaries must be inspected at least once every

four years. The City has a full-time Swimming Pool Fencing Compliance Officer who can inspect on average 17 properties per day.

While most private swimming pools and spas and community pools comply with the legislation, it is being found that a few properties still have non-compliant security fencing or have allowed their fencing to deteriorate to the point of non-compliance. Statistically only 33% of pools were found to have compliant barrier fences on the first inspection. The City is currently working through the level of non-compliance with landowners.

## 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, 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, planning consultant Element (previously TPG + Place Match) were awarded the contract for the preparation of Local Structure Plans (LSPs) for Forrestfield North. Element are joined by a project team of consultants specialising in a range of disciplines from community infrastructure through to drainage, traffic and transport.

In 2017, preliminary consultation with landowners and the broader community was undertaken. The draft LSP for the Residential Precinct was progressed through out 2017 and early 2018. The draft Residential Precinct LSP was presented to the Council in April 2018 and was adopted for the purpose of public advertising. The draft Residential Precinct LSP was advertised from 8 May 2018 until 2 July 2018.

Since the advertising period closed, the City has been continuing to work

with Element, the consultant team and relevant State Government agencies on finalising the LSP and supporting technical documents with a view of taking the draft LSP back to Council for consideration of submissions and potential modifications. The project team has been working through the various issues and concerns raised from submissions, surveys and the workshops. The project team are considering changes to the LSP based on feedback from the community, State Government agencies and service providers and stakeholders where deemed appropriate. The City will present the draft LSP to the Council in December 2018 for the purposes of considering submissions/modifications and forwarding the LSP to the Western Australian Planning Commission (WAPC) for final approval.

The LSP for the Transit Oriented Development (TOD) precinct is still in the process of development. Although the car parking arrangement was recently announced by the State Government with a focus on a multi-storey arrangement, significant technical inputs such as access and egress, drainage and services are still to be progressed with the State Government. Details of these inputs are required to enable the draft LSP for the TOD precinct to be developed.

The City will ensure there are regular updates as more information on the timeframes for the release of the draft LSP for the TOD precinct as this information becomes available. Landowners within the TOD precinct will be contacted directly with updates. The TOD Precinct LSP is envisaged to be prepared over the next 12 months.

## Housing Strategy

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 to prevent further sprawl in favour of more efficient infill developments.

The City's current Local Housing Strategy was approved in 2014. This document 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 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 and has progressed the development of the Draft Dual Density Design Guidelines as a Local Planning Policy (LPP) which accompanies the requirements for development under the Dual Density Codes adopted under Scheme Amendment 82. The Amendment was adopted by the WAPC in early 2018 and has been implemented by the City throughout the 2017/18 financial year.

The City is currently in the process of reviewing the Local Housing Strategy and will be undertaking community consultation on the future direction of housing throughout the City in early 2019.



### 3.2 To connect community to quality amenities

#### Asset Management Plans

The City is making good progress with the collection of information, analysis and presentation of Asset Management Plans. During 2017/2018 the City completed the Parks Asset Management Plan (accepted by Council in August 2017) and the

Drainage Asset Management Plan (subsequently accepted by Council in July 2018). The plans each include forecast funding needs, consultation, and improvement plans. Forecast funding needs are subsequently entered into the Long Term Financial Plan to ensure the City's long term funding needs can be met.

The following figure shows the condition profile of parks assets.

A condition rating of '1' means the asset is new or near new, while a condition rating of '5' means the asset is very poor and in need of replacement.

The Very Poor condition assets represented by the following chart have been listed for renewal in the following years' capital works programs.

### Condition Profile

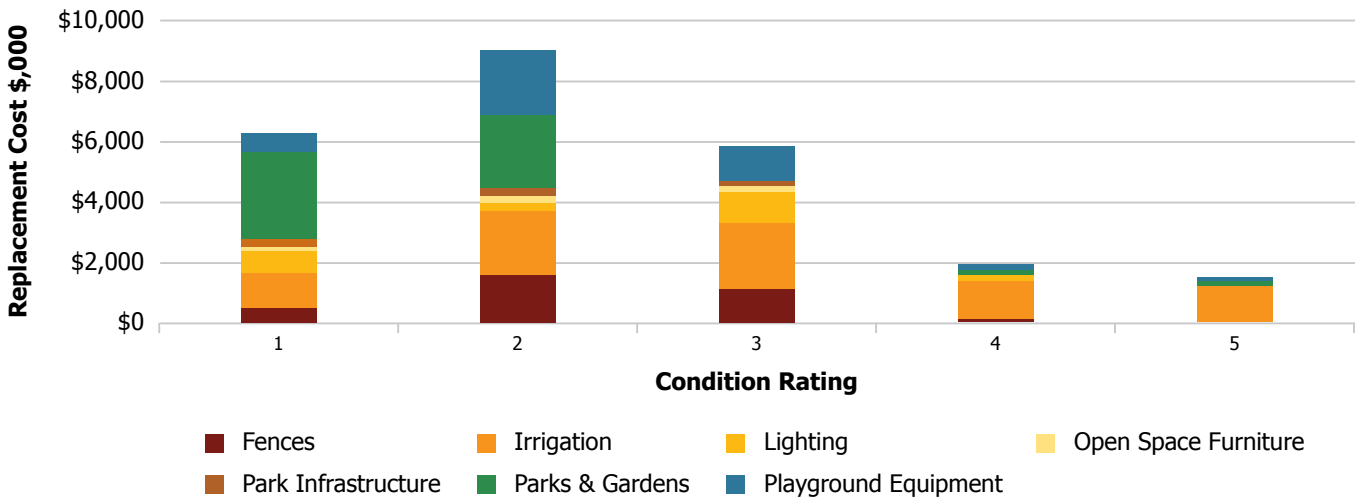


Figure 2 – Condition of Parks

During 2017/2018 the following activities were undertaken to improve the City's management of assets:

- Consultation with the Community on Levels of Service provided by roads, drainage and pathways assets (accepted by Council in June 2018),
- Data collection and validation for the drainage, roads and buildings asset management plans,
- A technical survey of road condition to inform the Roads Asset Management Plan,
- Infrastructure asset valuations

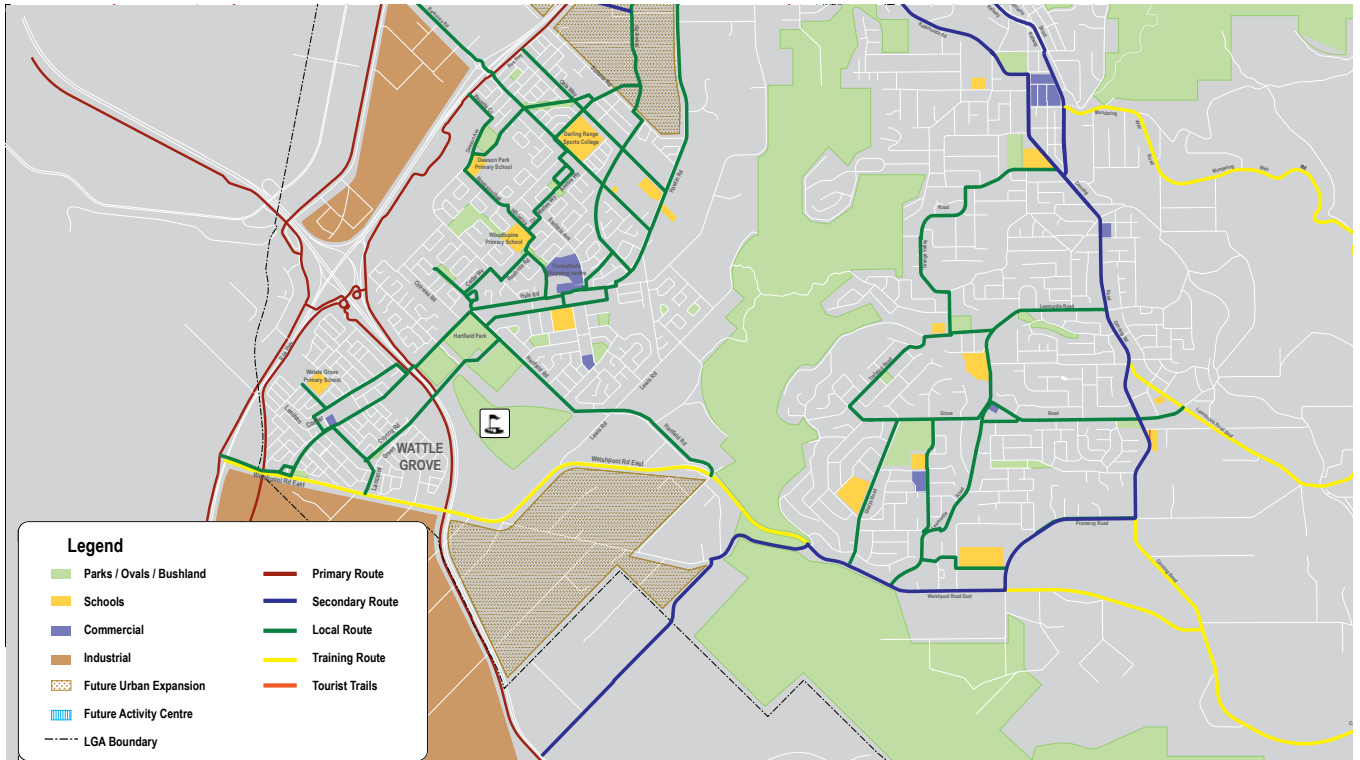
completed by an independent valuer, which included roads, drainage and pathways,

- Preparation of a Treatment Selection Matrix, whereby technical information on road condition and traffic volumes can be used to determine the optimum road rehabilitation treatment in terms of service and cost.

During 2018/2019 the City will be continuing to work and complete asset management plans for Roads and Buildings. This will complete the plans for major infrastructure

asset classes, allowing the City to proceed to prepare a Strategic Asset Management Plan in 2019/2020.

As an informing strategy for new infrastructure, the City also completed the Bicycle Plan 2017. An ambitious plan, the Bicycle Plan identified 107 projects valued at \$49.4 million, to be delivered over more than 20 years. The plan was adopted by Council in June 2018 and projects are being designed and delivered in the 2018/2019 financial year and onwards.



**Figure 3 – Plan highlight of the City of Kalamunda Ultimate Cycling Network**

In 2017/2018 the City also began a program to improve maintenance and assess potential upgrades for streetscapes.

**Maintaining our recreation and sport spaces**

Sports grounds and fine turf playing surfaces are managed for the control of a range of annual weeds, particularly broadleaf weeds, and for diseases affecting the turf cover, such as Sting Nematode and fungal infestations. Significant effort was invested in maintaining a healthy grass surface that can resist disease and weed infestation under normal wear and tear.

**Kostera Oval Redevelopment aka Kalamunda Sporting Precinct (KOSP)**

**Oval Redevelopment**

Redevelopment was initiated to create a multi-functional facility for the benefit of all users including the Kalamunda & Districts Junior Football Club, Kalamunda Cricket Club, the Kalamunda Senior High School and other community users.

Redevelopment of the oval is completed and is being fully utilised.

The last stage of the current redevelopment plan is to upgrade the lighting for the main oval and other sports fields.



**Design of Sports Lighting**

Redevelopment was initiated to create a multi-functional facility for the Electrical designs were finalised to allow the City to progress an application to Western Power to upgrade site power supply and install a sub-station/transformer on site along McRae Road.

**Site Main Switchboard**

Onsite, preliminary works required the supply and installation of a new Site Main Switchboard (SMSB) with trenching works to accommodate existing irrigation controls as well as

to be future proofed and ready for the full-scale implementation of the pending lighting project.



**New SMSB and Western Power Transformer**

An important conclusion to the planned re-development of the site will be the works to supply, install, commission and warrant new lighting towers and lights in accordance with the City’s specification and design.

**Ray Owen Recreation Reserve - power supply upgrade with Western Power - new substation**

The installation of the new Western Power Sub-station was completed.

This major infrastructure supply upgrade has significantly increase the electrical supply capacity and has set the whole site up for the delivery of staged upgrades as identified within the Ray Owen Master Plan.

**Pickering Brook Sports Club - Roof Renewal**

The roof replacement was undertaken due to the poor condition of the existing roof being at the end of its useful life.

Works undertaken included replacement of the front entry portico, verandah area overlooking oval, service area side entrance and outside toilet access entry areas. Also installed was a safe roof access and walkway system to keep foot traffic by tradesmen and contractors confined to protected areas to reduce likelihood of incidental damage to the roof sheeting as well as providing safer access to the roof.



After



Main Verandah Area - Before



Main Verandah Area - After

**Bridge Works**

Bridges upgraded during 2016/2017

**4121 - Barbigal Place, Lesmurdie - Pedestrian Bridge Renewal**



Before



Removal from site



After

**4127 - Nangana Way, Pedestrian Bridge replacement and Pathway connections**



Before



After

Significant improvements to the pathway and bridge connecting Nangana Way and Taylor Road took place over the financial year, making the pedestrian access and bridge more user friendly and safer. The engineered bridge is above average high-water levels.



New Stairs from top of Nangana New Steps and Handrailing at bottom of Nangana

**4122 - Woodlupine Brook, Forrestfield Pedestrian Bridge Renewal**



Re-decking and painting of the existing bridge

**Lesmurdie Tennis Club – Refurbishment**

The City worked with the Lesmurdie Tennis Club to achieve successful outcomes. The project involved a complete strip out of the old bathroom and complete interior replacement inclusive of all fixtures.

Features of the upgrades include: Complete tiling including floor to ceiling wall tiles, new toilet and shower partition systems, installation of ambulant compliant compartments, corner vanities and large corner mirrors.



*Before*



*After*

**Range View – Tennis Courts Resurfacing**

Range View Tennis Club were excited with the outcome of with the resurfacing works and new fencing. The City worked with the Club to achieve successful delivery of the key objectives identified in the Club submission to the City. The project involved new flush kerbing under external fence lines, installation of top and bottom rails to all fencing where required with some new fencing in sections.

The resurfacing was 50% Club funded and 50% "Stronger Communities" Grant funded works.



*Before*



*Fencing and Flush Kerbing during*



*After*

**Kalamunda Agricultural Hall Air Conditioners**

New airconditioners units were installed at the historic Kalamunda Agricultural Hall. The new units updated the existing airconditioning from evaporative units to ducted reverse cycle package units.

These new airconditioners offer the benefit of year round heating and cooling to the main hall area to improve user comfort in the building.



*New Air conditioner units to the Kalamunda Agricultural Hall*

**Roads**

**Wandoo Road, Road and Drainage upgrade**

**Wandoo Rd, Forrestfield** civil works included three traffic calming treatments, as well as upgrade of the open drain to a piped stormwater system, on the east section of Wandoo Road.



*Drainage works in progress*

**Wittenoom Road, High Wycombe**

civil works is part of the 2017/2018 Capital Works, which includes four traffic calming treatments, as well as three intersections.



*Civil works*



*Completed civil works*

**Grogan Road and Abernethy Road, Forrestfield** Intersection upgrade civil works consisted of lane widening on both sides of Grogan Road to cater for the installation of deflection island and the relocation and extension of the centre island, to allow for a lefthand slip lane onto Abernethy Road and a right turn only. This project is a Roads to Recovery funded project.



Civil works consist of boxing out for widening and installing new base coarse

**Sampson Road, Kalamunda** pavement upgrade works is part of the 2017/2018 Capital Works and Roads to Recovery funded. Works consists minor kerb, path and road repairs then profiling existing surface and then installing two layers of asphalt.

**Virgilia Way, Forrestfield** pavement upgrade works was Roads to Recovery funded.



Profiled area with section with 25mm SMA base layer



Completed works with 25mm dense grade wear layer

**Cootamundra Way, Maida Vale** pavement upgrade works received funding from Roads to Recovery. Works consists all replacing all kerb, drainage repairs, followed by installing the two layers of asphalt.



New side entry and kerb replacement



New path install



New path install



Completed works

**Foxton Boulevard, High Wycombe,** pavement stabilization upgrade works commenced on the 14 May 2018 and was completed by the 24 May 2018.



Completed works

## Car Parks

### High Wycombe Library Car Parks

**Renewal**, works included replacing damaged kerb, drainage repairs, installing one extra car bay, followed by installing the two layers of asphalt. New wheel stoppers installed and new line marking with the upgrade of an Acrod bay.



Public car park  
Box out of old surface



New storm water grate



Asphalt installation



Completed works

## Drainage, Capital Works

### Walyunga Street, Lesmurdie

drainage workswere undertaken as this area of road was subject to heavy flooding.

**Kimbarlee Way, Lesmurdie** drainage upgrade installed.

### Pathway Capital Works

**Cootamundra Way, Maida Vale** had a new pathway installed.



Before



Completed works

**Cootamundra Way, Maida Vale** Renewal pathway installation works



Before



Before



Completed works

### Wandoo Rd New Pathway.

A new pathway installation was aligned with the construction of the Calming Treatments program.

## Infrastructure Maintenance

### Roads

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

- Larwood Crescent High Wycombe, construction of new parking bays and associated kerbs and footpath



- Zig Zag Scenic Drive Gooseberry Hill, carpark upgrade



- Installations of new bus shelters at Mead Street in Kalamunda, Grove Road in Lesmurdie, Kalamunda Road in High Wycombe, Kalamunda Road in Maida Vale and Berkshire Road in Forrestfield.

More than 400 road maintenance requests such as grading gravel roads and repairing road pavements, footpath, kerbs and street signs were undertaken and completed.

### Drainage

- Swan Road in High Wycombe, installations of soak wells to prevent flooding to the adjacent residents.



- Albemarle Way in High Wycombe, installations of soak wells and side entry pit to prevent flooding to residents of this street.

### Public Open Space Strategy

In late 2016, the City began the development of the Public Open Space (POS) Strategy. The POS Strategy will form an integral part of the City's new Local Planning Strategy which is scheduled to be progressed throughout 2019.

The POS Strategy ensures that POS is delivered to optimise community benefit by providing direction to guide the future provision, enhancement and management of POS in the City. The Strategy will ensure that POS is utilised to its optimum potential to deliver maximum benefit to the community.

The Strategy provides 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.

The POS Strategy was adopted by

Council in May 2018 and is currently in the process of implementation.

### Cambridge Reserve Community Enhancement Project

Local Government may, with the prior approval of the Minister for Lands and Department of Planning, dispose of identified reserves and apply the proceeds to capital improvements to other recreation reserves in the general locality.

The City of Kalamunda (the City) undertook a series of investigations to identify the feasibility of disposing and developing an existing piece of Public Open Space (POS) in Forrestfield, Cambridge Reserve. The investigations resulted in a series of background reports being prepared. Due to political sensitivities at the time, Council decided not to pursue the process.

Council have since decided to re-visit the disposal process for Cambridge Reserve with a revised vision for the future development of the site. The revised vision comprises accommodating a mix of land uses to include aged care / retirement living and a component of medium density residential development.

The City decided to undertake community engagement to establish the visions and values of the site. This was conducted during February-March 2018, with a findings and outcomes report prepared.

After the preliminary community engagement was undertaken, the City engaged consultants to prepare concept plans for the site in mid-2018.

The City undertook a community and internal engagement process for feedback on the concept plans. This community engagement phase was undertaken July-August 2018. With workshops and information sessions held during this period.

The main feedback provided during the engagement process was concern that significant environmental values would be lost as a result of the concept plan being progressed in its current state. The City is currently in the process of reviewing the Concept Plan to respond to the community's

feedback. It is anticipated that the final Concept Plan will be presented to the Council in early 2019.

### 3.3 To develop and enhance the City's economy

The City's Economic Development Strategy was adopted by Council. The strategy has been developed to provide the City with clear direction on the priorities to deliver locally sustainable jobs and business.

The strategy identifies five major priorities:

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

The City is actively participating in regional networks including the Eastern Metropolitan Regional Council, GROW South East and Inland Ports Council on collaborative projects to facilitate industry expansion and attraction.

The City has continued its strong collaboration with the Kalamunda Chamber of Commerce to support the Farmers and Night Markets, the Annual Business Awards, industry events, training opportunities, mentoring and networking. These activities have contributed to the effective capacity building of our business community.

A "Start your Own Business" stand was developed for the Kalamunda Careers Expo, which was designed to aide students, young adults, job-seekers and career changers of all ages to understand the essentials of establishing their own business venture.

Initial investigations into the feasibility of co-working facilities have commenced with a view to developing a business case for a model which best suits the needs of the community. This is one of several initiatives being developed to create a welcoming and supportive environment for emerging business.

## **Forrestfield / High Wycombe Industrial Area Stage 1 Development Contribution Plan Review**

### **Development Contribution Plan Review**

At its Ordinary Meeting held 30 October 2017, the Council deferred consideration of the Development Contribution Plan (DCP) Report annual review to enable cost estimates to be further investigated for infrastructure items. The DCP Report was returned to Council on 27 March 2018 and adopted for the purpose of public advertising.

The review to the Development Contribution Plan (DCP) Report resulted in a contribution rate reduction below the current rate of \$29.79/m<sup>2</sup>, to \$20.92/m<sup>2</sup>. The rate reduction was primarily due to the following factors:

- Utility relocations have been further investigated.
- Utility relocations are now included within the respective road estimates.
- Infrastructure upgrades to Dundas Road are no longer required given the review of the infrastructure framework and as such no utility relocations are required on Dundas Road.

Public advertising of the DCP Report was undertaken between 10 April 2018 and 8 May 2018. An information session regarding the Forrestfield / High Wycombe Industrial Area Stage 1 - DCP Report was held on 27 April 2018. Since the advertising period the City reviewed the DCP based on

the feedback and further refined the DCP Report.

The DCP Report will be presented to Council for consideration of submissions and modifications for final adoption.

### **Forrestfield / High Wycombe Industrial Area Stage 1 Local Structure Plan Amendments**

Council considered modifications to the Forrestfield / High Wycombe Industrial Area Stage 1 Local Structure Plan (LSP) at its meeting on 25 September 2017, recommending the following amendments to the LSP:

- Reducing the minimum lot sizes for Lots 3-6 Ashby Close, Lots 50-52 Sultana Road West and Lot 547 Berkshire Road from 1 hectare to 2000m<sup>2</sup>;
- Revised road and movement network plans; and
- Introducing additional development standards to support composite residential/land uses on Lot 50 Sultana Road West.
- In April 2018 the Western Australian Planning Commission supported all modifications to the LSP, except for:
  - The minimum lot size provision of 2000m<sup>2</sup> for Lots 3-6 Ashby Close, Lots 50-52 Sultana Road West and Lot 547 Berkshire Road.
  - The land use identification of Lot 50 Sultana Road West from Special Use to Industrial Development and the associated composite development.

In May 2018 the Minister for Transport, Planning and Lands approved Amendment 91, which

incorporates a Special Use zone over Lot 50 (170) Sultana Road West to require a composite Residential/Light Industry land use outcome. Given the intent of this amendment was to enable subdivision for the composite land uses, which is inconsistent with the WAPC's earlier decision, the City sought reconsideration from the WAPC.

In October 2018 the WAPC advised the City that it would support subdivision with minimum lot size of 3,000m<sup>2</sup> and composite development criteria for Lot 50 Sultana Road West only.

The City is in the process of making the changes to the LSP, it is expected that the final version of the LSP will be published in early 2019.

### **Industrial Development Strategy**

The Industrial Development Strategy will form a component of the City's new Local Planning Strategy, which is currently anticipated to be progressed throughout 2019.

The Industrial Development Strategy has been prepared in accordance with the Western Australian Planning Commission (WAPC) Local Planning Manual 2010 (the Manual).

The Industrial Development Strategy has the following overarching goal:

*The City of Kalamunda will enhance and expand upon our industrial precincts to accommodate growth and diversity in industrial land uses and develop modern, efficient and attractive industrial estates that provide for the local and regional business community.*





The City currently has a total of approximately 395ha of industrial land, spread across five suburbs; Forrestfield, High Wycombe, Wattle Grove, Kewdale and Walliston.

Forrestfield contains the largest amount of industrial land with approximately 197ha, equating to 50% of the City's total industrial land supply. Based on current projections, the City is expected to have an additional 28ha of land rezoned for industrial in the future, which takes the total amount of industrial land to 423ha. The land to be rezoned is within the Maddington-Kenwick Strategic Employment Area (MKSEA) which is already zoned Industrial under the Metropolitan Region Scheme (MRS), however is yet to be rezoned to an industrial zone under the Local Planning Scheme No. 3 (LPS3).

The Industrial Development Strategy identifies and seeks to address ten industrial areas/precincts in the City:

- a. Forrestfield Marshalling Yards;
- b. Forrestfield Industrial Area;
- c. Forrestfield/High Wycombe Industrial Area Stage 1;
- d. Maddington-Kenwick Strategic Employment Area (MKSEA) / Kalamunda Wedge;
- f. Walliston Industrial Area; and
- g. Hatch Court / Stirling Crescent, High Wycombe.
- h. Kewdale Industrial Area
- i. Forrestfield North Industrial Area
- j. High Wycombe Special Use 5
- k. Forrestfield Special Use 1

The draft Industrial Development Strategy was adopted at the June

2018 Ordinary Council Meeting for the purpose of public advertising. Subsequently, public advertising took place between July 2018 and September 2018, and included a combination of a focus group forum, community workshop, information stalls at local shopping centres, online surveys, and newspaper advertisements.

The Strategic Planning Team has been in the process of review the Industrial Development Strategy to respond to the feedback provided. The Industrial Development Strategy will be presented to Council late in 2018 for the purpose of considering submissions and modifications for adoption.

### **3.4 To be recognised as a preferred tourism destination**

The City of Kalamunda continues to have a major presence in the emerging tourism destination of the Perth Hills. The City's tourism brand, Experience Perth Hills, has seen significant growth both in usage of the destination website [www.experienceperthhills.com.au](http://www.experienceperthhills.com.au) and within the social media arena. There has been substantial growth around Instagram with a following of 4,177, this is complemented by Facebook and Twitter both of which have seen considerable growth throughout the year.

A series of video clips encompassing the hills lifestyle and attractions, have been developed and are complemented by blogs and created content for social media. The City has invested in new photography this year

to complement the current image gallery, focussing on some of the new ventures who have opened.

Bickley Valley, Carmel and Pickering Brook have continued to grow in popularity, due to the ever increasing offering within this region. The blossom festival pop ups have created huge interest together with farm gate and more traditional meet the maker experiences. The City of Kalamunda is well placed to provide the remarkable and memorable offerings visitors are looking for.

The Experience Perth Hills brand is uniquely positioned in being able to cross local government boundaries and promote the wider Perth Hills region. This strategy has developed during the year with the six bordering local government areas having an appetite to promote the Perth Hills collaboratively signalling exciting times ahead for the wider region.

### **Hills Rural Study / Rural Strategy**

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 and inform the actions of the City's Rural Strategy.



DPIRD provided land capability results in late 2017 and this has been incorporated into the draft Rural Strategy. The land capability assessments included field checking by Senior Soil Scientists and was supported by an agricultural consultant with detailed knowledge of production systems. The line work which delineates the major soil boundaries was considered to be good, but changes were made to interpretations of land capability of some lower valley floor areas to reflect reduced water logging and potential salinity.

The City has also engaged with the Water Corporation and Department of Water and Environmental Regulation (DWER) to provide data and information on water availability, water quality and surface geology. Information was provided by DWER and Water Corporation in early 2018 and this has been incorporated into the draft Rural Strategy.

The City has had numerous enquiries and interest from the Hills Rural community regarding potential subdivision and increased land use flexibility. The interest from the community is being taken into consideration during the development of the draft Rural Strategy and Tourism Strategy.

In June 2018, the State Government announced an initiative to investigate the Perth Hills and Pickering Brook area as a potential tourism hub.

The establishment of the Taskforce is a response to a number of sites in Pickering Brook being identified for planning investigation by the State Government's North East Sub-Regional Planning Framework (the Framework) which was adopted in March 2018 and due to the community's interest in increased land use flexibility, subdivision potential and tourism in the area.

A working group will be set up by the Taskforce and will include representatives from the City of Kalamunda, City of Armadale, Department of Planning, Lands and Heritage, Department of Jobs, Tourism, Science and Innovation, Department of Primary Industries and Regional Development, Department of Water and Environmental Regulation, Department of Fire and Emergency Services, and will be headed by the Taskforce comprising of the Minister for Planning, Minister for Agriculture, Minister for Tourism and the WAPC Chair. The work that will be undertaken by the Taskforce / working group is anticipated to take 12-18 months. The working group will:

- Include two streams of work, these being:
  - Investigate the possible expansion of the Pickering Brook townsite.
  - Develop a strategy for economic development initiatives including growth of tourism activities in the hills rural areas.

- Address the following key considerations:
  - Townsite Sustainability / Community Services
  - 'Perth Hills' Based Tourism / Economic Diversity
  - Priority Agricultural Land
  - Bushfire Risk/Management
  - Drinking Water Catchments
  - Water and Wastewater Service Infrastructure
- Ensure that project investigations include a review of all relevant previous work undertaken for Pickering Brook and surrounds.
- Provide technical expertise to inform the development of the strategy.
- Identify and discuss matters relevant to the development of the strategy including consideration of all relevant issues, opportunities and constraints.
- Ensure the development of the strategy has due regard to landowner and community views and expectations through appropriate consultation.
- Make strategic recommendations for consideration by the Government.

The draft Rural Strategy is dependent on the work undertaken and outputs by the Taskforce setup by the State Government in mid-2018. The draft Rural Strategy will be progressed parallel with this process.







## Priority 4: Kalamunda Leads

### 4.1 To provide leadership through transparent governance

#### Audit and Risk Committee

The Audit & Risk Committee is a committee of Council whose role is to ensure the City's financial and statutory functions are undertaken in accordance with the provisions of the *Local Government Act 1995* and associated regulations. The Committee also provides oversight to the City's Risk Management function ensuring risk management practices are integrated into the City's strategic and operational planning processes.

The City engaged the services of Crowe Horwath to undertake its Internal Audit function. A three-year Strategic Audit Plan was developed to guide the City's audit program with a focus on compliance, financial controls and operational and performance audits.

The City is firmly committed to continuous improvement and the audit findings are closely monitored to ensure ongoing improvement.

#### Long Term Financial Plan and Financial Sustainability

The City operates under a 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 financial principles of:

- Sustainability
- Accountability
- Transparency
- Responsibility and
- Innovation

Through the LTFP, the City will be better placed to:

- Establish a robust visible framework enabling future activities to be adequately funded
- Align financial strategies with service delivery and strategic direction to achieve planned outcomes
- Analyse the cumulative financial impacts of the City's operations
- Identify financial challenges and opportunities
- Outline the City's financial sustainability over the next decade against which financial performance will be assessed against established industry benchmarks
- Ensure that the maintenance and replacement of community infrastructure assets can be adequately funded as identified in the City's Asset Management Plans.

The economic conditions have presented local government and business organisations with several challenges, high unemployment rates, growing state government charges. In response to these conditions, the City has worked proactively to maintain tight control over expenditure growth, minimise rate increases and to introduce efficiencies to better manage costs.

Despite these challenges, the City has been able to deliver responsible financial outcomes as evidenced through the published financial indicators. Local governments throughout Western Australia are measured in terms of their overall financial health assessed through a WA Treasury Corporation model. The City has recorded a rating that assessed our financial health as sound.

### **Risk Management**

The City recognises Risk Management as a central component of its corporate governance framework and a fundamental to contemporary management practice. The City has adopted an Integrated Risk Management Plan in accordance with *AS/NZS/ISO 31000:2009* and the requirements of the Local Government Act.

The management of risk is focused on:

- Maintaining high levels of integrity for services provided by the City;
- Protecting the City's physical, and non-physical assets including employees, elected members, financial, information, and property;
- Achieving and maintaining legislative and regulatory compliance, including codes of conduct and professional standards;
- Creating an environment where all employees assume responsibility

for the proactive management of risk and;

- Demonstrating transparent and responsible risk management processes aligned to accepted best practice to address uncertainty and to deliver continuous improvement.

The City's Audit & Risk Committee reviews the Strategic Risk Register on a quarterly basis.

### **Information Technology**

The City of Kalamunda is continuing its significant journey in executing the Information Communications Technology (ICT) Strategy. The ICT Strategy is built around seven key areas and is 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

Governance and security remains a strong focus at the City and several security tests have been undertaken to enable it to continuously improve in this area. The City is continuing to focus efforts on business process mapping in preparation for the introduction of new business systems applications.

### **Workforce Planning – Collaborate and Deliver**

The City of Kalamunda takes a contemporary approach to managing its workforce in the interest of attracting and retaining the very best people to work in your community. A detailed Workforce Plan has been established that anticipates the City's resourcing and skill profile now and into the future. The Workforce Plan also informs the City's 10-year Long Term Financial Plan.

### **Workforce Diversity**

The profile of our employees reflects those of the community around us and is similar to other local governments across WA. Selection processes are continually reviewed to ensure the City is attracting persons from diverse backgrounds, including Aboriginal Australians, People with Disabilities and people with culturally diverse backgrounds. Like many employers, the City has an ageing workforce, and this requires careful management of retirement planning and occupational safety.

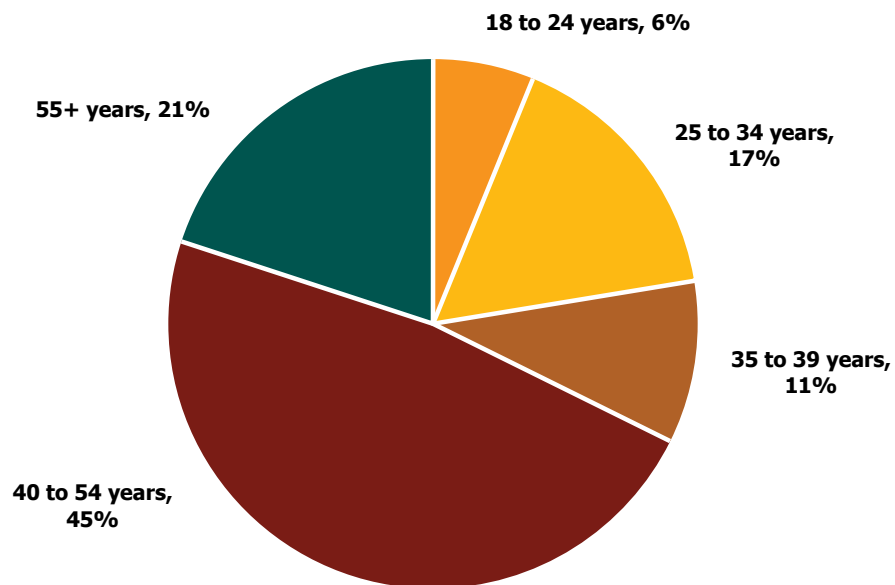
The City encourages gender diversity. While 59% of the workforce are female, this group tends to be less well represented in managerial roles. Women are more likely to work in community development, customer service and administration, while men are more likely to work in managerial roles and in the outdoor workforce.



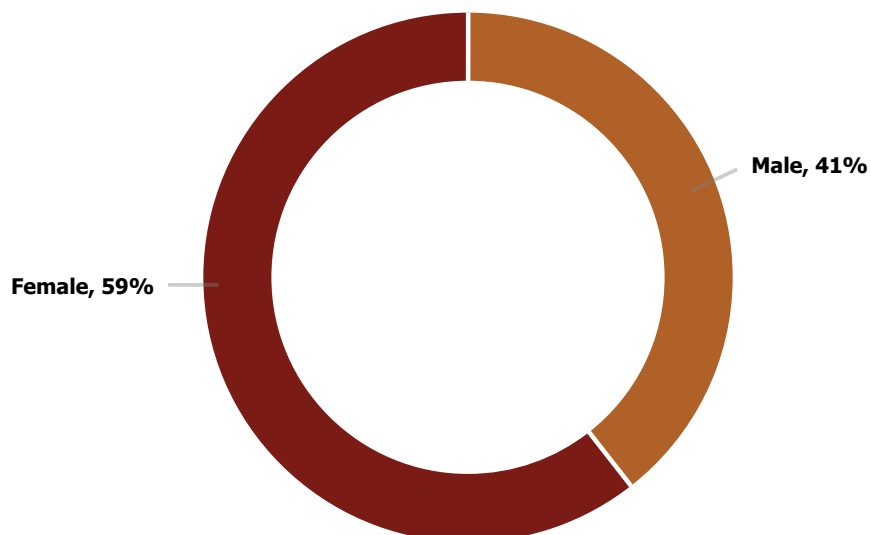
Type of Authority	Females	Aboriginal Australians	People with disability	Culturally diverse background	24 years and under	45 years and over
Kalamunda Workforce	59.4%	0.3%	1.0%	19.5%	8.4%	49.5%
Kalamunda District (Census)	50.5%	1.8%	3.6% Requiring assistance	29% Born overseas (12% NESB)	8.3% (18 to 24 years)	33.5% (49 to 85 years)
Local Government Workforce (WA)	54.4%	1.7%	1.2%	11.3%	13.3%	46.9%

**Table 1. Comparative Employee Diversity Profile**

### Workforce Age Distribution



### Gender Distribution



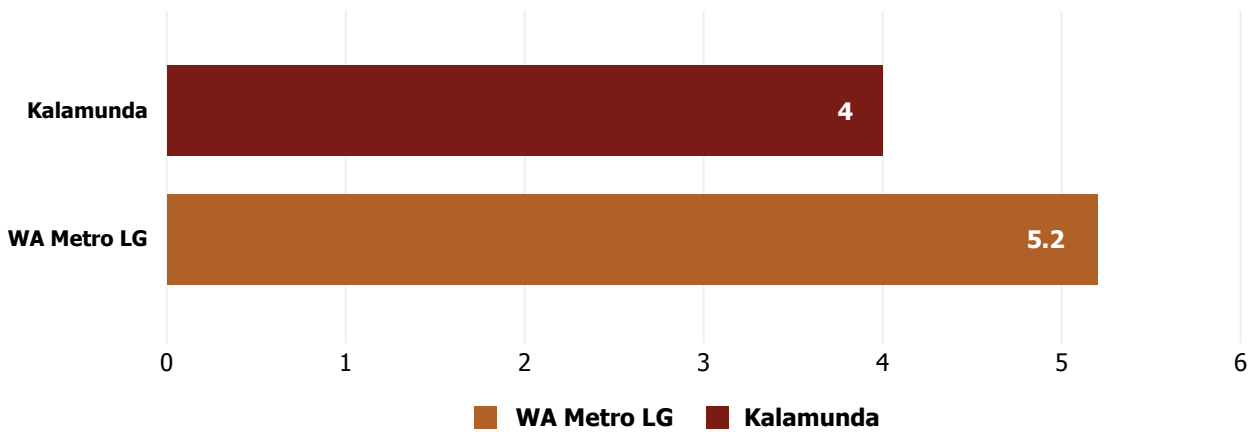
### Workforce Efficiency

The City understands organisational efficiency must be well managed in the interest of the community, requiring a balance between employment costs and attracting the right level of expertise to support the service delivery.

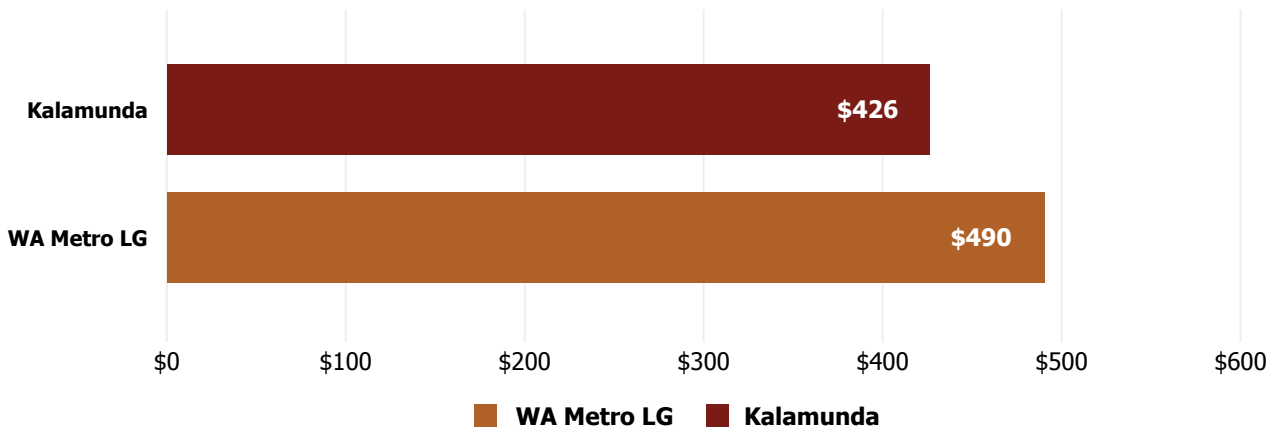
Kalamunda has an average of four employees per 1,000 residents. This compares favourably when compared to other metropolitan local government's average of 5.2. This also translates to a lower average employment cost per 1,000 residents when compared to other metropolitan local governments.

In the longer term, employee numbers remain at similar levels.

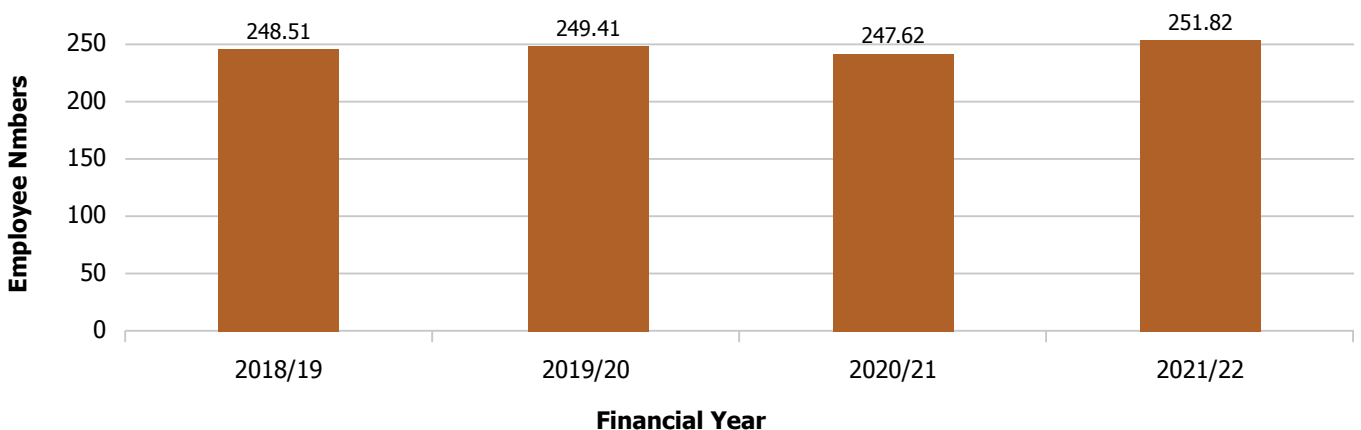
### Number of Employees per 1000 residents



### Employment Cost per 1000 residents



### Employee Numbers Trend 2019 to 2022



## Employee Remuneration

Salary Range	2017/18
100,000 - 109,999	15
110,000 - 119,999	8
120,000 - 129,999	5
130,000 - 139,999	0
140,000 - 149,999	7
150,000 - 159,999	1
160,000 - 169,999	3
170,000 - 179,999	0
180,000 - 189,999	1
190,000 - 199,999	0
200,000 - 209,999	0
210,000 - 219,999	3
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





**Building a 'Can Do' Culture of Performance**

Following feedback from the community and Elected Members, the

City continues to focus on developing a 'can do' culture of performance. This program is designed to deliver the best possible services to our community, with the right spirit. Known as the

"Grow" program, the City's culture program has four priority areas which are building the skill, capability and accountability of the workforce.

**Grow - Creating a 'Can Do' Culture of Performance**



The City uses industry benchmarks to monitor the progress of the culture program and identify areas for further improvement. In a recent independent survey, the City's Workplace Index Score was rated at 74% which is four points above the local government average. The *Employee Commitment Score* was rated at 74%, on par with the industry average. Employees provided feedback

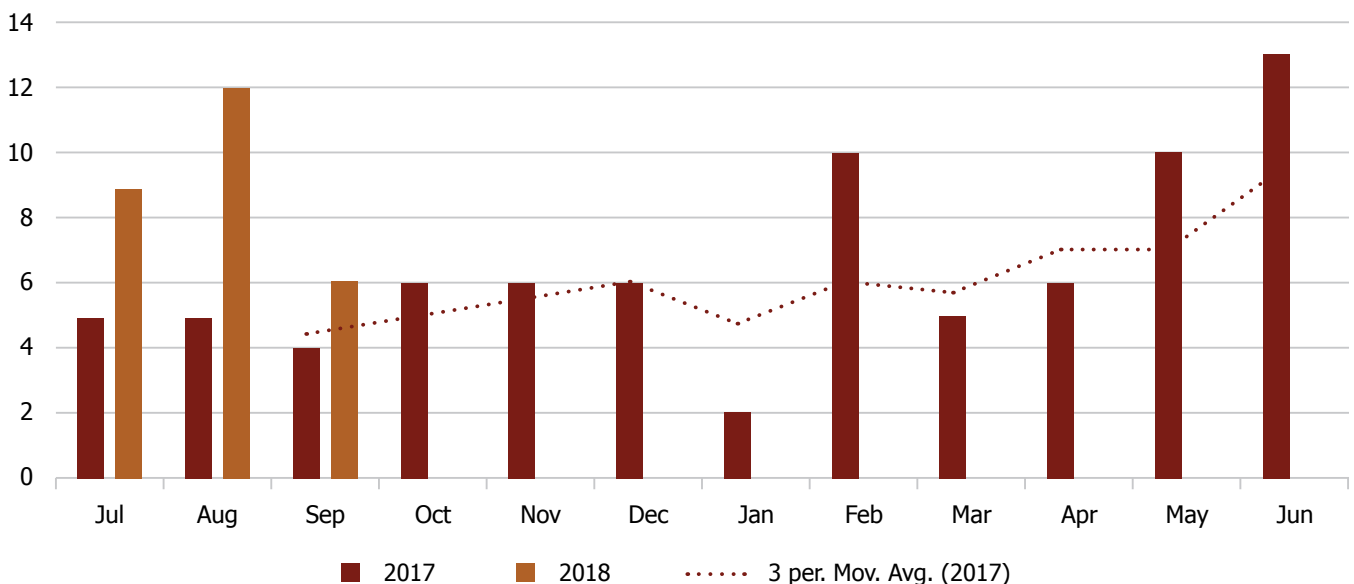
that future improvements in systems and processes will support further productivity gains.

**Occupational Health and Safety**

The City's Safety Management Plan 2018/2020 supports the systematic elimination or reduction of risks. A focus in 2017/2018 has been to improve the volume of safety incident reporting from around the business.

Proactive reporting of safety incidents drives early identification of hazards and assists management to address safety issues before injuries occur. Additionally, the Asset Services Department has created their own employee safety committee which is generating employee ideas for improving safety performance.

**Total Safety Incidents Reported (by Month)**



## 4.2 To proactively engage and partner for the benefit of community

The City of Kalamunda partnered with a number of community groups to deliver community programs and events in 2017/2018.

Community engagement continued to be a strong focus for the City. The City collaborated and sought public input on the following items in the 2017/2018 Financial Year.

- Have Your Say: P-DEV45
- Have Your Say: Lot 8 Hale Road, Wattle Grove
- Have Your Say: Lot 33 Hale Road, Wattle Grove
- Have Your Say: draft Economic Development Strategy
- Have Your Say: P-DEV56
- Have Your Say: Draft Customer Service Strategy
- Have Your Say: Development Proposal for Telecommunications Pole - High Wycombe DA17-0197
- Call for Nominations: Kalamunda Community Centre Community Reference Group
- Have Your Say: Proposal for Development Application DA17-0039
- Have Your Say: Local Planning Scheme No.3 - Amendment 93
- Have Your Say: Development Proposal for Telecommunications Pole - Forrestfield DA17-0400
- Have Your Say: Revised P-DEV 20 Outbuildings and Sea Containers Policy
- Have Your Say: Kalamunda Loop Trail Stage 1
- Have Your Say: 105 Watsonia Road Maida Vale DA17/0449
- Have Your Say: 28 Lewis Road, Wattle Grove DA17/0367
- Have Your Say: Lesmurdie School and Community Library
- Have Your Say: Proposal for Telecommunications Infrastructure Lot 57 (10) Television Road, Bickley (DA17/0465)
- Advisory Committees: Aged Care
- Advisory Committees: Disability & Carers

- Advisory Committees: Kalamunda Environmental
- Notice of Development Proposal – Lot 101 (14) Brentwood Road, Wattle Grove
- Proposal for Clearing of Vegetation and Educational Establishment: Lot 202 (200) Lesmurdie Road, Lesmurdie
- Proposed Increase in Number of Children and Modified Operating Hours at Existing Child Care Premises (DA17/0531 & DA17/0532)
- Proposal for Alterations and Additions to existing buildings (Aged Care) (DA17/0455) Lot 7, 24 Valencia Road, Carmel
- Kalamunda Smart City Digital Strategy
- Local Government Act Review
- Local Planning Policy P-DEV 57: Street Fencing, Walls and Gates Policy
- Local Planning Policy P-DEV 55 - Place of Worship Policy
- Local Planning Scheme No.3 - Scheme Amendment No. 35 (PG-LPS-003/035)
- Local Planning Scheme No.3 - Scheme Amendment 95
- Maida Vale Reserve Master Plan
- Public Open Space Strategy
- WA Public Library Strategy
- November 2017 - June 2018
- Proposal to Rename Willoughby Park
- Rates: Objects & Reasons 2018/19
- Preparing for Storms
- Community Event Applications Open
- Forrestfield/High Wycombe Industrial Area Stage 1
- Local Environment Strategy
- Kalamunda Skate Park
- Bicycle Plan 2017
- Kalamunda Road/Chipping Road/ Newburn Road Intersection Upgrade Project
- Kalamunda Activity Centre Plan
- Asset Levels of Service: Roads, Drainage and Footpaths
- Cambridge Reserve - Visioning
- Maida Vale Reserve Master Plan
- Hale Road/Woolworths Drive Intersection Improvements

- Public Open Space Strategy
- Kalamunda Smart City Digital Strategy
- Local Planning Policy P-DEV 55 - Place of Worship Policy
- Local Planning Policy P-DEV 57 - Street Fencing, Walls and Gates Policy
- Local Planning Scheme No. 3: Scheme Amendment 95
- Local Planning Scheme No. 3: Scheme Amendment No. 35
- Road Notices, Works & Closures
- Forrestfield North
- Welshpool Road East: Gum Trees (Wattle Grove)
- Lesmurdie School and Community Library
- Local Government Act Review

### Memorandum of Understanding – Shared Services Agreement with Four Regional Shires

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

- Process building applications and issue Certificates of Design Compliance for all Classes of Buildings. A total of 108 applications were processed and Certificates of Design Compliance issued.
- Attend onsite discussions with building applicants, inspect Shire building asset and provide reports that can be used for maintenance or for budgeting purposes.
- To undertake Swimming Pool fencing compliance inspections.
- Undertake building compliance inspections and provide written reports. There were no compliance issues requiring attention.
- Process planning applications, subdivision referrals and clearances and Scheme amendments. A total of thirteen (13) planning applications were processed by the City for the 17/18 financial year.
- Prepare Council Report items and attend Council meetings as and when required.





# Record Keeping and Statutory Requirements

## Statement on the City of Kalamunda Record Keeping Plan

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

## Replacement of Electronic Document Records Management System

The previous Electronic Document Records Management System, SynergySoft Records, has been replaced with a new system named Altus ECM. The new system is a web based system, that will integrate with future Business Systems, as well as integrating with legacy SynergySoft modules.

Records Processes and Procedures have been revised to reflect the improvements the system provides, and the changes to how the Records Process is completed.

## Training

The City continues to provide training to staff, including an initial Records Induction Training for all staff. Training includes, 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 have been created for Altus ECM and are accessible via the City of Kalamunda's Intranet.

Processes relating to Records Management have been added to

the Promapp, which is a system of recording the core Business Processes of the City of Kalamunda.

## Risks

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

## KPI and Performance Management

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

## Freedom of Information Statement

The Information Statement for the City of Kalamunda was updated January 2018 and will be reviewed again in December 2018. The Information Statement is available on the City's website and from the Administration Centre.

There were thirty-six (36) new valid Freedom of Information requests received during the 2017/2018 financial year, with two carried through from the 2016/2017 financial year. Of the ones received in 2017/2018:

- 5 were for personal information
- 31 were for non-personal information

The average time taken to deal with a FOI request was 20 days. There were three Internal Reviews, two where the decision was varied, one where the original decision was confirmed.



# Financial Statements

## 2017/2018



**city of  
kalamunda**



# Statement by the Chief Executive Officer

## City of Kalamunda Financial Report For the Year Ended 30th June 2018

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

### STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Kalamunda for the financial year ended 30 June 2018 is based on proper accounts and records to present fairly the financial position of the City of Kalamunda at 30 June 2018 and the results of the operations for the financial year then ended in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 12 day of October 2018



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Chief Executive Officer

Rhonda Hardy

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Name of Chief Executive Officer

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## Independent Auditor's Report to the Rate Payers of City of Kalamunda

### Auditor's Opinion

We have audited the financial report of the City of Kalamunda, which comprises the statement of financial position as at 30 June 2018, and the statement of comprehensive income by nature and type, statement of comprehensive income by program, statement of changes in equity and statement of cash flows and rate setting statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the statement by the Chief Executive Officer.

In our opinion, the annual financial report of the City of Kalamunda:

- a is based on proper accurate accounts and records; and
- b fairly represents, in all material respects, the results of the operations of the City of Kalamunda for the year ended 30 June 2018 and its financial position at the end of that period in accordance with the Local Government Act 1995 (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### Basis for Auditor's 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 City of Kalamunda 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.

### 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 1995 and Local Government (Financial Management) Regulations 1996 as they apply to financial statements.

### Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the City of Kalamunda's financial reporting

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responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

#### **Responsibility of the Chief Executive Officer and Council for the Financial Report**

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

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

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

#### **Matters Relating to the Electronic Publication of the Audited Financial Report**

This auditor's report relates to the annual financial report of the City of Kalamunda for the year ended 30 June 2018 included on the City of Kalamunda's website. The City of Kalamunda's management is responsible for the integrity of the City of Kalamunda's website. This audit does not provide assurance on the integrity of the City of Kalamunda's website. The auditor's report refers only to the financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this financial report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

#### **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\\_files/ar3.pdf](http://www.auasb.gov.au/auditors_files/ar3.pdf).

This description forms part of our auditor's report.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



M J Hillgrove  
Partner - Audit & Assurance

Perth, 12 October 2018

# Statement of Comprehensive Income

## By Nature or Type

For the Year Ended 30th June 2018

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
<b>Revenue</b>				
Rates	24(a)	35,992,132	36,001,139	35,066,848
Operating grants and subsidies	2(a)	2,683,366	1,412,166	6,773,668
Contributions, Reimbursements and Donations		1,401,505	583,665	2,080,997
Fees and charges	2(a)	16,010,818	15,040,032	14,600,642
Interest earnings	2(a)	1,094,348	1,148,432	1,196,851
Other revenue	2(a)	62,043	101,564	78,667
		<b>57,244,212</b>	<b>54,286,998</b>	<b>59,797,673</b>
<b>Expenses</b>				
Employee costs		(24,026,597)	(23,783,866)	(25,907,535)
Materials and contracts		(19,923,884)	(21,256,113)	(23,059,891)
Utility charges		(2,338,226)	(2,454,603)	(2,258,866)
Depreciation on non-current assets	9(b)	(10,237,301)	(6,047,128)	(10,130,153)
Interest expenses	2(b)	(337,878)	(350,410)	(360,200)
Insurance expenses		(588,539)	(562,243)	(553,474)
Other expenditure		(461,950)	(1,699,277)	(850,964)
		<b>(57,914,375)</b>	<b>(56,153,640)</b>	<b>(63,121,083)</b>
		<b>(670,163)</b>	<b>(1,866,642)</b>	<b>(3,323,410)</b>
Non-operating grants, subsidies and contributions	2(a)	3,390,580	3,957,758	3,111,106
Profit on asset disposals	9(a)	26,879	0	19,069
(Loss) on asset disposals	9(a)	(254,208)	(50,000)	(382,722)
Change in Equity - Joint venture		1,679,116	3,082,862	1,019,189
Capital (Developer) Contributions		1,339,873	610,532	2,977,902
		<b>5,512,077</b>	<b>5,734,510</b>	<b>3,421,134</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	10	198,262,269	0	(2,735,973)
Revaluation of Assets of Joint Venture		(94,686)	0	239,147
		<b>198,167,583</b>	<b>0</b>	<b>(2,496,826)</b>
		<b>203,679,660</b>	<b>5,734,510</b>	<b>924,308</b>

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

# Statement of Comprehensive Income

## By Program

For the Year Ended 30th June 2018

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>Revenue</b>				
	2(a)			
Governance		20,074	112,130	32,564
General purpose funding		39,692,756	38,557,246	39,964,546
Law, order, public safety		536,252	510,602	598,503
Health		634,927	623,495	380,511
Education and welfare		63,410	67,682	3,468,875
Community amenities		12,737,344	11,696,186	10,821,689
Recreation and culture		1,917,804	1,689,792	2,482,796
Transport		36,614	0	17,342
Economic services		557,578	607,042	504,768
Other property and services		1,047,453	422,823	1,526,079
		<b>57,244,212</b>	<b>54,286,998</b>	<b>59,797,673</b>
<b>Expenses</b>				
	2(b)			
Governance		(3,829,504)	(3,932,729)	(3,835,900)
General purpose funding		(604,815)	(755,528)	(663,604)
Law, order, public safety		(2,024,127)	(2,043,053)	(1,821,031)
Health		(1,524,919)	(1,595,707)	(1,505,534)
Education and welfare		(289,588)	(552,431)	(4,478,342)
Community amenities		(14,648,753)	(15,189,186)	(13,036,657)
Recreation and culture		(18,634,266)	(18,571,030)	(17,809,933)
Transport		(12,404,703)	(9,355,676)	(12,658,321)
Economic services		(1,127,311)	(1,242,151)	(1,140,798)
Other property and services		(2,488,511)	(2,565,739)	(5,810,763)
		<b>(57,576,497)</b>	<b>(55,803,230)</b>	<b>(62,760,883)</b>
<b>Finance Costs</b>				
	2(b)			
Other property and services		(337,878)	(350,410)	(360,200)
		<b>(337,878)</b>	<b>(350,410)</b>	<b>(360,200)</b>
		<b>(670,163)</b>	<b>(1,866,642)</b>	<b>(3,323,410)</b>
Non-operating grants, subsidies and contributions	2(a)	3,390,580	3,957,758	3,111,106
Profit on disposal of assets	9(a)	26,879	0	19,069
(Loss) on disposal of assets	9(a)	(254,208)	(50,000)	(382,722)
Change in Equity - Joint venture		1,679,116	3,082,862	1,019,189
Capital (Developer) Contributions		1,339,873	610,532	2,977,902
		<b>6,182,240</b>	<b>7,601,152</b>	<b>6,744,544</b>
		<b>5,512,077</b>	<b>5,734,510</b>	<b>3,421,134</b>
<b>Net result</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	10	198,262,269	0	(2,735,973)
Revaluation of Assets of Joint Venture		(94,686)	0	239,147
		<b>198,167,583</b>	<b>0</b>	<b>(2,496,826)</b>
		<b>203,679,660</b>	<b>5,734,510</b>	<b>924,308</b>

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

# Statement of Financial Position

As at 30th June 2018

	NOTE	2018	2017
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	24,923,499	28,486,237
Trade and other receivables	5	3,728,532	2,589,936
Inventories	6	100,015	120,560
<b>TOTAL CURRENT ASSETS</b>		<b>28,752,046</b>	<b>31,196,733</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	5	1,627,466	961,818
Inventories	6	386,067	386,067
Interest in Joint Venture	18	30,331,642	28,747,212
Capital Work-In-Progress		3,661,867	1,662,982
Property, plant and equipment	7	150,425,720	149,449,267
Infrastructure	8	364,044,611	164,274,289
<b>TOTAL NON-CURRENT ASSETS</b>		<b>550,477,373</b>	<b>345,481,635</b>
<b>TOTAL ASSETS</b>	15	<b>579,229,419</b>	<b>376,678,368</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	6,381,133	6,605,355
Current portion of long term borrowings	12(a)	652,798	750,747
Provisions	13	3,182,196	3,281,899
<b>TOTAL CURRENT LIABILITIES</b>		<b>10,216,127</b>	<b>10,638,001</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	12(a)	4,954,145	5,619,932
Provisions	13	553,776	594,724
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,507,921</b>	<b>6,214,656</b>
<b>TOTAL LIABILITIES</b>		<b>15,724,048</b>	<b>16,852,657</b>
<b>NET ASSETS</b>		<b>563,505,371</b>	<b>359,825,711</b>
<b>EQUITY</b>			
Retained surplus		217,893,007	211,834,802
Reserves - cash backed	4	18,221,169	18,767,297
Revaluation surplus	10	327,391,195	129,223,612
<b>TOTAL EQUITY</b>		<b>563,505,371</b>	<b>359,825,711</b>

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

# Statement of Changes in Equity

## For the Year Ended 30th June 2018

	NOTE	RESERVES			TOTAL EQUITY
		RETAINED SURPLUS	CASH/INVESTMENT BACKED	REVALUATION SURPLUS	
		\$	\$	\$	\$
<b>Balance as at 1 July 2016</b>		<b>209,020,576</b>	<b>18,160,389</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	10	0	0	(2,735,973)	(2,735,973)
Increase / Decrease in EMRC revaluation reserve		0	0	239,147	239,147
Total comprehensive income		3,421,134	0	(2,496,826)	924,308
Transfers from/(to) reserves		(606,908)	606,908	0	0
<b>Balance as at 30 June 2017</b>		<b>211,834,802</b>	<b>18,767,297</b>	<b>129,223,612</b>	<b>359,825,711</b>
Comprehensive income					
Net result		5,512,077	0	0	5,512,077
Changes on revaluation of assets	10	0	0	198,262,269	198,262,269
Increase / Decrease in EMRC revaluation reserve		0	0	(94,686)	(94,686)
Total comprehensive income		5,512,077	0	198,167,583	203,679,660
Transfers from/(to) reserves		546,128	(546,128)	0	0
<b>Balance as at 30 June 2018</b>		<b>217,893,007</b>	<b>18,221,169</b>	<b>327,391,195</b>	<b>563,505,371</b>

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

# Statement of Cash Flows For the Year Ended 30th June 2018

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		35,057,719	35,978,139	34,766,087
Operating grants and subsidies		1,784,539	1,995,834	6,773,668
Contributions, Reimbursements and Donations		1,401,505	0	2,080,997
Fees and charges		12,858,628	14,625,808	11,492,860
Interest earnings		1,094,348	1,148,432	1,196,851
Goods and services tax		3,597,319	1,628,995	3,332,311
Other revenue		62,043	101,564	125,167
		55,856,101	55,478,772	59,767,941
<b>Payments</b>				
Employee costs		(24,039,173)	(22,525,301)	(25,656,266)
Materials and contracts		(20,242,881)	(21,289,085)	(22,678,101)
Utility charges		(2,338,226)	(2,454,603)	(2,258,866)
Interest expenses		(350,633)	(359,588)	(368,915)
Insurance expenses		(588,539)	(562,243)	(553,474)
Goods and services tax		(504,109)	(1,719,495)	(526,642)
Other expenditure		(461,950)	(1,699,278)	(850,967)
		(48,525,511)	(50,609,593)	(52,893,231)
<b>Net cash provided by (used in) operating activities</b>	14	7,330,590	4,869,179	6,874,710
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(4,045,494)	(6,757,317)	(4,061,830)
Payments for construction of infrastructure		(9,233,885)	(15,911,400)	(5,435,339)
Capital Work-In-Progress		(1,998,885)	0	(1,662,982)
Non-operating grants, subsidies and contributions		3,390,580	3,957,758	3,111,106
Proceeds from sale of fixed assets		330,241	0	64,392
<b>Net cash provided by (used in) investment activities</b>		(11,557,442)	(18,710,959)	(7,984,653)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of long term borrowings		(763,735)	(750,747)	(629,778)
Proceeds from self supporting loans		87,977	77,023	70,389
Proceeds from new long term borrowings		0	1,950,000	706,510
Capital (Developer) Contributions		1,339,873	610,532	2,977,902
<b>Net cash provided by (used in) financing activities</b>		664,115	1,886,808	3,125,023
<b>Net increase (decrease) in cash held</b>		(3,562,738)	(11,954,972)	2,015,080
Cash at beginning of year		28,486,237	26,694,188	26,471,157
<b>Cash and cash equivalents at the end of the year</b>	14	24,923,499	14,739,216	28,486,237

# Rate Setting Statement For the Year Ended 30th June 2018

	NOTE	2018 Actual	2018 Budget	2017 Actual
		\$	\$	\$
<b>OPERATING ACTIVITIES</b>				
<b>Net current assets at start of financial year - surplus/(deficit)</b>		5,749,092	3,323,060	4,378,271
		5,749,092	3,323,060	4,378,271
<b>Revenue from operating activities (excluding rates)</b>				
Governance		20,074	112,130	32,564
General purpose funding		5,574,720	5,828,046	6,105,979
Law, order, public safety		536,252	510,602	598,503
Health		634,927	623,495	380,511
Education and welfare		63,410	67,682	3,472,614
Community amenities		12,737,344	11,696,186	10,822,586
Recreation and culture		1,917,804	1,689,792	2,495,671
Transport		36,614	0	17,342
Economic services		557,578	607,042	504,980
Other property and services		1,074,332	422,824	1,527,427
		23,153,055	21,557,799	25,958,177
<b>Expenditure from operating activities</b>				
Governance		(3,829,504)	(3,932,729)	(3,835,900)
General purpose funding		(604,815)	(755,528)	(663,604)
Law, order, public safety		(2,039,127)	(2,043,053)	(1,821,031)
Health		(1,524,919)	(1,595,707)	(1,505,534)
Education and welfare		(502,378)	(552,431)	(4,490,643)
Community amenities		(14,648,753)	(15,189,186)	(13,036,657)
Recreation and culture		(18,642,082)	(18,571,030)	(18,177,809)
Transport		(12,404,703)	(9,355,676)	(12,658,321)
Economic services		(1,127,311)	(1,242,151)	(1,141,370)
Other property and services		(2,844,990)	(2,966,149)	(6,172,935)
		(58,168,582)	(56,203,640)	(63,503,804)
<b>Operating activities excluded</b>				
(Profit) on disposal of assets	9(a)	(26,879)	0	(19,069)
Loss on disposal of assets	9(a)	254,208	50,000	382,722
Capital Assets exchange value received		0	0	46,500
EMRC Contribution (non-cash)		(1,679,116)	(3,082,862)	(1,019,189)
Movement in deferred pensioner rates (non-current)		(98,343)	(33,000)	(10,364)
Movement in employee benefit provisions (non-current)		(140,651)	1,127,264	195,318
Interest on Deferred Loan Repayment		(333)	(329)	(325)
Depreciation and amortisation on assets	9(b)	10,237,301	6,047,128	10,130,153
<b>Amount attributable to operating activities</b>		(20,720,248)	(27,214,580)	(23,461,610)
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		3,390,580	3,957,758	3,111,106
Proceeds from disposal of assets	9(a)	330,241	0	64,392
District development plan costs		(639,357)	0	(200,514)
Purchase of property, plant and equipment	7(b)	(4,045,494)	(6,757,317)	(4,061,830)
Purchase and construction of infrastructure	8(b)	(9,233,885)	(15,911,402)	(5,435,339)
Infrastructure Assets - Capital Work-in-progress		(1,998,885)	0	(1,662,982)
<b>Amount attributable to investing activities</b>		(12,196,799)	(18,710,961)	(8,185,167)
<b>FINANCING ACTIVITIES</b>				
Repayment of long term borrowings	12(a)	(763,735)	(750,747)	(629,778)
Proceeds from new long term borrowings	12(b)	0	1,950,000	706,510
Proceeds from self supporting loans	12(a)	87,977	77,023	70,389
Capital (Developer) - Contributions		1,339,873	610,532	2,977,902
Transfers to reserves (restricted assets)	4	(7,281,397)	(983,510)	(10,333,602)
Transfers from reserves (restricted assets)	4	7,827,525	12,352,430	9,726,692
<b>Amount attributable to financing activities</b>		1,210,242	13,255,728	2,518,113
<b>Surplus(deficiency) before general rates</b>		(31,706,805)	(32,669,813)	(29,128,664)
<b>Total amount raised from general rates</b>	24	35,797,152	35,812,062	34,877,756
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	25	<b>4,090,347</b>	<b>3,142,249</b>	<b>5,749,092</b>

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

# Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

## 1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities and to the extent they are not in-consistent with the *Local Government Act 1995* and accompanying regulations.), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise.

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

### CRITICAL ACCOUNTING ESTIMATES

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

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

### THE LOCAL GOVERNMENT REPORTING ENTITY

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

### THE LOCAL GOVERNMENT REPORTING ENTITY (Continued)

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 27 to these financial statements.

### AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

#### Land under roads

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

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

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

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

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





# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 2. REVENUE AND EXPENSES

(a) Revenue	2018 Actual	2017 Actual
	\$	\$
<b>Significant revenue</b>		
Increase In Equity Value Eastern Metropolitan Regional Council (EMRC)	1,679,116	1,019,189
<b>Other revenue</b>		
Reimbursements and recoveries		
Other	62,043	78,667
	<u>62,043</u>	<u>78,667</u>
<b>Fees and Charges</b>		
Governance	5,000	21,778
General purpose funding	281,202	170,986
Law, order, public safety	303,865	354,409
Health	621,044	362,225
Education and welfare	55,217	429,229
Community amenities	12,692,097	11,368,271
Recreation and culture	1,335,306	1,315,115
Transport	5,569	0
Economic services	556,517	502,180
Other property and services	155,001	76,449
	<u>16,010,818</u>	<u>14,600,642</u>

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

# Notes and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 2. REVENUE AND EXPENSES (Continued)

#### (a) Revenue (Continued)

##### Grant Revenue

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

	2018	2017
	\$	\$
<b>Operating grants and subsidies</b>		
General purpose funding	2,301,537	3,510,483
Law, order, public safety	185,178	188,994
Education and welfare	8,182	2,899,551
Community amenities	0	4,500
Recreation and culture	122,424	144,215
Transport	31,045	0
Other property and services	35,000	25,925
	<b>2,683,366</b>	<b>6,773,668</b>
<b>Non-operating grants, subsidies and contributions</b>		
Law, order, public safety	514,832	0
Health	0	202,614
Education and welfare	0	25,515
Recreation and culture	242,927	602,525
Transport	2,632,821	2,280,452
	<b>3,390,580</b>	<b>3,111,106</b>
<b>Total grants, subsidies and contributions</b>	<b>6,073,946</b>	<b>9,884,774</b>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Grants, Donations and Other Contributions

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

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

##### Grants, Donations and Other Contributions (Continued)

a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 23. 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 period.

# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 2. REVENUE AND EXPENSES (Continued)

#### (a) Revenue (Continued)

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
<b>Interest earnings</b>			
- Loans receivable - clubs/institutions	15,025	25,120	19,356
- Reserve funds	142,207	104,287	151,956
- Municipal funds	444,875	398,000	557,254
- Non Investments - Municipal	35,273	170,500	42,449
- Other funds			
Other interest revenue (refer note 24( e))	456,968	450,525	425,836
	1,094,348	1,148,432	1,196,851

#### (b) Expenses

	2018	2017
	\$	\$
<b>Auditors remuneration</b>		
- Auditors remuneration - Grant Thornton Audit Pty Ltd	19,500	24,279
<b>Other Audit Services</b>		
- Audit and acquittal of the external funded projects	0	17,098
- Internal Audit and other special assignments	103,596	0
<b>Interest expenses (finance costs)</b>		
Long term borrowings (refer Note 12(a))	337,878	360,200
	337,878	360,200
<b>Rental charges</b>		
- Operating leases	311,954	392,791
	311,954	392,791

## Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

	NOTE	2018	2017
		\$	\$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Cash on Hand - Unrestricted		5,690	5,790
Cash at Bank - Municipal		6,696,640	9,713,150
Cash at Bank - Restricted Reserves		18,221,169	18,767,297
		<u>24,923,499</u>	<u>28,486,237</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Long Service Leave Reserve	4	967,820	1,556,519
Land and Property Enhancement and Maintenance Reserve	4	1,648,799	1,835,357
Waste Management Reserve	4	1,866,753	1,301,219
EDP IT Equipment Reserve	4	937,352	831,396
Local Government Elections Reserve	4	129,134	128,191
HACC Reserve	4	20,003	341,726
Forrestfield Industrial Area Reserve	4	122,341	121,445
Insurance Contingency Reserve	4	279,944	178,606
Revaluation Reserve	4	255,268	253,406
Nominated Employee Leave Provisions Reserve	4	1,912,791	1,775,544
Forrestfield Industrial Scheme Stage 1 Reserve	4	2,210,731	2,937,442
Asset Enhancement Reserve	4	1,769,752	1,300,091
Unexpended Capital Works and Specific Purpose Grants Reserve	4	5,431,620	5,989,204
Waste Avoidance and Resource Recovery Reserve	4	600,578	60,000
Environmental Reserve	4	68,285	157,151
		<u>18,221,169</u>	<u>18,767,297</u>
<b>Municipal Cash - Restricted</b>			
Conditional Unspent Grants and Contributions	23	48,252	1,433,258
Bonds		2,913,682	2,628,842
		<u>2,961,934</u>	<u>4,062,100</u>
Total Restricted		<u>21,183,103</u>	<u>22,829,397</u>

### SIGNIFICANT ACCOUNTING POLICIES

#### Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of

#### Cash and cash equivalents (Continued)

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

# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### SIGNIFICANT ACCOUNTING POLICIES

#### Financial Assets

##### Classification and subsequent measurement

##### (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) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the City 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.

##### (iii) 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.

#### 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).

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.

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.

### SIGNIFICANT ACCOUNTING POLICIES

#### Impairment (Continued)

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.

#### Initial recognition and measurement

Financial assets and financial liabilities are recognised when the City becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the City 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.

#### 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 City no longer has any significant continual involvement in the risks and benefits associated with the asset.

## Notes and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 4. RESERVES - CASH BACKED

	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance	2018 Budget Opening Balance	2018 Budget Transfer to	2018 Budget Transfer (from)	2018 Budget Closing Balance	2017 Actual Opening Balance	2017 Actual Transfer to	2017 Actual Transfer (from)	2017 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Long Service Leave Reserve	1,556,519	11,301	(600,000)	967,820	1,577,337	159,430	(771,973)	964,794	1,530,051	26,468	0	1,556,519
Land and Property Enhancement and Maintenance Reserve	1,835,357	13,442	(200,000)	1,648,799	1,829,886	15,563	(896,151)	949,298	1,578,059	257,298	0	1,835,357
Waste Management Reserve	1,301,219	609,681	(44,147)	1,866,753	1,583,187	371,599	(200,000)	1,754,786	787,591	513,628	0	1,301,219
EDP IT Equipment Reserve	831,396	705,956	(600,000)	937,352	809,425	3,474	(629,000)	183,899	542,561	325,390	(36,555)	831,396
Local Government Elections Reserve	128,191	943	0	129,134	130,054	115,219	(146,000)	99,273	126,009	2,182	0	128,191
HACC Reserve	341,726	2,438	(324,161)	20,003	0	0	0	0	741,168	40,825	(440,267)	341,726
Forrestfield Industrial Area Reserve	121,445	896	0	122,341	120,981	2,033	0	123,014	119,376	2,069	0	121,445
Insurance Contingency Reserve	178,606	101,338	0	279,944	177,816	2,850	(150,000)	30,666	175,565	3,041	0	178,606
Revaluation Reserve	253,406	1,862	0	255,268	252,483	4,289	(200,000)	56,772	249,098	4,308	0	253,406
Nominated Employee Leave Provisions Reserve	1,775,544	337,247	(200,000)	1,912,791	1,769,945	137,376	(350,000)	1,557,321	1,135,890	939,654	(300,000)	1,775,544
Forrestfield Industrial Scheme Stage 1 Reserve	2,937,442	42,506	(769,216)	2,210,731	2,873,290	0	(2,873,290)	0	5,022,390	1,864,922	(3,949,870)	2,937,442
Asset Enhancement Reserve	1,300,091	469,661	0	1,769,752	1,097,569	1,098	0	1,098,667	856,713	443,378	0	1,300,091
Unexpended Capital Works and Specific Purpose Grants Reserve	5,989,204	4,442,416	(5,000,000)	5,431,620	5,988,375	169,223	(5,986,016)	171,582	5,229,908	5,759,296	(5,000,000)	5,989,204
Waste Avoidance and Resource Recovery Reserve	60,000	540,578	0	600,578	60,000	1,200	(60,000)	1,200	0	60,000	0	60,000
Environmental Reserve	157,151	1,134	(90,000)	68,285	156,350	156	(90,000)	66,506	66,010	91,141	0	157,151
	<u>18,767,297</u>	<u>7,281,397</u>	<u>(7,827,525)</u>	<u>18,221,169</u>	<u>18,426,698</u>	<u>983,510</u>	<u>(12,352,430)</u>	<u>7,057,778</u>	<u>18,160,389</u>	<u>10,333,600</u>	<u>(9,726,692)</u>	<u>18,767,297</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.

# Notes and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 4. RESERVES - CASH BACKED (Continued)

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

## Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 5. TRADE AND OTHER RECEIVABLES

#### Current

Rates outstanding	2,367,157	1,531,087
Sundry debtors	514,938	358,058
GST receivable	507,517	448,869
Loans receivable - clubs/institutions	59,396	74,988
Prepayments	279,524	176,934
	<b>3,728,532</b>	<b>2,589,936</b>

#### Non-current

Rates outstanding - pensioners	663,354	565,011
Loans receivable - clubs/institutions	124,241	196,293
Forrestfield North Development Project	839,871	200,514
	<b>1,627,466</b>	<b>961,818</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

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.

#### Classification and subsequent measurement

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.



# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 6. INVENTORIES

#### Current

Fuel and Materials

#### Non-current

Land held for resale - cost

Cost of acquisition

Development costs

	2018	2017
	\$	\$
	100,015	120,560
	100,015	120,560
	370,021	370,021
	16,046	16,046
	386,067	386,067

### SIGNIFICANT ACCOUNTING POLICIES

#### General

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

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

#### Land held for 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.

#### Land held for sale (Continued)

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.

## Notes to and Forming Part of the Financial Report

### For the Year Ended 30th June 2018

#### 7 (a). PROPERTY, PLANT AND EQUIPMENT

Land and buildings	2018	2017
	\$	\$
Land - freehold land at:		
- Independent valuation 2017 - level 2	62,876,000	62,876,000
	62,876,000	62,876,000
Land - vested in and under the control of Council at:		
- Independent valuation 2017 - level 3	2,883,100	2,883,100
	2,883,100	2,883,100
<b>Total land</b>	<b>65,759,100</b>	<b>65,759,100</b>
Buildings - specialised at:		
- Independent valuation 2017 - level 3	79,190,798	79,190,796
- Additions after valuation - cost	1,845,274	0
Less: accumulated depreciation	(1,579,064)	0
	79,457,008	79,190,796
<b>Total buildings</b>	<b>79,457,008</b>	<b>79,190,796</b>
<b>Total land and buildings</b>	<b>145,216,108</b>	<b>144,949,896</b>
Furniture and equipment at:		
- Cost	6,747,594	6,340,789
Less: accumulated depreciation	(5,689,082)	(5,293,456)
	1,058,512	1,047,333
Plant and equipment at:		
- Management valuation 2016 - level 2	2,380,631	2,976,408
- Additions after valuation - cost 2017	781,135	781,135
- Additions after valuation - cost 2018	1,682,906	0
Less: accumulated depreciation	(693,572)	(305,505)
	4,151,100	3,452,038
<b>Total property, plant and equipment</b>	<b>150,425,720</b>	<b>149,449,267</b>

## Notes and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 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.

	Land - freehold land	Land - vested in and under the control of Council	Total land	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	61,428,000	2,799,800	64,227,800	82,894,897	82,894,897	147,122,697	1,404,819	3,082,285	151,609,801
Additions	0	0	0	3,180,242	3,180,242	3,180,242	100,453	781,135	4,061,830
(Disposals)	0	0	0	0	0	0	(6,692)	(99,975)	(106,667)
Revaluation increments/ (decrements) transferred to revaluation surplus	1,448,000	83,300	1,531,300	(4,559,673)	(4,559,673)	(3,028,373)	0	0	(3,028,373)
Impairment (losses)/reversals	0	0	0	(367,876)	(367,876)	(367,876)	0	0	(367,876)
Depreciation (expense)	0	0	0	(1,745,168)	(1,745,168)	(1,745,168)	(451,248)	(311,406)	(2,507,822)
Transfers / re-classifications	0	0	0	(211,626)	(211,626)	(211,626)	0	0	(211,626)
<b>Carrying amount at 30 June 2017</b>	62,876,000	2,883,100	65,759,100	79,190,796	79,190,796	144,949,896	1,047,332	3,452,039	149,449,267
Additions	0	0	0	1,845,276	1,845,276	1,845,276	517,312	1,682,906	4,045,494
(Disposals)	0	0	0	0	0	0	(33,820)	(523,750)	(557,570)
Depreciation (expense)	0	0	0	(1,579,064)	(1,579,064)	(1,579,064)	(472,312)	(460,095)	(2,511,471)
<b>Carrying amount at 30 June 2018</b>	62,876,000	2,883,100	65,759,100	79,457,008	79,457,008	145,216,108	1,058,512	4,151,100	150,425,720

## Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 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.

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.

## Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 8 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Independent valuation 2018 - level 3	181,719,311	0
- Independent valuation 2015 - level 3	0	115,916,874
- Additions after valuation - cost	0	5,896,864
Less: accumulated depreciation	0	(7,109,427)
	181,719,311	114,704,311
Infrastructure - Footpaths		
- Independent valuation 2018 - level 3	27,311,282	0
- Independent valuation 2015 - level 3	0	13,255,933
- Additions after valuation - cost	0	388,851
Less: accumulated depreciation	0	(1,096,943)
	27,311,282	12,547,841
Infrastructure - Drainage		
- Independent valuation 2018 - level 3	126,380,082	0
- Independent valuation 2015 - level 3	0	18,640,817
- Additions after valuation - cost	0	1,082,481
Less: accumulated depreciation	0	(923,661)
	126,380,082	18,799,637
Infrastructure - Parks and Ovals		
- Independent valuation 2018 - level 3	11,943,212	0
- Independent valuation 2015 - level 3	0	5,795,052
- Additions after valuation - cost	0	6,058,143
Less: accumulated depreciation	0	(1,002,835)
	11,943,212	10,850,360
Infrastructure - Other		
- Independent valuation 2018 - level 3	16,690,724	0
- Independent valuation 2015 - level 3	0	6,615,233
- Increase in value in other infrastructure belongs to reserves vested under the Council from Land & Bulding revaluation 2017	0	292,400
- Additions after valuation - cost	0	1,180,906
Less: accumulated depreciation	0	(716,399)
	16,690,724	7,372,140
<b>Total infrastructure</b>	<b>364,044,611</b>	<b>164,274,289</b>

## Notes and Forming Part of the Financial Report

### For the Year Ended 30th June 2018

#### 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.

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Parks and Ovals	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$
<b>Balance at 1 July 2016</b>	117,251,183	13,074,652	18,708,221	10,371,391	6,551,809	165,957,256
Additions	2,232,530	317,086	783,023	1,338,958	763,742	5,435,339
Revaluation increments/ (decrements) transferred to revaluation surplus	0	0	0	0	292,400	292,400
Depreciation (expense)	(4,779,402)	(843,896)	(691,607)	(859,989)	(447,437)	(7,622,331)
Transfers / re-classifications	0	0	0	0	211,626	211,626
<b>Carrying amount at 30 June 2017</b>	114,704,311	12,547,841	18,799,637	10,850,360	7,372,140	164,274,289
Additions	3,249,378	693,397	2,009,121	2,425,950	856,038	9,233,885
Revaluation increments/ (decrements) transferred to revaluation surplus	68,397,426	14,919,981	106,273,004	(250,325)	8,922,182	198,262,269
Depreciation (expense)	(4,631,804)	(849,937)	(701,680)	(1,082,773)	(459,636)	(7,725,830)
<b>Carrying amount at 30 June 2018</b>	181,719,311	27,311,282	126,380,082	11,943,212	16,690,724	364,044,611

## Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 8. INFRASTRUCTURE (Continued)

#### (c) Fair Value Measurements

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

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

The City engaged an Independent Valuer to determine the fair value of the infrastructure assets. The valuation was carried out as of 30 June 2018 by a professional valuation company AssetVal Pty Ltd

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

# Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

## 9. FIXED ASSETS

### SIGNIFICANT ACCOUNTING POLICIES

#### 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.

#### 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.

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

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

#### Revaluation

The fair value of fixed assets is determined at least every three years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

#### Land under control

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

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





## Notes and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 9. FIXED ASSETS (Continued)

#### (a) Disposals of Assets

The following assets were disposed of during the year.

	Actual Net Book Value	Actual Sale Proceeds	Actual Profit	Actual Loss	Budget Net Book Value	Budget Sale Proceeds	Budget Profit	Budget Loss
	\$	\$	\$	\$	\$	\$	\$	\$
<b>Plant and Equipment</b>								
Law, order, public safety	15,000	0	0	(15,000)	0	0	0	0
Education and welfare	212,790	0	0	(212,790)	0	0	0	0
Recreation and culture	18,400	10,584	0	(7,816)	0	0	0	0
Other property and services	311,380	319,657	26,879	(18,602)	50,000	0	0	(50,000)
	557,570	330,241	26,879	(254,208)	50,000	0	0	(50,000)

#### (b) Depreciation

	2018	2017
	\$	\$
Buildings - specialised	1,579,064	1,745,168
Furniture and equipment	472,312	451,248
Plant and equipment	460,095	311,406
Infrastructure - Roads	4,631,804	4,779,402
Infrastructure - Footpaths	849,937	843,896
Infrastructure - Drainage	701,680	691,607
Infrastructure - Parks and Ovals	1,082,773	859,989
Infrastructure - Other	459,636	447,437
	10,237,301	10,130,153

# Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

## 9. FIXED ASSETS (Continued)

### (b) Depreciation (Continued)

#### SIGNIFICANT ACCOUNTING POLICIES

##### Depreciation

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

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

- a) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The

accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or

- b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

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

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

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

##### Depreciation rates

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

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

## Notes and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 10. REVALUATION SURPLUS

	2018 Opening Balance	2018 Revaluation Increment	2018 Revaluation (Decrement)	2018 Total Movement on Revaluation	2018 Closing Balance	2017 Opening Balance	2017 Revaluation Increment	2017 Revaluation (Decrement)	2017 Total Movement on Revaluation	2017 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land & Land - vested in under the control of Council	60,628,646	0	0	0	60,628,646	59,097,346	1,531,300	0	1,531,300	60,628,646
Revaluation surplus -Buildings - specialised	64,688,776	0	0	0	64,688,776	69,248,449	0	(4,559,673)	(4,559,673)	64,688,776
Revaluation surplus - Infrastructure	2,878,475	198,262,269	0	198,262,269	201,140,744	2,586,075	292,400	0	292,400	2,878,475
Revaluation surplus - EMRC asset revaluation	1,027,715	0	(94,686)	(94,686)	933,029	788,568	239,147	0	239,147	1,027,715
	129,223,612	198,262,269	(94,686)	198,167,583	327,391,195	131,720,438	2,062,847	(4,559,673)	(2,496,826)	129,223,612

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.

# Notes and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 11. TRADE AND OTHER PAYABLES

#### Current

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

	2018	2017
	\$	\$
	3,053,014	3,685,988
	104,863	117,618
	65,755	77,836
	207,836	67,680
	2,913,682	2,628,842
	35,983	27,391
	<b>6,381,133</b>	<b>6,605,355</b>

### SIGNIFICANT ACCOUNTING POLICIES

#### Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect

#### Trade and other payables (Continued)

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



# Notes and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 12. INFORMATION ON BORROWINGS

#### (a) Repayments - Borrowings

Particulars	Principal		New Loans		Principal Repayments		Principal 30 June 2018		Interest Repayments	
	1 July 2017	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Community amenities</b>										
Land Acquisition Kalamunda Road	620,932	0	0	165,380	165,380	455,552	455,552	29,553	32,373	
Depot Waste Trucks	948,252	0	0	43,771	43,771	904,481	904,481	52,043	52,779	
Waste Compactor	206,510	0	0	39,307	39,307	167,203	167,203	4,648	4,840	
Forrestfield North Project - Loan 1	500,000	0	0	43,550	43,550	456,450	456,450	14,420	14,725	
Forrestfield North Project - Loan 2	0	0	450,000	0	0	0	450,000	0	0	
<b>Recreation and culture</b>										
Foothills Netball Association	72,357	0	0	4,406	4,406	67,951	67,951	4,499	4,540	
Wet'n'Wild	183,248	0	0	57,382	57,382	125,866	125,866	8,918	10,519	
Kalamunda Swimming Pool	1,525,450	0	0	70,414	70,414	1,455,036	1,455,036	83,722	84,905	
<b>Transport</b>										
City Depot	1,652,659	0	0	82,672	82,672	1,569,987	1,569,987	108,255	110,509	
Plant & Equipment Purchase	99,095	0	0	99,095	99,095	0	0	2,592	4,481	
Newburn Road Extension	304,146	0	0	69,783	69,783	234,363	234,363	16,226	16,270	
<b>Other property and services</b>										
Plant and Equipment	0	0	1,500,000	0	0	0	1,500,000	0	0	
	6,112,650	0	1,950,000	675,758	675,760	5,436,891	7,386,889	324,876	335,941	

Particulars	Principal		New Loans		Principal Repayments		Principal 30 June 2018		Interest Repayments	
	1 July 2017	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Self Supporting Loans</b>										
<b>Recreation and culture</b>										
Forrestfield Bowling Club	15,091	0	0	15,091	4,634	0	10,458	998	1,126	
Kalamunda Cricket Club	2,168	0	0	2,168	2,168	0	0	60	107	
Kalamunda & District Basketball Club	21,617	0	0	21,617	21,617	0	0	712	1,060	
Forrestfield United Soccer Club	96,524	0	0	6,571	6,571	89,953	89,954	5,150	5,182	
Lesmurdie Tennis Club	7,363	0	0	7,363	4,831	0	2,532	279	387	
Maida Vale Tennis Club	30,609	0	0	3,347	3,347	27,262	27,262	1,736	1,772	
Kalamunda Club	77,695	0	0	29,640	29,640	48,055	48,055	3,729	4,435	
Forrestfield Junior Football Club	6,962	0	0	2,181	2,181	4,781	4,783	339	400	
	258,029	0	0	87,977	74,989	170,052	183,044	13,002	14,469	
	6,370,679	0	1,950,000	763,735	750,749	5,606,943	7,569,933	337,878	350,410	

Self supporting loans are financed by payments from third parties.  
All other loan repayments were financed by general purpose revenue.

#### Borrowings

	2018	2017
	\$	\$
Current	652,798	750,747
Non-current	4,954,145	5,619,932
	5,606,943	6,370,679

# Notes and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 12. INFORMATION ON BORROWINGS (Continued)

#### (b) New Borrowings - 2017/18

The City did not take up any new debentures during the year ended 30 June 2018.

#### (c) Unspent Borrowings

Particulars	Date Borrowed	Unspent Balance 1 July 17	Borrowed During Year	Expended During Year	Unspent Balance 30 June 18
		\$	\$	\$	\$
Technical studies in the Forrestfield North Area	April 2017	400,000	0	(400,000)	0
		400,000	0	(400,000)	0

#### (d) Undrawn Borrowing Facilities

##### Credit Standby Arrangements

Bank overdraft limit	
Credit card limit	
Credit card balance at balance date	
<b>Total amount of credit unused</b>	

	2018	2017
	\$	\$
Bank overdraft limit	1,500,000	1,500,000
Credit card limit	75,000	75,000
Credit card balance at balance date	(11,432)	(4,367)
<b>Total amount of credit unused</b>	<b>1,563,568</b>	<b>1,570,633</b>

##### Loan facilities

Loan facilities - current	
Loan facilities - non-current	
<b>Total facilities in use at balance date</b>	

Loan facilities - current	652,798	750,747
Loan facilities - non-current	4,954,145	5,619,932
<b>Total facilities in use at balance date</b>	<b>5,606,943</b>	<b>6,370,679</b>

##### Unused loan facilities at balance date

Unused loan facilities at balance date	NIL	NIL
--	-----	-----

### SIGNIFICANT ACCOUNTING POLICIES

#### Financial liabilities

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

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

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

#### Borrowing costs

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

# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 13. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Total
	\$	\$	\$
<b>Opening balance at 1 July 2017</b>			
Current provisions	1,704,902	1,576,997	3,281,899
Non-current provisions	0	594,724	594,724
	<u>1,704,902</u>	<u>2,171,721</u>	<u>3,876,623</u>
Additional provision	1,671,067	344,818	2,015,885
Amounts used	(1,808,401)	(395,249)	(2,203,650)
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	9,374	56,487	65,861
<b>Balance at 30 June 2018</b>	<u>1,558,194</u>	<u>2,177,778</u>	<u>3,754,719</u>
<b>Comprises</b>			
Current	1,558,194	1,624,002	3,182,196
Non-current	0	553,776	553,776
	<u>1,558,194</u>	<u>2,177,778</u>	<u>3,735,972</u>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Employee benefits

##### Short-term employee benefits

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

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

##### Other long-term employee benefits

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

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

##### Other long-term employee benefits (Continued)

rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

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

##### Provisions

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

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

## Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 14. NOTES TO THE STATEMENT OF CASH FLOWS

#### Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, 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>2018 Actual</b>	<b>2018 Budget</b>	<b>2017 Actual</b>
	\$	\$	\$
Cash and cash equivalents	24,923,499	14,739,216	28,486,237
<b>Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	5,512,077	5,734,510	3,421,134
Non-cash flows in Net result:			
Depreciation	10,237,301	6,047,128	10,130,153
(Profit)/loss on sale of asset	227,329	50,000	363,653
Change in Equity - Joint Venture	(1,679,116)	(3,082,862)	(1,019,189)
Interest on deferred loans	(333)	0	(325)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(1,891,888)	(340,630)	(372,852)
(Increase)/decrease in inventories	20,545	(85,973)	18,354
Increase/(decrease) in payables	(224,221)	318,226	180,972
Increase/(decrease) in provisions	(140,651)	1,217,765	195,318
Capital (Developer) Contributions	(1,339,873)	0	(2,977,902)
Asset transfer - exchange valuation	0	0	46,500
Grants contributions for the development of assets	(3,390,580)	(4,988,985)	(3,111,106)
Net cash from operating activities	<u>7,330,590</u>	<u>4,869,179</u>	<u>6,874,710</u>



## Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 15. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	8,765,300	8,782,757
General purpose funding	10,873,809	12,793,859
Law, order, public safety	1,488,826	1,066,952
Health	2,705,967	1,476,778
Education and welfare	2,805,874	3,371,094
Community amenities	72,971,210	72,389,721
Recreation and culture	95,345,272	94,349,762
Transport	373,672,497	173,286,337
Economic services	2,425	2,425
Other property and services	10,598,239	9,158,683
	<u>579,229,419</u>	<u>376,678,368</u>

### 16. CONTINGENT LIABILITIES

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

Details of those site are:

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

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

# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 17. CAPITAL AND LEASING COMMITMENTS

#### (a) Capital Expenditure Commitments

At the end of each financial year City reviews the position of its incomplete capital expenditure projects & the position of unexpended specific purpose grants. City 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.

#### (b) Operating Lease Commitments

Non-cancellable operating leases contracted for but Payable:

- not later than one year
- later than one year but not later than five years

2018	2017
\$	\$
168,725	240,039
112,581	166,080
281,306	406,119

#### SIGNIFICANT ACCOUNTING POLICIES

##### Leases

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

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

##### Leases (Continued)

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

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

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

# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 18. JOINT VENTURE ARRANGEMENTS

The City 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 City of Kalamunda as at 30 June 2018 as disclosed in the Financial Statements of the Eastern Metropolitan Regional Council is \$30,331,642. This represents the City's 16.30% 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 City's interest in the Assets and Liabilities to the EMRC are as follows:

	2018	2017
	\$	\$
Interest in the Joint Venture	30,331,642	28,747,212
Current Assets	16,438,822	15,539,052
Non-Current Assets	15,314,195	15,321,807
	31,753,016	30,860,859
Current Liabilities	838,828	868,312
Non-Current Liabilities	582,547	1,245,336
	1,421,374	2,113,648
	30,331,642	28,747,212

### SIGNIFICANT ACCOUNTING POLICIES

#### 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 arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method.

# Notes and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 19. RELATED PARTY TRANSACTIONS

#### Elected Members Remuneration

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

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Meeting Fees	277,285	283,841	278,091
Mayor's allowance	62,827	62,727	62,727
Deputy Mayor's allowance	15,707	15,682	15,682
Travelling expenses	586	600	588
Telecommunications allowance	41,001	42,000	41,125
	<u>397,406</u>	<u>404,850</u>	<u>398,213</u>

#### Key Management Personnel (KMP) Compensation Disclosure

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

	2018	2017
	\$	\$
Short-term employee benefits	3,058,668	2,823,020
Post-employment benefits	281,396	328,027
Other long-term benefits	278,334	253,607
	<u>3,618,399</u>	<u>3,404,654</u>

#### *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 above.

#### *Post-employment benefits*

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

#### *Other long-term benefits*

These amounts represent long service benefits accruing during the year.

# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 19. RELATED PARTY TRANSACTIONS (Continued)

#### Transactions with related parties

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

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

The following transactions occurred with related parties:

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Joint venture entities:</b>		
Increase in Equity in Joint Venture Entities	1,584,430	1,258,336
Purchase of Services	4,260,082	3,893,931
<b>Amounts payable to related parties:</b>		
Trade and other payables	408,070	308,770

#### The City's main related parties are as follows:

##### i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any elected member, are considered key management personnel.

##### ii. Entities subject to significant influence by the City

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

##### iii. Joint venture entities -

The City has 16.30% interest in Eastern Metropolitan Regional Council.

For details of interests held in joint venture entities, refer to Note 18.

# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 20. MAJOR LAND TRANSACTIONS

The City did not participate in any major land transactions during 2017/2018 Financial Year

#### Land held for resale per Note 6

##### Non-Current

Land held for resale - cost

Cost of acquisition

Development costs

	2018	2017
	\$	\$
Cost of acquisition	370,021	370,021
Development costs	16,046	16,046
	<u>386,067</u>	<u>386,067</u>

### 21. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The City did not participate in any trading undertakings or major trading undertakings during the 2017/2018 Financial Year.

### 22. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

	<u>224</u>	<u>251</u>
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## Notes and Forming Part of the Financial Report

### For the Year Ended 30th June 2018

#### 23. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	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 <sup>(1)</sup>
	1/07/16	2016/17	2016/17	30/06/17	2017/18	2017/18	30/06/18
	\$	\$	\$	\$	\$	\$	\$
<b>Law, order, public safety</b>							
State Emergency Services	14,039	129,582	(110,181)	33,440	127,596	(127,404)	33,632
Bush Fire Brigade	31,932	59,412	(76,350)	14,994	57,582	(57,956)	14,620
<b>Community amenities</b>							
Mobile Graffiti removal implementation project	18,842	0	(18,842)	0	0	0	0
<b>Recreation and culture</b>							
Hartfield Park Master plan	4,242,470	0	(3,112,192)	1,130,278	0	(1,130,278)	0
Installation of Synthetic Bowling Green - Forrestfield Bowling club	0	54,546	0	54,546	0	(54,546)	0
Hartfield Park Offset Proposal Funding	18,640	0	(18,640)	0	0	0	0
Kids Sport Program	0	121,670	(121,670)	0	102,424	(102,424)	0
<b>Transport</b>							
Financial Assistance Grant - Bridges	200,000	0	0	200,000	0	(200,000)	0
<b>Total</b>	<b>4,525,923</b>	<b>365,210</b>	<b>(3,457,875)</b>	<b>1,433,258</b>	<b>287,602</b>	<b>(1,672,608)</b>	<b>48,252</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

## Notes and Forming Part of the Financial Report

### For the Year Ended 30th June 2018

#### 24. RATING INFORMATION

##### (a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
<b>Differential general rate / general rate</b>									
<b>Gross rental valuations</b>									
General GRV	0.0580	20,212	438,961,016	25,235,147	116,401	25,351,548	24,664,224	193,600	24,857,824
Industrial / Commercial GRV	0.0654	555	125,869,017	7,841,618	0	7,841,618	8,198,028	96,800	8,294,828
Vacant GRV	0.0799	399	11,488,162	786,353	0	786,353	831,291	44,550	875,841
<b>Unimproved valuations</b>									
General UV	0.0032	238	167,580,000	539,608	0	539,608	539,631	0	539,631
Commercial UV	0.0039	63	41,191,249	160,280	0	160,280	162,458	0	162,458
<b>Sub-Total</b>		21,467	785,089,444	34,563,006	116,401	34,679,407	34,395,632	334,950	34,730,582
<b>Minimum payment</b>									
<b>Gross rental valuations</b>									
General GRV	865	1,060		923,930	0	923,930	916,900	0	916,900
Industrial / Commercial GRV	1,080	50		85,320	0	85,320	54,000	0	54,000
Vacant GRV	730	150		105,255	0	105,255	109,500	0	109,500
<b>Unimproved valuations</b>									
General UV	865	0		0	0	0	0	0	0
Commercial UV	1,080	1		3,240	0	3,240	1,080	0	1,080
<b>Sub-Total</b>		1,261	0	1,117,745	0	1,117,745	1,081,480	0	1,081,480
<b>Total amount raised from general rate</b>									
						35,797,152			35,812,062
<b>Ex-gratia rates</b>						194,980			189,077
<b>Totals</b>						<u>35,992,132</u>			<u>36,001,139</u>

#### SIGNIFICANT ACCOUNTING POLICIES

##### Rates

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



# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 24. RATING INFORMATION (Continued)

#### (b) Specified Area Rate

No Specified area rates were imposed by the City during the year ended 30 June 2018.

#### (c) Service Charges

No service charges were imposed by the City during the year ended 30 June 2018.

#### (d) Payment discounts, waivers, concessions and rates incentives

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

- 1 cash prize of \$5,000 donated by the City of Kalamunda.

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

- 3 prizes of \$1,000 donated by the City of Kalamunda towards the winners of outstanding rates and charges amounts due
- 2 double passes to a concert performed and donated by the Western Australian Symphony Orchestra.

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

- 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 Bank.
- 2 Samsung Galaxy TabA 8" 16GB Wi-Fi Tablets
- 3 Lenovo Yoga Tab3 16GB 8" Wi-Fi Tablets
- 5 Garmin Vivo smart HR Activity Trackers

#### (e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan	Instalment Plan	Unpaid Rates
		Admin Charge	Interest Rate	Interest Rate
		\$	%	%
<b>Option One</b>				
Single full payment	16-Aug-17	0	0.00%	11%
<b>Option Two</b>				
First instalment	16-Aug-17	0	0.00%	11%
Second instalment	15-Dec-17	7	5.50%	11%
<b>Option Three</b>				
First instalment	16-Aug-17	0	0.00%	11%
Second instalment	16-Oct-17	7	5.50%	11%
Third instalment	15-Dec-17	7	5.50%	11%
Fourth instalment	16-Feb-18	7	5.50%	11%
		<b>2018</b>		
		<b>Budget</b>		
		<b>\$</b>	<b>\$</b>	
Interest on unpaid rates		295,130	259,873	
Interest on instalment plan		161,838	190,652	
Charges on instalment plan		131,096	120,000	
		<b>588,064</b>	<b>570,525</b>	

## Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 25. NET CURRENT ASSETS

Composition of net current assets for  
the purposes of the Rate Setting Statement

	<b>2018</b> <b>(30 June 2018</b> <b>Carried</b> <b>Forward)</b>	<b>2018</b> <b>(1 July 2017</b> <b>Brought</b> <b>Forward)</b>	<b>2017</b> <b>(30 June 2017</b> <b>Carried</b> <b>Forward)</b>
	\$	\$	\$
<b>Surplus/(Deficit) 1 July 2017 brought forward</b>	4,090,347	5,749,092	5,749,092
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Cash on Hand - Unrestricted	5,690	5,790	5,790
Cash at Bank - Municipal	6,696,640	9,713,150	9,713,150
Cash at Bank - Restricted Reserves	18,221,169	18,767,297	18,767,297
Receivables			
Rates outstanding	2,367,157	1,531,087	1,531,087
Sundry debtors	514,938	358,058	358,058
GST receivable	507,517	448,869	448,869
Prepayments	279,524	176,934	176,934
Inventories			
Fuel and Materials	100,015	120,560	120,560
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(3,053,014)	(3,685,988)	(3,685,988)
Accrued interest on long term borrowings	(104,863)	(117,618)	(117,618)
Accrued salaries and wages	(65,755)	(77,837)	(77,837)
Accrued Expenses	(207,836)	(67,680)	(67,680)
Bonds and Deposits	(2,913,682)	(2,628,842)	(2,628,842)
Income in Advance	(35,983)	(27,391)	(27,391)
Current portion of long term borrowings	(652,798)	(750,747)	(750,747)
Provisions			
Provision for annual leave	(1,558,194)	(1,704,902)	(1,704,902)
Provision for long service leave	(1,624,002)	(1,576,997)	(1,576,997)
<b>Unadjusted net current assets</b>	<b>18,476,523</b>	<b>20,483,743</b>	<b>20,483,743</b>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(18,221,169)	(18,767,297)	(18,767,297)
Add: Current portion of long term borrowings	652,798	750,747	750,747
Add: Provision for Annual Leave	1,558,194	1,704,902	1,704,902
Add: Provision for Long Service Leave	1,624,002	1,576,997	1,576,997
<b>Adjusted net current assets - surplus/(deficit)</b>	<b>4,090,347</b>	<b>5,749,092</b>	<b>5,749,092</b>

#### Difference

There was no difference between the surplus/(deficit) 1 July 2017 brought forward position used in the 2018 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2017 audited financial report.

# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 26. FINANCIAL RISK MANAGEMENT

The City's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The City's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the City.

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

Financial risk management is carried out by the finance area under policies approved by the Council.

The City held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2018	2017	2018	2017
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	24,923,499	28,486,237	24,923,499	28,486,237
Receivables	5,355,998	3,551,754	5,355,998	3,551,754
	<b>30,279,497</b>	<b>32,037,991</b>	<b>30,279,497</b>	<b>32,037,991</b>
<b>Financial liabilities</b>				
Payables	6,381,133	6,605,355	6,381,133	6,605,355
Borrowings	5,606,943	6,370,679	5,606,943	6,370,679
	<b>11,988,076</b>	<b>12,976,034</b>	<b>11,988,076</b>	<b>12,976,034</b>

#### 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.

# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 26. 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 City's objective is to maximise its return on cash whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash portfolio.

Council has an Investment Policy and the Policy is subject to review by Council.

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 is 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 City.

The City manages these risks by diversifying its portfolio and only investing in investments authorised by Local Government (Financial Management) Regulation 19C.

	2018	2017
	\$	\$
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	249,235	284,862
- Statement of Comprehensive Income	249,235	284,862

#### Notes:

<sup>(1)</sup> Sensitivity percentages based on management's expectation of future possible interest rate movements.

# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 26. FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Receivables

The City'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 City manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

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

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

The City 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 City's credit risk at balance date was:

	<b>2018</b>	<b>2017</b>
	%	%
Percentage of rates and annual charges		
- Current	78%	73%
- Overdue	22%	27%
Percentage of other receivables		
- Current	94%	96%
- Overdue	6%	4%

# Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

## 26. FINANCIAL RISK MANAGEMENT (Continued)

### (c) Payables and borrowings

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

The contractual undiscounted cash flows of the City's Payables and Borrowings are set out in the Liquidity Table below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
<b>2018</b>					
Payables	6,381,133	0	0	6,381,133	6,381,133
Borrowings	652,798	1,890,507	3,063,638	5,606,943	5,606,943
	<u>7,033,931</u>	<u>1,890,507</u>	<u>3,063,638</u>	<u>11,988,076</u>	<u>11,988,076</u>
<b>2017</b>					
Payables	6,605,355	0	0	6,605,355	6,605,355
Borrowings	750,747	2,220,493	3,399,440	6,370,680	6,370,679
	<u>7,356,102</u>	<u>2,220,493</u>	<u>3,399,440</u>	<u>12,976,035</u>	<u>12,976,034</u>

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation.

The following tables set out the carrying amount, by maturity, of the financial instruments exposed to interest rate risk:

Year ended 30 June 2018	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate
	\$	\$	\$	\$	\$	\$	\$	%
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	652,798	672,155	521,550	361,001	335,802	3,063,638	5,606,943	5.67%
Weighted average Effective interest rate	5.50%	5.49%	5.36%	5.25%	5.64%	5.85%		
<b>Year ended 30 June 2017</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Long term borrowings	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%		

## Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 27. TRUST FUNDS

Funds held at balance date over which the City has no control included in the financial statements are as follows:

	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Unclaimed Monies	22,828	4,979	(3,409)	24,398
Wattle grove - Cell 9	11,537,358	991,465	(2,009,173)	10,519,651
B.C.I.T.F Levies	0	259,817	(130,047)	129,770
B.S.L Levies	25,364	245,668	(159,238)	111,794
Cash in lieu of Public Open Space	2,443,374	135,545	(177,759)	2,401,160
	<u>14,028,924</u>	<u>1,637,474</u>	<u>(2,479,625)</u>	<u>13,186,772</u>

## Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 28. 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 City.

Management's assessment of the new and amended pronouncements that are relevant to the City, 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 (1)</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 City, it is not anticipated the Standard will have any material effect.
(ii)	AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	<p>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.</p> <p>The effect of this Standard will depend on the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.</p>
(iii)	AASB 16 Leases	February 2016	1 January 2019	<p>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 into the 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 when AASB 16 is adopted.</p> <p>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 City, the impact is not expected to be significant.</p>

Notes:

(1) Applicable to reporting periods commencing on or after the given date.



## Notes and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 28. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE PERIODS (Continued)

	<b>Title</b>	<b>Issued / Compiled</b>	<b>Applicable (1)</b>	<b>Impact</b>
(iv)	AASB 1058 Income of Not-for-Profit Entities	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 City's operations.</p>

Notes:

(1) Applicable to reporting periods commencing on or after the given date.

#### Adoption of New and Revised Accounting Standards

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

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

(i)	AASB 2016-4 Amendments to Australian Accounting Standards - Recoverable Amount of Non-Cash-Generating Specialised Assets of Not-for-Profit Entities	1 January 2017
(ii)	AASB 2016-7 Amendments to Accounting Standards - Deferral of AASB 15 for Not-for-Profit Entities	1 January 2017

# Notes and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 29. OTHER SIGNIFICANT ACCOUNTING POLICIES

#### a) Goods and services tax (GST)

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

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

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

#### b) Current and non-current classification

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

#### c) Rounding off figures

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

#### d) Comparative figures

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

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

#### e) Budget comparative figures

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

#### f) Superannuation

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

#### g) Fair value of assets and liabilities

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

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

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

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

#### h) Fair value hierarchy

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

##### Level 1

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

##### Level 2

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

##### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation techniques

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

##### Market approach

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

##### Income approach

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

##### Cost approach

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

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

#### i) Impairment of assets

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

# Notes and Forming Part of the Financial Report For the Year Ended 30th June 2018

## 29. OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

For non-cash generating specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no

annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

# Notes to and Forming Part of the Financial Report

## For the Year Ended 30th June 2018

### 30. ACTIVITIES/PROGRAMS

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

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

## Notes to and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 31. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	1.71	1.79	0.83
Asset consumption ratio	0.99	0.95	0.97
Asset renewal funding ratio	0.83	1.00	1.00
Asset sustainability ratio	0.51	0.54	1.50
Debt service cover ratio	11.53	9.06	8.35
Operating surplus ratio	0.04	(0.03)	0.04
Own source revenue coverage ratio	0.94	0.84	0.91

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation expenses}}$
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 and Forming Part of the Financial Report For the Year Ended 30th June 2018

### 31. FINANCIAL RATIOS (Continued)

**Notes:**

Three of the ratios disclosed above were distorted by the early receipt of Financial Assistance Grants.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year.	1,238,343	1,226,992	0
Amount of Financial Assistance Grant received in prior year relating to current year.	1,226,992	0	1,206,203

If the events detailed above did not occur, the impacted ratios in the 2018, 2017 and 2016 columns above would be as follows:

	2018	2017	2016
Current ratio	1.71	2.05	0.60
Debt service cover ratio	11.52	7.82	9.57
Operating surplus ratio	0.04	(0.05)	0.06



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**city of  
kalamunda**