



Dear Council Member,

The General Meeting of Electors will be held on 13 December 2018 from 6pm at Adam Armstrong Pavilion, Beatrice Road, Dalkeith (David Cruickshank Reserve).

Greg Trevaskis
Chief Executive Officer

In accordance with Section 5.27 of the *Local Government Act 1995* and the Local Government (Administration) Regulations 1996, the Order of Business will be as follows;

1. Opening and Welcome

His Worship the Mayor will declare the meeting open at 6 pm.

(the advertisement calling the meeting was published in the POST Newspaper on 24th November and 1st December 2018, together with notices displayed at the Administration Centre and Libraries, and on the City's Website).

2. Introduction of Elected Members and Staff

3. Procedural Matters

His Worship the Mayor will outline the procedures of the meeting.

4. Records of Attendance / Apologies from Electors, Guests and Members of the Press

5. Contents of the Annual Report for the 2017/18 Financial Year to be considered

- Questions submitted on the Annual Report by Electors prior to the meeting.

The Acting Chief Executive Officer will respond to questions that were submitted in writing prior to the meeting.

- Other questions on the Annual Report

Any other questions on the Annual Report

6. General Business

- Questions submitted by Electors prior to the meeting.



7. Closure

Declaration of Closure

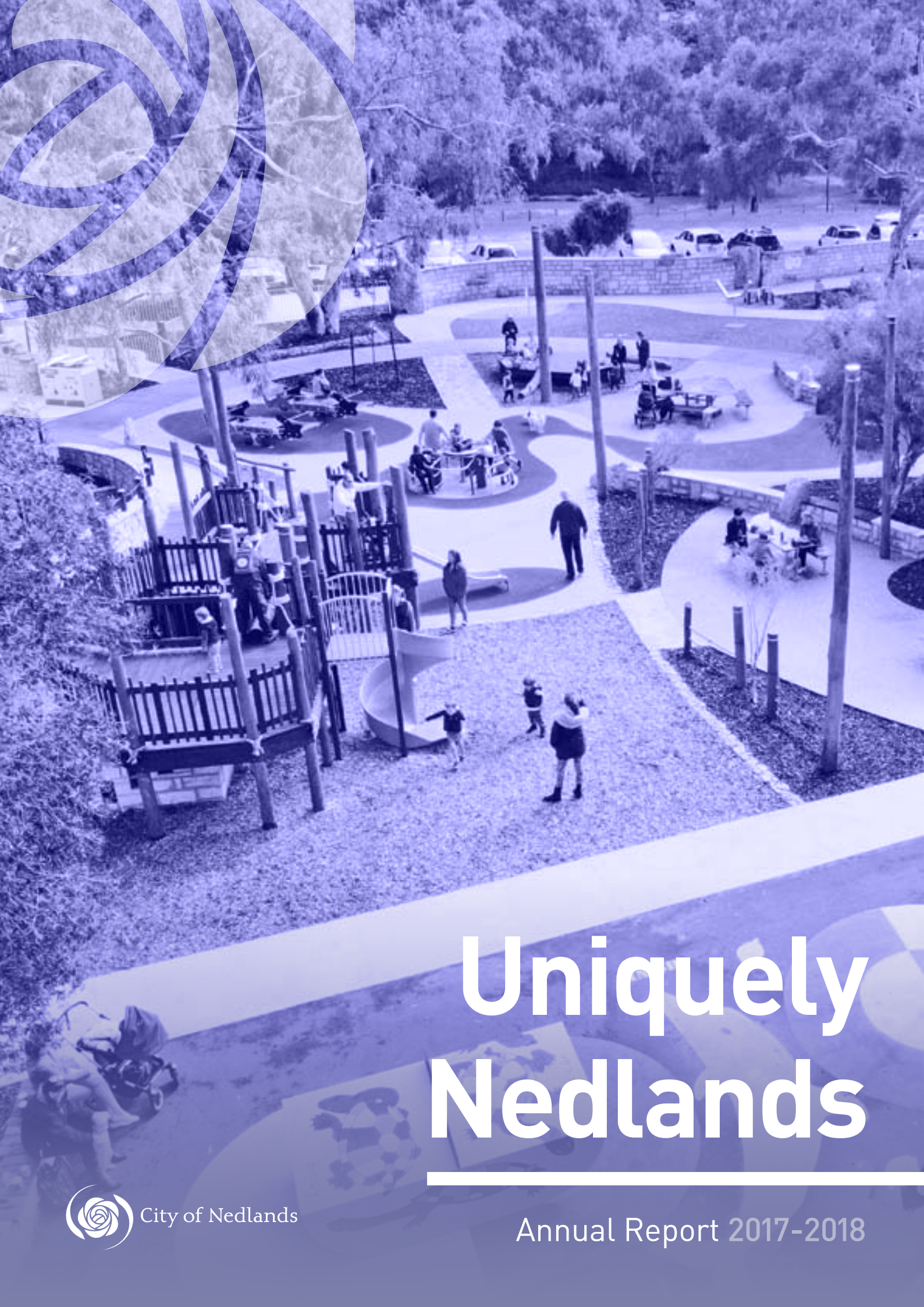
There being no further business, His Worship the Mayor will declare the meeting closed.

Meeting procedures

1. Electors only may speak except with approval of the person presiding.
2. Only an elector may vote.
3. An elector does not have to vote.
4. When addressing the meeting, a person is to:
 - a) rise and remain standing unless unable to do so by reason of sickness or disability;
 - b) use the public microphone and state his or her name for recording in the minutes;
 - c) address the meeting through the person presiding; and
 - d) remain respectful and not reflect adversely upon elected members or employees.
5. No motion or amendment is open to debate until it has been seconded. Only one amendment on any one motion shall be received at a time and such amendment shall be disposed of before any further amendment can be received; but any number of amendments may be proposed.
6. The mover of a motion (but not the mover of an amendment) has the right of reply, and this closes the debate.
7. An elector may rise and move without discussion, “that the question be now put”, which, on being duly seconded and carried by a majority, will result in submission of the motion at once to the meeting, after the mover has replied.
8. Each elector has one vote.
9. Voting is determined by show of hands or other form of open voting determined by the person presiding.
10. A simple majority carries the vote.
11. The person presiding is to determine questions of order and procedure not stated above but an elector may move a motion of dissent from a ruling of the person presiding, which if seconded, shall be put without discussion.
12. Minutes of this meeting will be available for inspection by members of the public as from Thursday 20 December 2018 and any actions will be considered by the Council at its first meeting in 2019 to be held on Tuesday 26 February 2019.
13. The decisions of this meeting are not binding on the Council, but as required by the *Local Government Act*, the reasons for any Council decision on a resolution of this meeting are to be recorded in the minutes of the council meeting.

Definition of Elector

An elector is defined in the Local Government Act 1995. An elector is a person who is eligible to vote in an election of the City of Nedlands.



Uniquely Nedlands



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Message from the Mayor

Max Hipkins, Mayor

Another financial year has come and gone and, as we move from one to the next, it's an opportunity to look back on our successes while reflecting on any challenges. Council is constantly working to meet the needs of its community and I am pleased to present the annual report for 2017-18.

There are many vast aspects of our City... roads and reserves, Nedlands Community Care, Point Resolution Child Care, Nedlands and Mt Claremont Libraries and the Tresillian Arts Centre, to name but a few. There is a true wealth of services and I strongly believe we offer residents and businesses good value for money.

With a population of more than 21,000 residents, we are continuing to build and improve our roads, footpaths and sporting pavilions and deliver a wide range of services to cater for our diverse community – from young children to teenagers, young adults, seniors and families.

During 2017-18, Council adopted its 10-year financial plan, a document that sets out the City's plans and strategies for the future. Some of the initiatives included Local Planning Scheme No. 3, underground power, business improvement initiatives and income generation (working with neighbouring councils by providing services through the City of Nedlands' building services team).

Financial progress is monitored regularly to give us a good indication of how we are travelling and to ensure our various business units are on target. Elected members and staff work together to produce the best

possible result for the community. Our positive record of achievement to date is due to a continued dedication to working together so all can take pride in the past while looking to the future.

Some of the highlights of 2017-18 included:

- A record 169 entries in the Emerge: Youth Art Awards, organised by the Nedlands Youth Advisory Council.
- City of Nedlands Rangers were named the 2017 Ranger Team of the Year – the second time they have won the award.
- The first master plan for Allen Park in Swanbourne was finally adopted.
- Record-breaking crowds at our 21st annual Summer Concerts series.
- The return of Splashfest after it was unfortunately cancelled due to bad weather the year before.
- The first Give A Little, Change A Lot Volunteering Expo in May, presented by the Nedlands Volunteer Resource Centre.
- Official naming of the Jo Wheatley All Abilities Play Space, a project finally realised after the initial proposal was made seven years ago.
- The decision to proceed with a Safe Active Street, through the City, from Claremont to UWA.
- Selection of a preferred tenderer for the redevelopment of the Tawarri site.



Official naming of the Jo Wheatley All Abilities Play Space

In the coming financial year, we will be investing in a range of projects that will enhance our City's appeal to residents, businesses and visitors alike.

After extensive community consultation, the City reviewed its Strategic Community Plan to map out a vision for the next 10 years, outlining how it can continue to "be an environmentally-sensitive, beautiful and inclusive place" in the document Nedlands 2028.

In October, we welcomed two new councillors into the fold: Andrew Mangano and Cilla de Lacy. Councillors Bill Hassell, Nikola Horley, Kerry Smyth, Ben Hodsdon and Gordon Hay were also re-elected for another four-year term.

In the coming financial year, we will be investing in a range of projects that will enhance our City's appeal to residents, businesses and visitors alike, regardless of age, lifestyle or background. These projects include further work on the Jo Wheatley All Abilities Play Space, redeveloping the adjacent Tawarri site and managing the installation of the Safe Active Street, funded by the Department of Transport, to provide children with a safer route for cycling to school. In addition, the City's Roland Leach Poetry Prize, a biennial poetry competition now in its seventh year, will take place and, hopefully, the City's new Local Planning Scheme No. 3 will be finalised.

The City's priorities will continue to renew community assets and infrastructure over the next decade. We will

also continue to progress the roll-out of underground power across the remainder of the City, invest in sport and recreation and manage parking. A continued focus will ensure the quality of our environment is protected through sustainable building, appropriate urban development and retention of bushland areas. The provision of bikeways and off-road trails will be part of a comprehensive western suburbs network, linking Nedlands with adjoining local governments.

Chief Executive Officer Greg Trevaskis announced his intention to retire at the end of 2018 and a recruitment search has begun in earnest. I would like to thank him for the great work he has done for the City over the past six years; strengths we will continue to build on.

As always, the City of Nedlands continues to consider its vision, values, aspirations and priorities while also considering the challenge of balancing community aspirations, service delivery levels, priorities and affordability. This allows us to form a clear direction to deliver the best results for our community.

In closing, I thank the elected members, the executive group, other members of staff, our volunteers and the community that is Nedlands for the achievements made throughout the year to ensure our City continues to be the place of choice to live, work and visit.

Your Council

City of Nedlands 2017–2018

Cr Max Hipkins, Mayor			
Dalkeith	Coastal Districts	Hollywood	Melvista
Cr Bill Hassell AM (Deputy Mayor)	Cr Nikola Horley	Cr Cilla de Lacy	Cr Gordon Hay
Cr Ian Argyle	Cr Leo McManus	Cr Ben Hodsdon	Cr Toni James
Cr Andrew Mangano	Cr Kerry Smyth	Cr John Wetherall Cr Robert Binks (term ended October 2017)	Cr Nigel Shaw

Mayor, Councillors and City's executive staff members. Absent: Crs Smyth, Horley, McManus, Shaw and de Lacy.





Cr Max Hipkins
Mayor



Cr Bill Hassell AM
Deputy Mayor
Dalkeith Ward



Cr Nikola Horley
Coastal Districts Ward



Cr Cilla de Lacy
Hollywood Ward



Cr Gordon Hay
Melvista Ward



Cr Ian Argyle
Dalkeith Ward



Cr Leo McManus
Coastal Districts Ward



Cr Ben Hodsdon
Hollywood Ward



Cr Toni James
Melvista Ward



Cr Andrew Mangano
Dalkeith Ward



Cr Kerry Smyth
Coastal Districts Ward



Cr John Wetherall
Hollywood Ward



Cr Nigel Shaw
Melvista Ward



CEO Report

Greg Trevaskis, Chief Executive Officer

This will be my last annual report for the City of Nedlands, as I will be retiring in December 2018 after completing six very enjoyable and productive years with the City.

The past 12 months have involved some major undertakings that will benefit the City well into the future. Elected members and planning staff have been meeting on a regular basis and have received significant community comment on the development of the City's proposed Local Planning Scheme No. 3. The new scheme will, in the main, reflect the existing residential nature of our City, along with new opportunities for development at key locations. This has been a thankless task but so important for setting good planning principles. It will assist the City in its efforts to plan for development incorporating new standards without detracting from the amenity and enviable lifestyle that Nedlands residents enjoy – now and in years to come. Draft LPS3 is due for final consideration by Council in August 2018 before referral to the WA Planning Commission.

At Council's May meeting, the City's 2018-2028 Strategic Community Plan (known as Nedlands 2028) was adopted, along with a 10-year financial plan. It provides the framework for delivering key priorities, essential services, capital works and operational needs over the next decade. The number one priority for Council is the delivery of underground power, which will see the completion of the entire network no later than 2030. It's an ambitious target that requires careful planning, ongoing community consultation,

responsible financial management and State Government support. The installation of underground power in West Hollywood has already begun and planning for remaining areas is now under way.

Other achievements worthy of mention include the opening of the Jo Wheatley All Abilities Place during the latter part of 2017-18. The \$3 million project has been an outstanding success, thanks to fundraising from the Rotary Clubs of Nedlands, Subiaco and West Perth and support and funding from the City. This state-of-the-art facility has already proven to be enormously popular with children and families. Congratulations to Rotary, landscape architect Fiona Robbé, councillors, City staff, contractors and the donors who gave so generously towards this great project.

The City has also completed the Allen Park Master Plan, JC Smith Pavilion renovations at Melvista Oval, further improvements at David Cruickshank Reserve and the Beaton Park river wall restoration (while also creating beach access). That's not to mention the continuation of the City's capital works upgrades to roads, paths, drainage and parks across our local government district.

I would like to thank my Executive Management Team for its professionalism, enthusiasm, technical abilities and advice to myself, Council and the community. All are outstanding servants who work hard for the benefit of the Nedlands community and show great leadership to staff and the broader local government industry.



The City's Executive Management Team

Mayor Max Hipkins and all councillors have been particularly busy in 2017-18, due to numerous additional workshops, community engagement sessions and public meetings relating to draft LPS3, the Allen Park Master Plan and underground power. I am impressed with their dedication and the hard work they undertake to ensure Council decisions are based on good research while acting in the best interests of the community and working cooperatively with City administration. In my opinion, the Nedlands elected body demonstrates excellent leadership, remains respectful of other views/opinions and acts responsibly in line with its obligation to maintain good governance.

On a sadder note, former councillor Simon Joseph Porter passed away in November 2017. Joe, as he was known to all in Council, was a bright spark who brought energy, humour and insightful debate into the chamber. The City is much poorer for his

passing and we are grateful for the contribution he made to Nedlands during his period as a Dalkeith Ward councillor. Also, Dr Vincent Cusack, the former WESROC project officer, passed away in August 2017. Vincent worked with the western suburbs councils in the field of environmental management.

I take great pride and satisfaction in the job we have all done for City of Nedlands residents and ratepayers over the past 12 months and I am sure the City will continue to work together in 2018-19 – and beyond – to deliver services valued by our community, in the most effective way possible. The City of Nedlands has my very best wishes for the future, along with my heartfelt appreciation for the support given to me as CEO for the past six years. And finally, to all members of staff, it has been an honour to work with you. Thank you for your encouragement and assistance, which has made my job so pleasurable and rewarding.



The number one priority for Council is the delivery of underground power, which will see the completion of the entire network no later than 2030. It's an ambitious target that requires careful planning, ongoing community consultation, responsible financial management and State Government support.

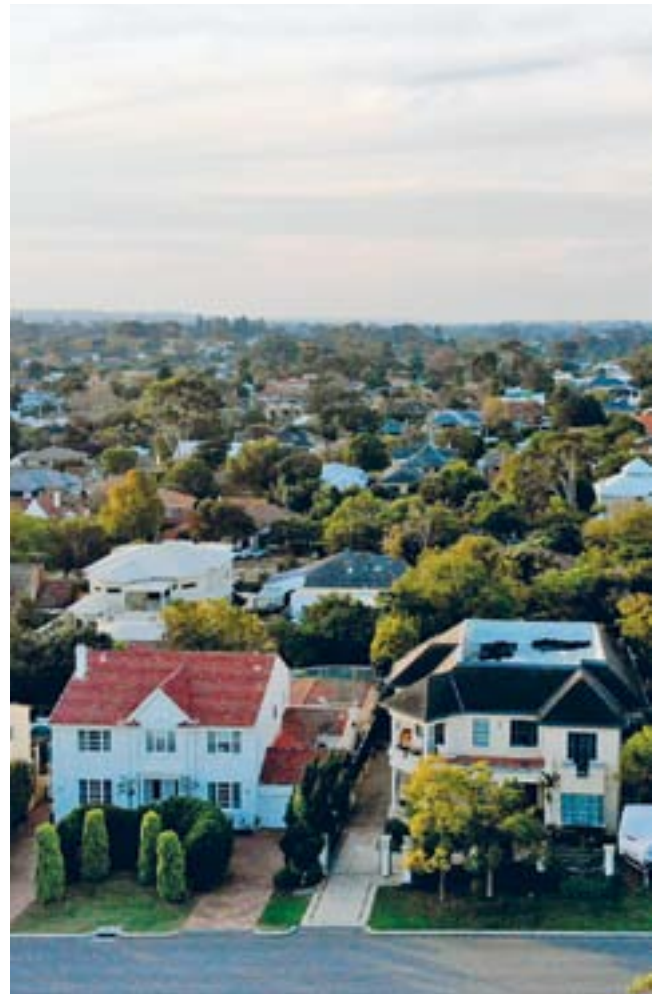
What makes Nedlands what it is?

Uniquely Nedlands



The City of Nedlands is an environmentally-sensitive, beautiful and inclusive place where a diverse community of people can live through different ages and stages of their lives. Residents and visitors enjoy easy access to community hubs where mixes of parks, shops, community and sporting facilities bring people together, strengthening local relationships.





The City of Nedlands is dedicated to providing value-for-money and quality services to its community while being committed to maintaining the unique character of Nedlands – the beautiful parks and gardens, tree-lined streets and bushland.

Our focus is well-maintained urban infrastructure (roads, cycle-paths, parks, community and sporting facilities), nurturing our natural environment, supporting City events, arts and cultural activities and facilitating social programs to create an active, safe, and inclusive community. This enables lively community hubs where people can come together and interact.

We strive for our City to be easy to get around by preferred mode of travel – whether car, public transport, cycle or foot – and for it to be an active, safe, inclusive community enjoying a high standard of local services and facilities.

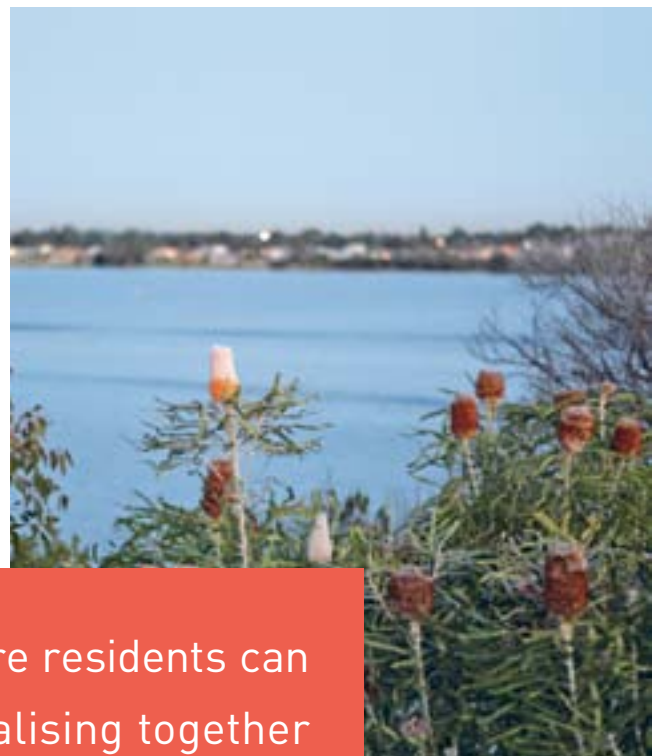
The City is dedicated to serving the needs of the community and is committed to continuously improving its standards by understanding the community's views, needs and aspirations to achieve the desired results, while balancing social, economic and environmental aspirations.



Opportunities are available for the community to participate in the City's activities and decision-making, from being active on committees and advisory groups that range from sustainability to arts, governance, youth and accessibility, to participating in community engagement activities and voting in Council elections.

To achieve this, we value:

- Accountability, by conducting our business and all our services in an open, transparent and financially responsible manner.
- Partnerships, by working together for the benefit of the community.
- Fairness, by providing consistent, fair and unbiased treatment for the whole community.



A harmonious community where residents can enjoy living, working and socialising together remains the key goal for the City of Nedlands.

Integrated Strategic Planning



Following extensive community consultation, Council adopted the 2013-2023 Strategic Community Plan at its meeting on 11 December 2012, which came into effect from 1 July 2013.

The 10-year Strategic Community Plan identified community infrastructure, such as roads and community facilities, were in urgent need of repair and renewal and would require investment over the next 10 years. Therefore, much of the plan was focused on the City's infrastructure.

The 2017-18 financial year saw the continued priority of renewing infrastructure across the City, including more than 5km of roads renewed, the installation of 64 new drainage pits, more than 1km of footpaths renewed and nearly 1km of new footpaths constructed. The percentage of road network in good condition has increased over the past five years with the current average condition rated at 8.12 (good condition) – the aim is for an eventual target of 8.5 within the next decade. There are currently 69.5 per cent of roads rated as good or better, 21.5 per cent rated as satisfactory and only nine per cent rated poor.

In response to the City's strategic and corporate business planning, a 10-Year Financial Plan was

approved by the Council which is supported by the Five-Year Capital Works Program. Although there has been significant work across the City, there are still instances where assets are in poor condition. The development of the initial Five-Year Capital Works Program was based on programs that would provide for all City assets to be at an average condition rating of acceptable in the near future.

The Council endorsed a new Strategic Community Plan for 2018-2028 on 22 May 2018, which will come into effect on 1 July 2018. New targets will be developed from this date.

The City has completed its fifth year of implementing the capital works targets. The following table and comments demonstrate the City's progress in achieving the targets.

The targets for new building projects, greenways, tree plantings, river wall repairs, drainage pits and new footpaths were all achieved for the five-year target. The remaining targets were progressed but fell short of being achieved due to their ambitious nature. In addition, the targets in the new program have been reduced due to the overall condition rating being better than originally estimated.

Capital Works targets and achievements

Description	Five-Year Capital Works Program goals	2017-18 end-of-year goals	2017-18 goals achieved	Five-year goals achieved
New building projects finished	David Cruickshank completed	JC Smith Pavilion upgrade	Completed	Allen Park Lower Pavilion completed
Square metres of natural areas path renewed	Renew 2,285m ²	600m ²	590m ²	1,955m ²
Square metres of greenway planted ¹	Plant 5,860m ²	1800m ²	0m ²	8,200m ²
Number of trees planted	2,050 street/reserve trees	500	643	2,854
Metres of river wall repaired ²	281m	350m	348.1m	467.2m
Square metres of car park new or upgraded ³	Upgrade or build 13,240m ²	4,000m ²	4,844m ²	10,158m ²
Number of bus shelters upgraded ⁴	16	2	2	11
Number of pits installed	100	50	64	274
Metres of footpath renewed	Renew 12,793m	1,700m	1,083m	6,626m
Metres of new footpath ⁵	Build 1,223m	700m	770m	1,240m
Number of Black Spot projects completed ⁶	8	2	2	7
Kilometres of road renewed	34.31km	5.2km	5.2km	20.84km

Notes

¹ The development of a greenway at Point Resolution was delayed in the 2017-18 financial year due to finalisation of the Point Resolution Master Plan. These works (along with an additional section of greenway) are scheduled for completion in the 2018-19 financial year.

² The section of Nedlands foreshore between Tawarri Reception Centre and the Perth Flying Squadron Yacht Club was completed.

³ 2,244m² at Hollywood Bowling Club and 2,600m² at Jo Wheatley All Abilities Play Space, Beaton Park.

⁴ The tender for the replacement of all advertising bus shelters (19) will be awarded in 2018-19.

⁵ Footpaths are less than expected due to the delay in funding from Main Roads WA for Stirling Highway.

⁶ Two Black Spot projects continued from the previous financial year: completion of the Railway Road and Guger Street intersection with Loch Street and the Underwood-Brockway-Brookdale intersection.



River wall

Underground power

One of the priorities in the 2013-2023 Strategic Community Plan was to progress the installation of underground power for the remainder of the City. The total number of lots is 7,952 and, of these, 5,491 (69.1 per cent) have been completed. Works are currently being undertaken on 754 lots (9.5 per cent), leaving 1,707 (21.4 per cent) to receive underground power.

A survey in January-February 2018 asked property owners for their views on the importance of installing underground power and their willingness to pay for a connection.

Underground power was rated as important to 51 per cent of residents with 75 per cent of survey respondents indicating that instalments were their preferred method of payment.

The City then received a detailed design estimate from Western Power. The model was a 50-50 share basis between the City and project land-owners, which included the recovery of the design cost while excluding the Western Power contribution.

The cost of the project was less than anticipated because Western Power agreed to subsidise the project cost more than originally proposed, due to a change in policy. There was a significant level of existing underground connections within the project area. The City was able to coordinate additional properties in the Claremont triangle, Alfred Road and Alderbury Street with projects in adjacent local governments.

In April 2018, work on underground power began in the West Hollywood area, the Claremont triangle and Alfred Road, continuing into 2018-19.

River wall and beach access at Beaton Park

Stage two of the river wall restoration project at the Nedlands foreshore continued with repairs made to the worst sections of the wall from the Sunset Foreshore (Iris Avenue) to the Perth Flying Squadron Yacht Club groyne. This was done to coincide with the construction of the Jo Wheatley All Abilities Play Space.

The \$1.2 million project was a partnership between the City of Nedlands and the Department of Biodiversity, Conservation and Attractions' Riverbank Program, which supports the protection and enhancement of the Swan and Canning River foreshores.

It involved building a new rock revetment wall, landscape softening, reticulation and lighting adjustments over a 300m section of the river, as well as adding an accessible walkway to the beach to complement the new play space.

The rock revetment wall provides a cost-effective, low maintenance and sustainable environment to protect and enhance the river foreshore for future generations. It was chosen after being used successfully in various high-wave impact locations along the Swan River, particularly in South Perth and near the Narrows Bridge.

A total of 467.2m of river wall has now been replaced – and approximately 300m more is planned between the Nedlands Yacht Club and JoJo's Jetty in 2018-19.

Jo Wheatley All Abilities Play Space

Phase one of the All Abilities Play Space on the Nedlands foreshore – including the main playground area – officially opened with a new name on 8 June 2018. The City, Rotary and the major sponsor formally opened the facility at Beaton Park near the Swan River, unveiling it as the Jo Wheatley All Abilities Play Space.

Initiated by Rotary seven years ago, the Jo Wheatley All Abilities Play Space was the result of a collaboration between the City of Nedlands and the Rotary Clubs of Nedlands, Subiaco and West Perth with other partners including Inclusion WA, COLAB, Wood & Grieve Engineers, Lotterywest and Department of Communities – Disability Services.

The state-of-the-art playground – the first of its kind on this scale in WA – features modern, high-quality play equipment purpose-designed for people of all ages and people with disability. Features include a sensory walkway, flying fox, active climbing, decks and slide, active swinging, accessible picnic areas, a community garden and kitchen, an informal sports and

games area, exercise equipment, ramps and relaxation areas, parking (including ACROD bays), accessible toilets and nature, music, sand and water play areas.

Covering 10,000m², the new facility was carefully built around and under existing trees and designed by award-winning landscape architect Fiona Robbé, who is part of an international group developing standards for inclusive playgrounds. There is wheelchair access throughout the playground, as well as perimeter fencing that was requested by parents of children with disability.

A potential family fun day is being planned for March 2019 to further celebrate bringing people of all ages together through play. Work is continuing on phase two of the project with Rotary raising funds for new toilet facilities.

Enviro-scape master plans

The City implemented enviro-scape master plans for Carrington Park, David Cruickshank Reserve and Point Resolution Reserve – the first of 67 parks to undergo this process.

Enviro-scape master plans coordinate the future development of each park. They consider water quality and conservation (hydro-zoning and eco-zoning), the natural and built environment and climate change, along with accessibility, amenity, community use and ensuring the precinct is fit for purpose. The plans aim to ensure community needs are served at the most economic whole-of-life cost.

Works at David Cruickshank Reserve included the installation of a new reticulation system, new footpath network, replacement of cricket nets and various other improvements. Following community engagement, works at Carrington Park began in June 2018 focusing on drainage and landscaping. A new path network will be installed around Point Resolution Reserve, to be followed by an irrigation upgrade in 2018-19 and other works in future years.

Draft Local Planning Scheme No. 3

Towards the end of 2017, the City of Nedlands called for comment on its draft Local Planning Scheme No. 3 over a four-month period. The draft LPS3 was adopted at a special council meeting on 13 December 2016 and sent to the WA Planning Commission for permission to advertise, which then required the City to make a number of unexpected modifications. After making the modifications, the City was given WAPC consent to advertise draft LPS3 for public comment.

People were encouraged to visit Your Voice Nedlands to view the scheme text, search for their properties

using interactive online mapping and make a submission. Six open days were held during February and March 2018, giving people an opportunity to view the draft LPS3 and ask City planners any questions. The City's planners and community engagement team also fielded numerous phone enquiries during the comment period, along with people visiting the administration building in person.

The City undertook comprehensive communications, including:

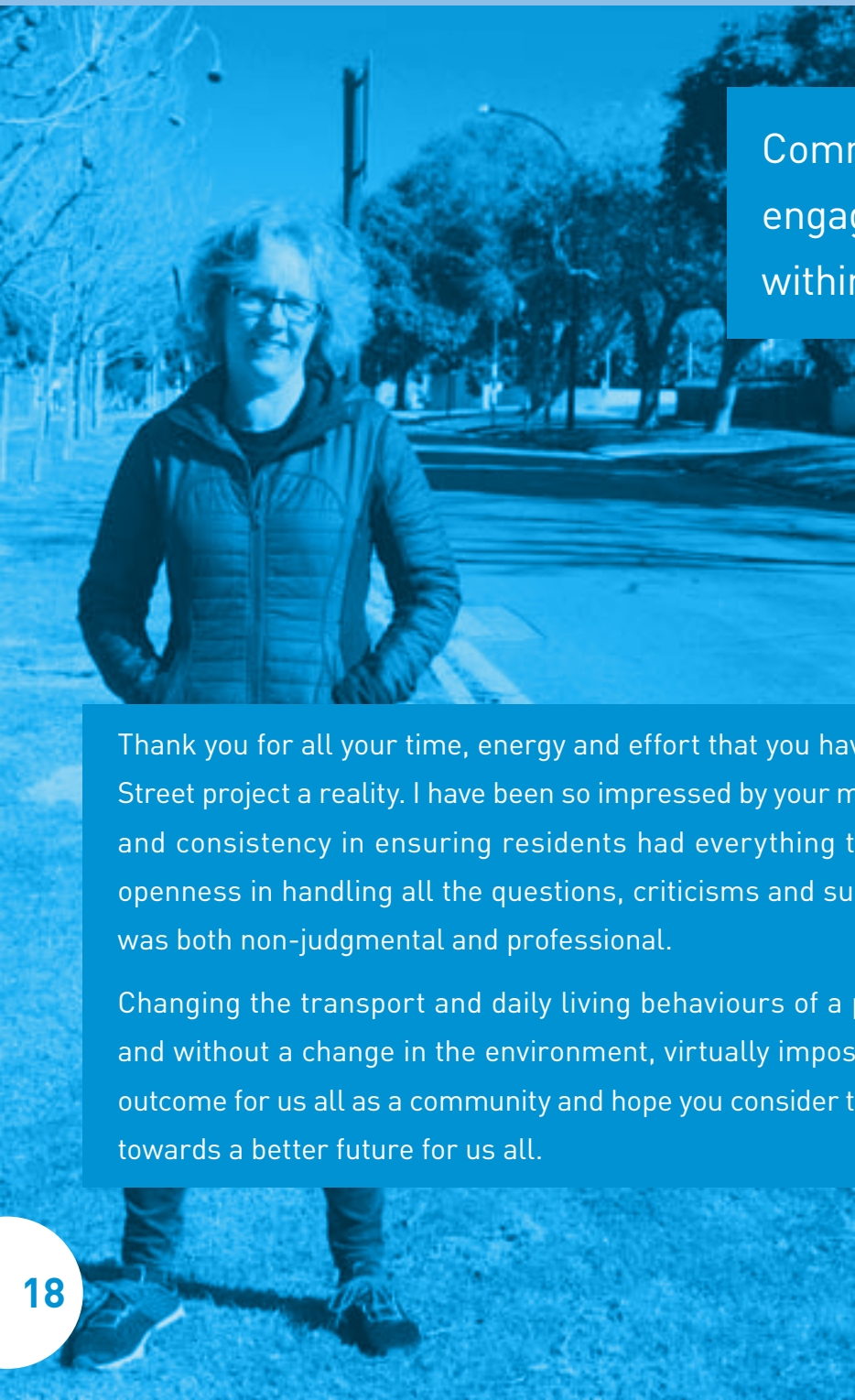
- A direct mail-out of the draft LPS3 – open for comment letter and Your Voice user guide to 10,386 landowners and residents, 86 community groups and 39 agencies.
- Eight advertisements in the POST newspaper (including the monthly Nedlands News update).
- Ten concrete stickers, taking in Waratah Avenue, Broadway, Hampden Road, Kirwan Street, Asquith Street, Kirkwood Deli, Chelsea Village and the Captain Stirling IGA.
- Posters on all City noticeboards.
- Library displays with relevant documents and material.
- A banner facing Stirling Highway outside Nedlands Library.
- An open letter from the Mayor to all recipients of the original direct mail-out.
- Mayor's message – two-page A3 spread in the POST newspaper.
- Twenty-two posts on the City's Facebook and Twitter accounts.
- Email signature on all staff emails.
- Banner on the front page of the City's website with a direct link to Your Voice Nedlands.
- Three media releases and one media brief.
- Twenty-seven articles in the media (print, electronic and online).

Most people accessed the engagement page by directly typing "Your Voice Nedlands" into their address bar or accessed the site via the City's website (77 per cent). A further 18 per cent used search engines.

During the engagement period, there were 8,091 visitors to Your Voice Nedlands who collectively viewed 22,930 pages. More than 5,000 visitors viewed at least one page with 3,125 people viewing more than one page, downloading documents, visiting the frequently asked questions and reading the newsfeeds and other information available.

More than 1,000 submissions were received during the engagement period, which were to be summarised and presented to Council in the new financial year.

Community Engagement



Community and stakeholder engagement is a core activity within the City of Nedlands.

It is intrinsic to Council providing good governance and strong leadership and ensures the community is consulted about its needs and concerns, as part of the City's decision-making processes. This puts the City in a better position to deliver more effective outcomes to guide its priorities into the future.

Thank you for all your time, energy and effort that you have put into making this Safe Active Street project a reality. I have been so impressed by your methodical approach, thoroughness and consistency in ensuring residents had everything they needed to be informed. Your openness in handling all the questions, criticisms and suggestions throughout the process was both non-judgmental and professional.

Changing the transport and daily living behaviours of a population is incredibly difficult – and without a change in the environment, virtually impossible. I believe it was a wonderful outcome for us all as a community and hope you consider that you have taken a visionary step towards a better future for us all.

Jane Leaversuch

The City acknowledges that successful engagement with its community increases their participation in activities and decisions that affect them. At the same time, the City aims to deliver activities in a manner that best meets people's expectations.

Key initiatives

The City undertook more than 100 engagement projects in 2017-18 and achieved a participant membership of about 1,600 people through its online engagement hub Your Voice Nedlands.

There were about 25,000 visits to the site with people viewing more than 67,000 pages. Consultation involved a range of tools that enabled people to seek information and provide feedback.

Surveys and submissions were the most popular tools with 2,310 contributions to 176 surveys for a range of projects, along with 226 feedback items for 76 projects. The community sourced information by downloading about 250 separate documents (8,380 downloads in total), key decision dates, photos and frequently asked questions. About 3,160 visitors to the site read 648 newsfeeds. The City also provided information sessions, public open days and direct mail-outs to inform – and invite – community participation in projects.

Overall, the best performing projects were:

- Draft Local Planning Scheme No. 3
- Allen Park Master Plan
- Safe Active Street
- Carrington Park Enviro-scape Master Plan
- Underground power
- Stay Updated/Community Updates

Your Voice Nedlands was continually developed and promoted across the community, using traditional methods of communications while increasing use of social media, such as Facebook and Twitter. Eight e-newsletters were produced for registered participants.

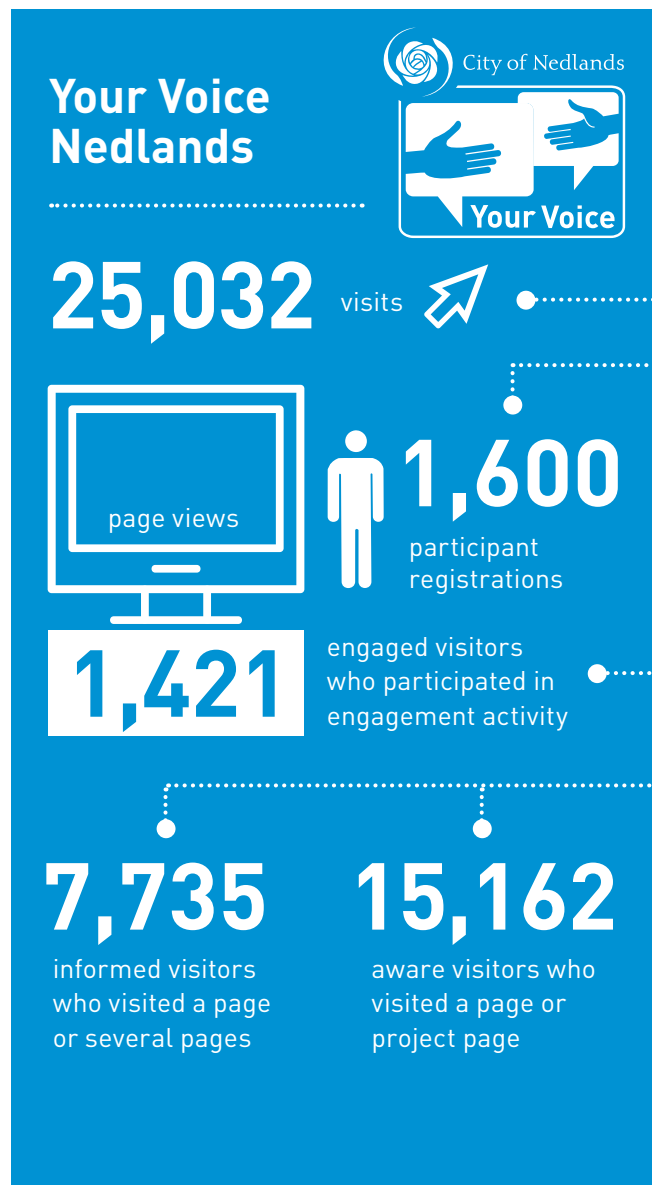
The City's participation for "engaged", "informed" and "aware" compares favourably with other WA councils. The City achieved an engaged result of nine per cent to 30 June 2018 with aware visitors at 40 per cent and informed visitors at 51 per cent. It is noted the industry average for Australia is four per cent for engaged visits.



Engagement in action



Allen Park engagement



City Infrastructure

Overview

The City's infrastructure predominantly consists of roads, footpaths, drainage and city buildings – but also includes assets as diverse as river walls, park furniture, signage and depots.

The planning process for the 2023 Strategic Community Plan identified the City's infrastructure was at a stage in its life cycle where significant investment was required. This was a major financial driver for the 10-year plan. To prioritise the infrastructure improvements, a five-year rolling capital works program was developed. This plan is supported by the City's 10-year financial plan, approved by the Council in May 2018.

Major priorities for the City have been the Stirling Highway streetscape, JC Smith Pavilion, river wall rehabilitation with rock revetment and the completion of phase one works at the Jo Wheatley All Abilities Play Space.

The City is also working towards an average road network condition target of 8.5 (good condition) over the next five years. The average condition rating is currently 8.12, which has improved significantly in the past four years.

Improving building infrastructure throughout the City was also a key priority. Following on from Allen Park Pavilion in 2016-17, a full interior renovation of JC Smith Pavilion was completed. The works included a new storage room for furniture, complete kitchen replacement, automated access, new aluminium entry doors and tiling for the changerooms and painting. The John Leckie Pavilion is another popular sporting facility that received a fresh coat of paint, as well as additional handrails to the standing area overlooking the oval.

Road resurfacing and rehabilitation

Nearly 5.2km of the City's roads were renewed during the year, representing approximately three per cent of the total road network (159km). This work improves amenity and road safety. It also included the installation of soak wells to reduce the impact of potential flooding and to replenish the groundwater system. The following roads were rehabilitated:

- Adams Road
- Bee Eater Lane
- Birkdale Street
- Browne Avenue
- Dalkeith Road
- Gunn Street
- Iris Avenue
- Shann Street
- Brockway Road and Underwood Avenue intersection
- Loch Street, Gugerri and Railway Road intersection
- Brockway (Underwood Avenue to Lemnos Street).

Key points

Installation of underground power began in the West Hollywood area, Alfred Road and Mt Claremont triangle

5.2km

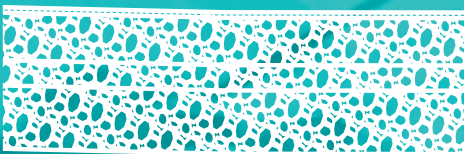
Road resurfacing and rehabilitation completed



2,272m²

New and rehabilitated footpaths installed

River wall rehabilitation at Beaton Park



64

New soak wells to improve drainage and storm water



Jo Wheatley All Abilities Play Space completed in 2018



New car park at Beaton Park

Drainage improvements and storm water management

The Swan River gross pollutant-trapping program continued during the year which, when fully implemented, will result in all gross pollutants within the City's drainage system being captured before they can enter the Swan River.

The installation of soak wells in road pavements are important for replenishing groundwater at its source and to protect the road pavement against water ingress. These continued to be a focus with 64 new units (635m³ of soak well capacity) installed across the City.

Major drainage projects included improvements to drainage in the Strickland Street catchment and installation of gross pollutant traps in Waratah Place.

Footpath improvement and rehabilitation

The City progressed its annual footpath improvement and replacement plan by upgrading various footpaths from concrete slabs to in situ concrete. New footpaths were constructed around the Jo Wheatley All Abilities Play Space at Beaton Park.

Footpath rehabilitation projects included:

- Princess Road: slab removal and replacement of concrete pavement
- Stirling Highway: slab removal and replacement with brick paving
- Leon Road: slab removal and replacement with concrete pavement

Another 755m² of slab paths were replaced during major maintenance programs as follows:

- 286m of The Avenue (430m²)
- 142-144 Waratah Avenue (93m²)
- 21-23 Zamia Street (116m²)
- 73-75 Alfred Road (51m²)
- Narla Road school crossing (65m²)

A further 469m² of minor footpath repairs were also undertaken across the City.



River wall

Car parks

A new 32-bay car park (including eight ACROD bays) was constructed at Beaton Park to service the new Jo Wheatley All Abilities Play Space.

An upgrade of the Hollywood Bowling Club car park included 2,244m² of new asphalt surface and the installation of new drainage. This project was funded directly from parking lease payments made by Hollywood Private Hospital.

River wall

The City secured funding from the Swan River Trust (now part of the Department of Biodiversity, Conservation and Attractions) in 2016-17 and continued remediation works along the section of wall west of Beaton Park. This work began in February 2018 and involved 348.1m of rock revetment with 125m of limestone wall with a beach access ramp.

Underground power

The City began the contracts for three projects in the 2017-18 financial year: West Hollywood, the Mt Claremont triangle and Alderbury Street, Floreat. The three projects will result in a further 754 properties with underground power installed by the end of 2019-20.

Construction works at West Hollywood began in April 2018 and were approximately 18 per cent complete at the end of June 2018. All project works are expected to be completed by June 2019. A feature of these projects is the installation of LED lighting with smart-control capability, which is expected to reduce overall costs of street lighting in the longer term.

Black Spot program

The Black Spot program is a government-funded initiative that improves the safety of roads with a proven crash history or are at elevated risk locations. In 2017-18, the City's Black Spot program progressed with the completion of pedestrian safety initiatives at the Railway Road-Gugeri Street-Loch Street intersection and an upgrade to the intersection at Brockway Road, Brookdale Street and Underwood Avenue.

Building works

The building maintenance capital works schedule featured a significant upgrade to a sporting pavilion and various enhancements to public and community welfare buildings.

The following projects were undertaken during the year:

- JC Smith Pavilion: full interior refurbishment
- John Leckie Pavilion: exterior re-paint and additional handrailing
- Mt Claremont Library: carpet and service desk replacement
- Hollywood Bowling Club: solar panel installation
- Mt Claremont toilets: decommissioned and refurbished into new storage areas
- Tresillian Arts Centre: LED lighting replacement and room upgrades
- Nedlands Community Care: patio extension and handrails
- Nedlands Library: new sliding entry doors and study area furniture replacement
- Allen Park Pavilion: installation of electronic scoreboard
- Jo Wheatley All Abilities Play Space: CCTV installation.

Jo Wheatley All Abilities Play Space

Construction of phase one of the Jo Wheatley All Abilities Play Space at Beaton Park was completed in June 2018. The 10,000m² (1ha) playground is purpose-designed to cater for all ages, people with disability and their families. Phase two works, which will complete the project, are currently being planned with the construction of a new public ablution block. This will include a "Changing Places" accessible toilet, the next part of the project to start in the new financial year.

Jo Wheatley All Abilities Play Space



\$3.19m

total spend on road infrastructure

\$2.09m

total spend on road rehabilitation projects

\$1.04m

total spend on footpath rehabilitation projects

\$0.72m

total spend on drainage rehabilitation projects

\$2.14m

total spend on building maintenance and upgrades



Achieved an average road network condition rating of 8.12 with a target of 8.5 in the next decade



1,642m²

footpaths renewed

630m²

new footpaths constructed

What is unique about the City of Nedlands' natural environment?

Each year, the City puts on the Natural Area Friends Group appreciation event, a way of saying thank you for the many hours we spend caring for our local patches of bushland. It brings the City's bushland groups together and we can catch up on news across town, enabling us to share our treasures. This year, we had an expert guide from Birdlife WA lead us on a walk to search for variegated fairywrens known to inhabit Allen Park. It was a glorious autumn morning, followed by a delicious morning tea and, thankfully, we did find some wrens flitting busily between the bushes.

Lesley Shaw,
President,
Friends
of Allen Park
Bushland Group



Natural Environment

Key points

135

verge development applications assessed



439

monthly maintenance programs of parks completed



24,000

native seedlings were planted in the City's natural areas and greenways

31

projects relating to capital improvement of parks completed



643

trees planted in streets and parks

David Cruickshank Enviro-scape Master Plan and major works completed

Point Resolution Enviro-scape Master Plan completed

Carrington Park Enviro-scape Master Plan completed and works scheduled

Large greening and planting projects at Point Resolution and Swanbourne coastal dunes



Mt Claremont path upgrade

Overview

The 2013-2023 Strategic Community Plan process identified that the City prides itself on its great natural environment and protection of biodiversity, along with placing an importance on the City's green spaces (parks and gardens, reserves and sports fields).

The City works in partnership with local bush care groups and sporting and recreation clubs to restore and protect the City's natural areas and green spaces.

Activities include continued upgrades to sporting and recreational facilities and maintenance to parks and reserves. In bushland, the City continues to address erosion, environmental weeds, plant diseases, feral animals and fire management.

By protecting and maintaining its natural environment, the City's urban forest of gardens, streets and parks will be green and healthy. These green spaces serve as hubs for people to come together.

Parks Services

Enviro-scape master plans are being developed for each of the City's 67 parks over the coming years. David Cruickshank Reserve was the first to undergo this strategic operational process. Works included the installation of a new reticulation system, new footpath network and various other improvements.

The master planning process considers current and prospective constraints and opportunities, water quality and conservation and the natural and built environment, along with accessibility, amenity, community use and ensuring the precinct is fit for purpose. Each plan is developed with the aim of ensuring that community needs are served at the most economic whole-of-life cost. The City began work on developing master plans for several sites during 2017-18 to deliver the program's key objectives.

Renewal of park assets continued with the completion of 31 capital improvement projects, in accordance with the Five-Year Forward Works Plan.

The City started and completed construction of phase one works for the Jo Wheatley All Abilities Play Space at Beaton Park. Phase one works included fencing, entrances, play equipment, landscaping, reticulation and visitor facilities. Re-location of the foreshore path was also completed to complement the new play facilities and river wall infrastructure.



Point Resolution stabilisation

Environmental conservation

Greenways and bushland areas continued to be maintained – native vegetation was planted to improve biodiversity and also allow for the migration of wildlife throughout the City. Large-scale greening projects included native plantings at Point Resolution Reserve and Swanbourne coastal dunes.

At Point Resolution Reserve, about 4,500 seedlings were planted as part of a joint project between the City of Nedlands and Department of Biodiversity, Conservation and Attractions with support from the Friends of Point Resolution. The joint project also stabilised another section of Swan River foreshore with the installation of brush walling to protect existing vegetation and new seedlings. The works will protect the river reserve from exposure to high-energy waves and natural erosion processes.

A further 4,000 local provenance plant species were installed along the Swanbourne dunes with funding from the Western Australian Planning Commission's Coastwest Grants program. The Swanbourne Coastal Alliance community group partnered with the City to deliver the project.

Key initiatives

Parks Services

- A reticulation system servicing Beaton Park and the new Jo Wheatley All Abilities Play Space.
- Security lighting at Brockman Reserve.
- Bollard fencing at Charles Court Reserve, Hamilton Park, Peace Memorial Rose Garden and Daran Park.
- New rugby goals at Charles Court Reserve.
- Refurbishment of tennis courts, fitness equipment and the basketball half-court at College Park.
- Reticulation system, footpaths and landscaping at David Cruickshank Reserve.
- Refurbishment of cricket practice nets at David Cruickshank Reserve.
- Replacement of barbecues at Dot Bennett Park.
- Landscaping and refurbishment of garden beds, bore and bore pump at Lesley Graham Reserve.
- Refurbishment of the basketball half-court at Mt Claremont Community Centre.
- Garden bed refurbishment at Peace Memorial Rose Garden.
- Installation of new bore and bore pump at Sunset Foreshore.
- Heritage gazebo refurbished at Shirley Fyfe Park.

Environmental conservation

- Upgraded pathways at Mt Claremont Oval Reserve.
- Vehicle access and pedestrian gate at Shenton Bushland.
- Natural areas volunteer appreciation event in conjunction with Friends of Allen Park.
- Bushcare programs with community groups, local school groups and Conservation Volunteers Australia.
- Fire management program in bushland areas, including grass tree burning across 1ha of Shenton Bushland.
- Erosion control at Watkins Road (river end), Point Resolution Reserve, Birdwood Parade Reserve, Mt Claremont Oval Reserve and Swanbourne dunes.
- Feral animal control, including feral bees, foxes, cats and rainbow lorikeets.
- Annual environmental weed control.

Health and Compliance

Key points

City of Nedlands Ranger Services awarded WA Ranger Team of the Year in September 2017.



Consumed

682,015kL

of groundwater for all parks

27,285kL

under the Department of Water and Environmental Regulation abstraction allocation

3

High priority enviro-scape master plans completed: Carrington Park, Point Resolution Reserve and David Cruickshank Reserve.

Lost Dog – Perth Flying Squadron Yacht Club

I would like to thank your organisation, particularly Ranger Gerard Cole, for his courteous manner in receiving my message, finding the dog and returning him to my house in Cottesloe.

Colin Keevil and Roy



Overview

Environmental Health

The City is routinely involved in many aspects of public health to ensure community safety in public facilities, including public pools, public buildings and via the ocean monitoring program.

Environmental health activities included responding to noise and other nuisance complaints on behalf of residents. Routine surveillance and audits of City food premises and temporary events (including the Mt Claremont Farmers Market) were also undertaken throughout 2017-18.

Health Services managed two significant asbestos site investigations and management projects throughout the year.

A successful mosquito trapping and identification program was planned and implemented, which included trapping, treatment and investigation of mosquito-borne disease notifications.

Ranger Services

The City's Ranger Services enforce local parking laws, undertake bushfire risk mitigation, dog and cat control and licensing and is the after-hours emergency contact for the City.

A focus on the control of parking continued throughout the year with regular patrols, including schools and commercial areas, and public facilities such as Hollywood Hospital and University of WA precincts.

Sustainability

Water conservation

The City is a Water Corporation-endorsed waterwise council, committed to improving water efficiency and contributing to improved water quality throughout the City's operations. The City's licence with the Department of Water and Environmental Regulation (DWER) allows the City to abstract 709,300 kilolitres of groundwater per annum. Water efficiency is achieved by undertaking regular reviews on water use and identifying tools and techniques to improve water conservation.

The City has embarked on developing enviro-scape master plans for parks and reserves, which consider the natural and built environment and water quality and conservation, along with accessibility, amenity and community use. Once plans are implemented, it is anticipated water and energy savings will be achieved through sustainable design and infrastructure upgrades.

Electricity consumption

The electricity consumption for 2017-18 was 4,287GJ (1,185,534kWh). This is an increase of 19GJ as compared to 2016-17.



WA Ranger Team of the Year



WESROC Feral Animal Control Project

The City of Nedlands, on behalf of WESROC (Western Suburbs Regional Organisation of Councils), undertook feral animal control at Shenton Park Bushland, Hollywood Reserve, North Swanbourne Reserve, Swanbourne Beach and Beaton Park through the WESROC Feral Animal Control Project. This project was funded through the Natural Resource Management Office.

The control program resulted in two foxes and six cats captured within the City’s reserves. Five were domestic cats and one was feral.



Western Central Local Emergency Management

City Rangers were involved in the Western Central Local Emergency Management Committee in 2017-18. The committee undertakes planning for emergencies and local government recovery with other western suburbs councils, as well as agencies such as the Red Cross, WA Police and Department of Fire and Emergency Services. The City also reviewed its Local Emergency Recovery Plan which outlines arrangements for effectively managing recovery at a local level, including accountability and responsibility.

Key initiatives

- City of Nedlands Ranger Services were awarded WA Ranger Team of the Year – for the second time – in September 2017.
- Improvements were made to mobile application technology for issuing infringement notices.
- The Pets at the Park event attracted more than 600 people to Claremont Park on 18 March 2018. The day provided an opportunity to promote responsible dog ownership and for local residents to speak to Rangers.
- Ongoing management of two significant asbestos site investigation projects throughout the year.
- A successful mosquito trapping, identification treatment and investigation program.
- Continuing health surveillance activities, including the Mt Claremont Farmers Markets.
- Investigation and resolution of contentious and complex environmental noise issues.
- Consumed 682,015kL of groundwater for all parks – 27,285kL under the DWER abstraction allocation.
- Water quality management improved through new monthly monitoring and reporting of groundwater quality in six production bores. This was done by recording the static water level below the ground surface, total dissolvable salts in parts per million and acidity levels. The results were shared with UWA for further analysis.



David Cruickshank Reserve

209 Food premises inspections

64 Public building inspections

3,030 Native Plant Subsidy Scheme plants sold



 **51** Noise complaints/investigations


Groundwater savings

Scheme water consumption – rose by

38 Dog attacks investigated



3.84%
(27,285kL)

4%
(1,058kL)



less than the City's allocation

compared to 2016–17

 **4,532** Total parking infringements issued

 Electricity consumption – increased by
19GJ (0.004%)
compared to 2016–17

 **385** Total warnings issued for parking

A state leader in waste management



Waste Services

Key points



The City is a leading metropolitan local government using a three-bin system and verge collection with a diversion rate of

53%

More than

80%

of residents use standard bin service (120L rubbish bin). The remaining residents utilise the upgrade service (240L rubbish bin) or super service (two 240L rubbish bins).

22%

of residents use the complimentary second recycle bin.

10

upgrades of recycling stations in parks and reserves



Robyn Brown and Chaminda Mendis with Nedlands Primary School students Emma, Matilda and Riley



Overview

The City plans to achieve the State Government's target of diverting 65 per cent of waste from landfill by 2020 through initiatives outlined in the Waste Minimisation Strategy and Action Plan 2017 to 2020, adopted by Council in 2017.

The City of Nedlands is one of the top performers among local governments in WA in achieving high diversion rates, low waste costs and strong customer satisfaction levels. In the past financial year, the City achieved an overall 53 per cent diversion rate from landfill – this means more than 50 per cent of the City's waste was either recycled, reused or recovered.

About 8,000 dwellings use the three-bin kerbside collection system for general, green and recycling collection services. In addition, 906 commercial waste services and 687 commercial recycling services are included in the City's kerbside collection system.

About 8,000 dwellings use the three-bin kerbside collection system for general, green and recycling collection services. In addition, 906 commercial waste services and 687 commercial recycling services are included in the City's kerbside collection system.

The City also provides two combined residential bulk verge collections each year consisting of hard waste, green waste, e-waste and mattresses.

More than 22 per cent of residents are using the complimentary second recycle bin option. However, this service will be reviewed in 2018-19 due to high contamination rates (24 per cent).

In 2017-18, the City collected 11,677 tonnes of waste, 3,404 tonnes of green waste and 2,795 tonnes of recyclable material from the kerbside collections and bulk waste streams. More than 53 per cent of combined waste was diverted from landfill to be recovered, reused or recycled. This was a slight drop in performance (one per cent) – however, this was predominantly due to lack of certainty in the recycling sector with overseas markets restricting the imports of recyclables. The City's contractors, SUEZ, advised only two per cent of recyclables collected from the City of Nedlands were affected.

In accordance with industry best practice – and to achieve the most cost-effective outcomes for ratepayers – the City continued to work with the community to encourage positive attitudes and behaviour towards minimising waste, maximising recycling and reducing the amount of waste going to landfill.



Hollywood Primary School students get into the spirit of Clean Up Australia Day

In its efforts to improve waste diversion and achieve the 65 per cent target by 2020, the City (with community support) will focus on:

- Exploring the practicality of co-mingling food scraps with green waste.
- Combinations of waste bins and collection processes.
- Recycling construction and demolition waste.
- Working with schools through education and information.
- Reducing the amount of illegal dumping.
- Researching new technologies that could produce energy from waste.
- Enhancing management of commercial waste.

Graffiti and vandalism

The City maintains 48-hour graffiti removal from public spaces. The City’s graffiti and vandalism contract ensures all graffiti is removed within 48 hours of being reported. The City also passes on the reports to the central police database. Historically, prompt removal has proven to be the most effective deterrent. This service is available free of charge in almost all cases and community satisfaction rating in this area remains high.

Key initiatives

- Implemented a new verge collection and recycling contract. This realised a 91 per cent recovery from verge collections (5 per cent overall), compared to the previous best of 51 per cent (2.5 per cent overall).
- A school waste education program for all primary schools was put into practice.



11,677 tonnes of domestic waste collected

2,770 tonnes of recyclables diverted from landfill

25 tonnes of e-waste and mattresses diverted from landfill

3,404 tonnes of green waste diverted from landfill

Built Environment



Key points



804 building applications approved

• **514** in City of Nedlands

• **290** in Town of Claremont

- Private building certification initiated
- Traineeship program initiated for building surveyors
- Local Planning Strategy endorsed
- Community engagement completed on draft Local Planning Scheme No. 3



1,700



pool barrier inspections conducted – 1,495 in the City of Nedlands and 205 in the Town of Claremont

Overview

The City formulates, administers and enforces rules and regulations for its built environment.

Responsibilities include land-use planning, development approvals and compliance, heritage and managing the leasing of City assets, as well as building and swimming pool control and compliance.

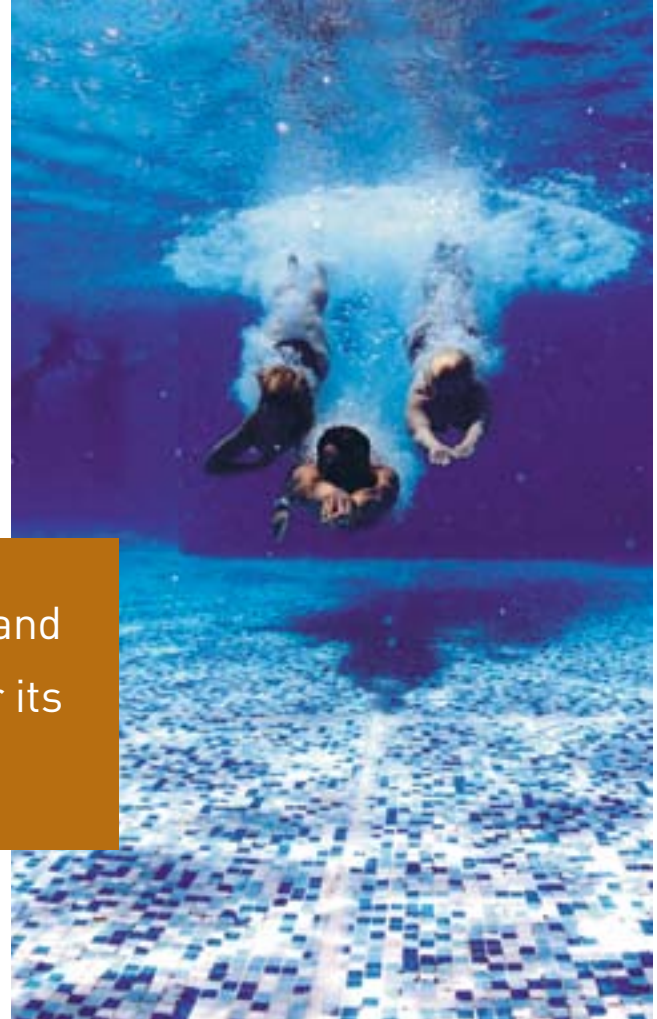
These activities ensure the City continues to develop and thrive in pursuit of its vision of being an environmentally-sensitive, beautiful and inclusive place. High-quality built environments are healthy, have character and charm, enhance community connections and protect amenity.

The City also offers contract services (building permit approvals, swimming pool inspections and building compliance) to other local governments to assist with their building functions.

Strategic planning

A new Local Planning Strategy and draft Local Planning Scheme were the focus for the year. The draft Local Planning Strategy (a high-level comprehensive planning framework for the City) was given final endorsement by the Western Australian Planning Commission (WAPC) in September 2017. This was followed by permission from the WAPC in November 2017 to advertise draft Local Planning Scheme No. 3.

The City undertook extensive consultation on draft Local Planning Scheme No. 3 from December 2017 to March 2018, receiving more than 1,000 submissions. All issues raised were collated and the key ones were distilled from the submissions. The Council deliberated on recommended modifications to draft Local Planning Scheme No. 3, to address the issues raised, early in the 2018-19 financial year.



Statutory planning

Processing development applications to ensure timeframes were met and the community was consulted in decision-making when necessary was the focus for the year. During the reporting period, 322 applications were determined by the City. Of those, 249 were determined under delegation, 33 were determined by Council and the remaining 29 were either cancelled or determined by the WAPC. Of the 249 determined under delegation by staff, all but two were within the required 60 or 90-day statutory timeframes.

In addition, the “deemed-to-comply” check service – where applicants can, early on in their development process, request the City to check their development plans for compliance with the Residential Design Codes – has continued to prove popular. There was a significant increase in the number of checks requested and this may, in part, be due to the quick processing times (consistently less than 10 days). This allows applicants to quickly and efficiently sort out any issues before committing to the development or building processes.

Development compliance also formed a significant part of statutory planning resources in 2017-18. Complaints were mostly generated by neighbours concerned with buildings being constructed or potential unauthorised uses carried out on neighbouring properties.



Building and compliance

The City focused on processing building permits efficiently, undertaking building control compliance activities, inspecting swimming pools and managing the leasing of City assets.

An upgrade and implementation of a new swimming pool register computer system was undertaken to improve efficiency and processes.

A review and implementation of building compliance procedures was undertaken and completed during the year and a new building surveyor traineeship program has been initiated with final requirements to be completed in 2018-19.

The building department has extended its shared services and continues to offer contract services to other local governments to assist with building control functions such as building permit approvals, swimming pool inspections and building compliance.

Key initiatives

Building and compliance

- Instigated private certification
- Completed a compliance review
- Upgraded swimming pool register and processes
- Initiated traineeship program for building surveyors

Planning

- Endorsement of Local Planning Strategy
- Consultation on draft Local Planning Scheme No. 3

100%

of building applications processed within 10 or 25-day statutory timeframe

99%

of development applications processed within 60 or 90-day statutory timeframes

61

deemed-to-comply requests received

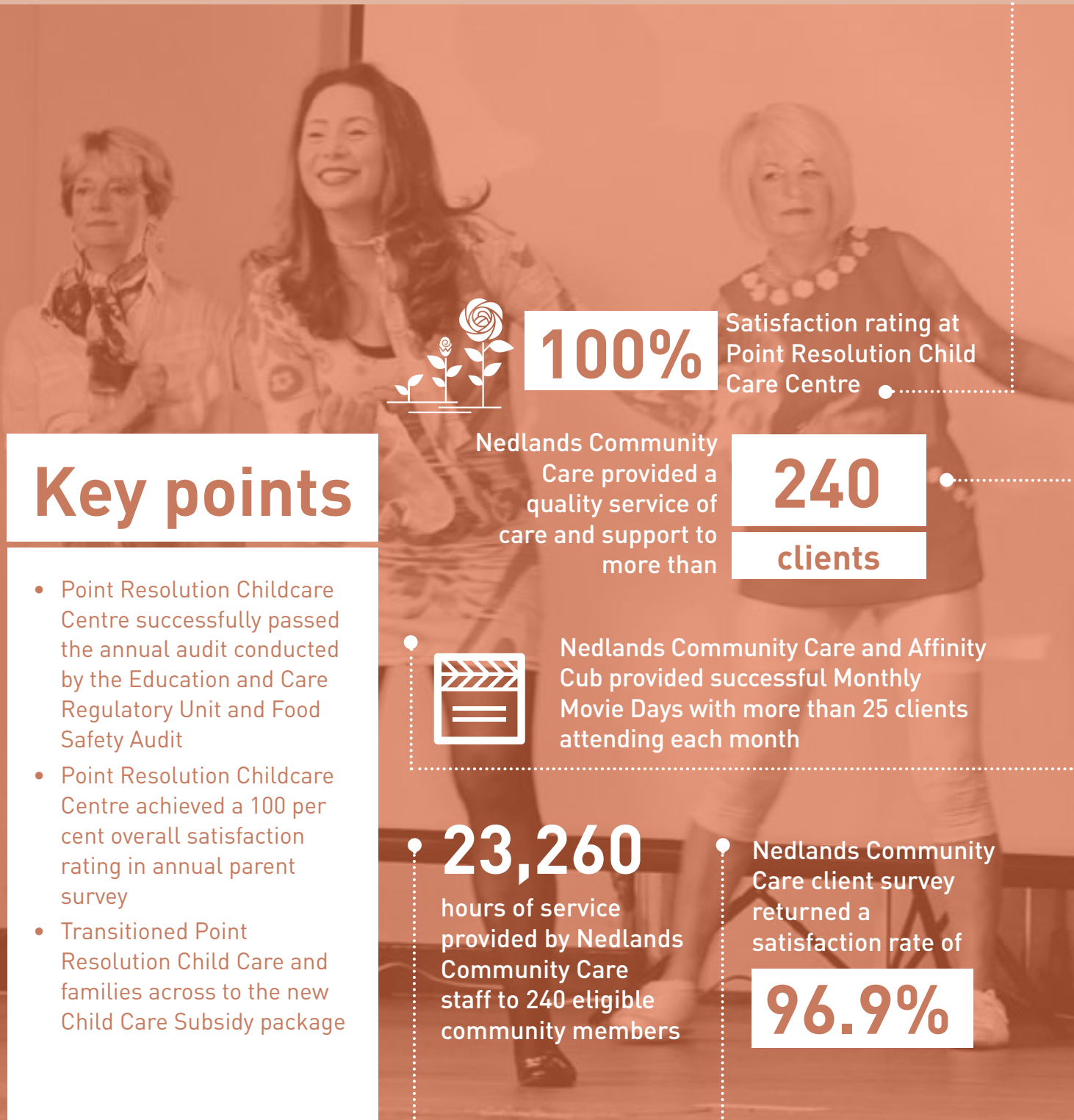


100%

of deemed-to-comply requests approved within 10 days



Community Services



100%

Satisfaction rating at Point Resolution Child Care Centre

Key points

- Point Resolution Childcare Centre successfully passed the annual audit conducted by the Education and Care Regulatory Unit and Food Safety Audit
- Point Resolution Childcare Centre achieved a 100 per cent overall satisfaction rating in annual parent survey
- Transitioned Point Resolution Child Care and families across to the new Child Care Subsidy package

Nedlands Community Care provided a quality service of care and support to more than

240

clients



Nedlands Community Care and Affinity Cub provided successful Monthly Movie Days with more than 25 clients attending each month

23,260

hours of service provided by Nedlands Community Care staff to 240 eligible community members

Nedlands Community Care client survey returned a satisfaction rate of

96.9%

I wish to draw attention to the services at Nedlands Library and what an asset Jade is – she works in a positive, thoughtful and very kind way. I would like to thank Jade for her kindness, expert advice and support in regard to my email difficulties and problems with my gmail account.

Jade showed great knowledge, advice, patience and support while my email address would not accept my password. Jade is knowledgeable in relation to computers and offers great support to people using the library.



Fiona Clarke

Overview

Aged care services – Nedlands Community Care (NCC)

Home and Community Care (HACC) services are provided by Nedlands Community Care (NCC), jointly funded by the WA Department of Health and City of Nedlands. NCC provides services to assist eligible residents to remain living in their own homes for as long as safely possible. Many elderly residents have limited contact with people outside their home. NCC provides the support and social interaction needed for their wellbeing.

Services provided include:

- In-home support for personal care, medication prompting, wellbeing checks, light domestic and laundry assistance, shopping and bill-paying support.
- Garden maintenance.
- Transport to medical appointments and local shopping centres, assisted by volunteers.
- The Waratah Club, which provides activities and meals as well as outings and events.
- Social support activities that include group bus outings around Perth, social get-together programs, a dinner club, book clubs, movie days and computer classes.

Positive ageing program

The Affinity Club, the City’s positive ageing program, is for over-55s and those not yet ready for NCC services. The Affinity Club promotes a can-do attitude to life. It was formed to offer health-enhancing activities that are stimulating and encourage community interactions at a nominal cost. Activities are open to all seniors and are held at NCC and Dalkeith Hall.

Weekly activities include:

Walking groups	Canasta
Table tennis	Latino Moves
Yoga for seniors	Chair pilates
Pilates for seniors	Cooking demonstrations
Zumba Gold	Musical Mondays
Line dancing	Computer Support Cafe
Mah-jong	

Monthly activities include outings to the local cinema, followed by a meal and attending educational talks with afternoon tea included. There have been seasonal outings to a Swan Valley winery, Heath Ledger Theatre and a mini-cruise on the Swan River. Community events included a high tea with 7th Heaven in October and the Biggest Morning Tea in May. Seniors are invited to try any activity at any time.

In the 2017 Customer Satisfaction Survey, Affinity Club members remarked on ‘the friendly attitude of the members and staff’. One of the members appreciated “...the huge welcome which is always given when you walk in. For we folk who live alone, it is often the first welcome of the day – lovely”.



Point Resolution Child Care Centre (PRCC)

In 2017-18, the centre continued to operate at a level that maintained and continued its rating that exceeded National Quality Standards and National Regulations, obtained in the previous financial year. The centre upheld a reputation as a trusted provider of high quality care and education in a fun and stimulating environment for children aged up to six years. PRCC was responsible for more than 120 children each week.

The centre continues to ensure the care each child receives is an extension of the care they receive at home. The open-planned room creates an atmosphere for the children to socialise with their siblings and friends, which generates strong bonds and reinforces family connectedness and social development for the children.

With a focus on the Early Years Learning Framework, the program provides a range of experiences that help children grow socially, emotionally, physically and mentally, while being cared for and nurtured in a safe environment.

PRCC has also liaised with local primary schools to ensure the centre provides opportunities that allow children the best start to formal schooling. This also creates connections with the wider community.

A trial program of providing lunches to children was undertaken from April to June. Following the success of the trial, the program has now been approved to be implemented in the next financial year.



Betty Payton and Marion Wood

Library services

The City has two libraries: Nedlands Library on Stirling Highway and Mt Claremont Library on Montgomery Avenue. Membership stands at 13,113 members – 84 per cent are residents.

The library collection includes a variety of books, magazines, talking books, DVDs, CDs, local history and electronic content (e-books, eAudiobooks and e-magazines). Over the past year, 17,084 eAudiobooks were downloaded and listened to by library members. This is an increase of 4,602 downloads compared to last year.

In June 2018, Mt Claremont Library was closed for re-carpeting. Library staff took this opportunity to create a welcoming sitting area and a new Young Adult Nook. A new front desk was also installed. This has created a fresh feel for the library.



Library bus

Key initiatives

Aged care services

- Preparing clients for the upcoming changes to aged care from 1 July 2018.
- Preparing for the transition of Home and Community Care funding from a State to Federal level from 1 July 2018.
- Achieved 100 per cent overall satisfaction rate in annual parent survey.
- Community members and families attended events including a Meet and Greet Picnic, Mother's Day, Father's Day and Grandparents Day.
- Hosted a range of events including storytime visits from the local library, mobile animal farms, a fire engine visit from the local fire department and nature play.
- Worked with the City's Parks staff and local Bunnings store to select and plant safe native flora and herbs in the centre's garden area.
- Held intergenerational activities with City of Nedlands seniors attending Nedlands Community Care.
- Engaged children in recycling processes with the assistance of the City's Waste Minimisation Coordinator.
- Fostered strong partnerships and supported families with agencies such as Ngala and Telethon Speech and Hearing.

Positive ageing

- Four new classes were added: canasta, chair pilates, Latino Moves and Musical Mondays.
- Cooking demonstrations by club members and staff were introduced, increasing social contact among members.
- A new social event was added to the community calendar of events: high tea with music from the 50s and 60s. Vintage tea cups were donated by members, making the event even more special.
- The Biggest Morning Tea organised by the Affinity Club raised \$1,300. It was well-attended and was a great opportunity to showcase, as part of the morning's entertainment, line dancing and Zumba Gold class routines.

Child care services

- PRCC successfully passed an audit conducted by the Education and Care Regulatory Unit.
- Implemented the revised National Quality Standards to the centre's program, documentation and policies.
- Transitioned the centre and families across to the new Child Care Subsidy package.
- Successfully passed the Food Safety Audit.
- Provided staff training and participation in forums for professional discussion, strengthening their capacity to deliver inspiring and engaging programs.

Library services

- The libraries are now eSmart accredited. eSmart Libraries are a cyber safety framework designed to fully equip libraries, staff and library users with the skills they need for smart, safe and responsible use of digital technology.
- New eResource: Kanopy through the State Library of WA. Thousands of movies are available for streaming.
- New eResource: MyHeritage is a Nedlands subscription for genealogical resources.



96.9% satisfaction rating for Nedlands Community Care

100% overall satisfaction rating with Affinity Club activities

94.75% satisfaction rate for library events

An average of 413 people attending positive ageing activities

492

events provided at Nedlands and Mt Claremont Libraries with 5,423 people attending

8,447

new additions to the libraries in 2017-18

17,084

downloads of library eAudiobooks

96,942

visits to Nedlands and Mt Claremont Libraries

353,724

library transactions (includes loans, returns, reservations and renewals – an increase of 19,364 from last year)

Community Development



satisfaction with the City achieved from hall users



satisfaction with the City achieved from community groups and organisations



sporting clubs used City reserves



people were welcomed as Australian citizens

Key points

- Completion of phase one of the Jo Wheatley All Abilities Play Space
- More than 10,000 people attended the City's major events
- 157 externally-provided events were held on City reserves and approved by the City – up 101 from 2016-17
- Seven community grants valued at \$4,271 for local events and street parties
- Sixteen youth grants valued at a total of \$4,000

Tresillian Arts Centre provided



courses with a 94% satisfaction rating

A record



entries in the Emerge: Youth Art Awards



people attended four Summer Concerts in the Park and gave a 94 per cent satisfaction rating



The Rotary Clubs of Nedlands, West Perth and Subiaco have had a wonderful working partnership with the City of Nedlands, resulting in the magnificent Jo Wheatley All Abilities Play Space. This partnership has extended for more than seven years and has involved the Councillors, Executive, Community Development Team and Engineering Team. I have always said the Jo Wheatley All Abilities Play Space project is exactly what an excellent and productive community partnership should look like.

Angus Buchanan,
Rotary (far right)

Overview

Throughout 2017-18, the City continued to work in partnership with the local community. Celebrating and strengthening local relationships is a key role, undertaken by providing a wide range of events, grants, services and activities in the following areas:

- sport and recreation
- community events
- youth services
- volunteers
- community groups
- local businesses
- disability access and inclusion
- The Tresillian Arts Centre.

In recent years, a major focus has been the continued upgrading of community facilities because these hubs strengthen local connections and help to build a sense of local community.

Jo Wheatley All Abilities Play Space

In 2017-18, the focus for improved community facilities was developing the Jo Wheatley All Abilities Play Space, a cutting-edge new play facility at Beaton Park, Dalkeith. The soft opening of phase one in June 2018 was the culmination of seven years of work by an extraordinary three-way partnership between community, business and government. The project is an example of what can be achieved when these three sectors work together on a shared vision.

Rotary initiated the project, bringing the idea to the City in August 2011 and offering to raise funds to construct the play space. Despite the global financial crisis at the time making fundraising much more difficult than



Splashfest

anticipated, Rotary was supported from the outset by some committed sponsors, including Vern and Jo Wheatley (after whom the facility is now named) and Lotterywest.

Community organisations such as Inclusion WA and COLAB also provided support with many contractors and consultants such as Wood and Grieve Engineers providing pro bono services. Additionally, many other community members, businesses and organisations supported the project to enable its successful construction.

The project will be completed with the construction of new toilet and change facilities in the 2018-19 financial year, following contributions from the Department of Communities and Disability Services.



Summer Concert in the Park



Emerge: Youth Art Awards

Sport and recreation

The City works in close partnership with 30 local sporting clubs to offer a wide range of sporting options to the community. Bookings for facility use is coordinated to ensure clubs have prioritised access to the City's seven major sporting reserves. As well as access to reserves, clubs are supported in securing funding to upgrade their facilities to meet the needs of the clubs, community and sporting codes.

Community events

More than 10,000 people attended the City's major community events, including:

- Four Summer Concerts in the Park (celebrating their 21st anniversary)
- One Nedlands Going Places Tour
- Anzac Day ceremony
- Remembrance Day ceremony
- Three citizenship ceremonies.

As well as the above events provided by the City, an increasing number of people organised their own events in the City's parks and reserves. These externally-provided events included community-based, corporate and private events, such as wedding ceremonies and birthday celebrations.

The City provided approval for 157 local events including large events such as the Cuban Club New Year's Day and The Bloody Long Walk. The City's approval process for these events aims to minimise impacts on the local community.

Youth development

Since 2013, the annual Emerge: Youth Art Awards exhibition has showcased the art work of young local people. The August 2017 exhibition attracted a record 169 entries with attendees expressing an 86 per cent satisfaction level.

Sixteen young local people each received a \$250 grant from Council's Youth Grants Fund. The fund recognises and encourages initiatives that deliver a wide range of socially-positive activities that help contribute to the community. Examples include participating in the da Vinci Decathlon – National Round and the Special Olympics in Adelaide.

The City also provided a grant of \$12,000 to the Shenton Christian Council to assist with the cost of providing chaplaincy services at local schools.

Splashfest is an annual water-based event for children, young people and families held in March on Swanbourne Reserve. The community event involves many volunteers from the Nedlands Youth Advisory Council, as well as sporting clubs and community groups. Splashfest also showcases a range of performances from talented young musicians and dancers. The event attracted approximately 2,000 people.

The Nedlands Youth Advisory Council (YAC) is a team of young volunteers aged 12-21 who live, work, study or enjoy recreation in the City of Nedlands. The YAC continues to provide input to the youth program and helps to plan and coordinate City of Nedlands' youth events.

Volunteer services

The City's Volunteer Services matches volunteers with opportunities that suit their interests and availability. The service:

- referred 149 volunteers to roles in community organisations
- engaged 167 volunteers in roles within services provided by the City.

Many of the 149 volunteers who were referred to community organisations went on to play a key role in them, contributing to a more resilient and inclusive community. Many community organisations depended on volunteers to deliver their services and meet community need.

The 167 volunteers who worked within programs and services gave their valued time to extend many of the services being delivered by the City. These included volunteering in:

- the City's libraries
- Nedlands Community Care
- providing community transport
- assisting with bushcare
- serving on many different committees and advisory groups.

Volunteers are important – their work allows the City to extend and enrich its services beyond those provided by staff. On average, each volunteer gives 8.8 hours per month, which is more than 17,000 volunteer hours per year. This represents more than \$500,000 in donated benefit to the City. Volunteers working within City-provided programs contribute a significant benefit to the community, both in terms of enriched services and financially.

Local businesses

The City of Nedlands hosted a business sundowner to provide local business people, City staff and Councillors an opportunity to network. The event was well-supported by local business people and enjoyed by those who attended.



Tresillian Arts Centre

The Tresillian Arts Centre continued to provide a wide range of recreational courses, children's school holiday activities, art exhibitions and art studios. Art courses continued to be in strong demand, as well as language and lifestyle courses. Tresillian provided 233 term-based courses for adults in 2017-18 and 32 school holiday courses for children.

Tresillian's reputation as an arts centre is well-established and sufficiently strong to attract City of Nedlands residents and people from other local government areas, including some who travel from the country. At the end of the financial year, Tresillian had 1,119 financial members (including family memberships). Of these, 382 (34 per cent) were City of Nedlands residents and 737 (66 per cent) were non-residents. City residents pay a lower annual membership fee than people from other local government areas.

Tresillian provided seven art studios to six individual artists and one arts organisation (the Printmakers Association of WA).

Tresillian's members were again highly satisfied with the services they received, reporting a satisfaction rating of 94 per cent across the financial year.



Key initiatives

- Formal opening of the Jo Wheatley All Abilities Play Space in June 2018, after seven years of community consultation, fundraising and design.
- Attendance at the City's Summer Concerts increased to a record 8,500.
- The development of a new five-year Disability Access and Inclusion Plan for the City, aimed at ensuring equal access to all City facilities and events for all community members.

Statutory Requirements



Council
(3)

●..... Number of meetings held

N/A

Elected members not required to attend

Elected Member Attendance

Elected Member attendance – 1 July 2017 to 30 June 2018

Elected Member	Council (11)	Special Council (1)	Committee [11]	Audit and Risk Committee (5)	Sustainable Nedlands Committee [2]	Arts Committee [4]	CEO Performance Review Committee [2]	CEO Recruitment and Selection Committee [4]
Mayor RMC Hipkins	11	1	10	5	2	4	2	4
Cr IS Argyle	11	1	11	5	N/A	N/A	0	N/A
Cr WRB Hassell	9	1	9	N/A	N/A	3	1	4
Cr GAR Hay	10	1	10	0	N/A	N/A	N/A	N/A
Cr BG Hodsdon	10	0	10	4	N/A	0	N/A	N/A
Cr NBJ Horley	10	1	8	N/A	N/A	N/A	1	N/A
Cr TP James	11	0	8	N/A	N/A	4	1	N/A
Cr LJ McManus	11	1	9	4	N/A	N/A	2	4
Cr NW Shaw	9	1	10	N/A	1	N/A	N/A	3
Cr KA Smyth	11	1	10	N/A	N/A	3	N/A	N/A
Cr JD Wetherall	10	1	10	N/A	N/A	1	1	4
Cr R Binks Term ended October 2017	3	N/A	3	N/A	1	N/A	N/A	N/A
Cr CM de Lacy Elected October 2017	8	1	7	N/A	N/A	N/A	1	N/A
Cr AW Mangano Elected October 2017	8	1	7	1	N/A	N/A	N/A	N/A

Employee remuneration

In accordance with s.19(b) of the Local Government (Administration) Regulations 1996, the number of City employees entitled to an annual salary of \$100,000 or more are:

Salary range	Number of employees
\$100 000 to \$109 999	4
\$110 000 to \$119 999	0
\$120 000 to \$129 999	4
\$130 000 to \$139 999	7
\$140 000 to \$149 999	0
\$150 000 to \$159 999	0
\$160 000 to \$169 999	0
\$170 000 to \$179 999	1
\$180 000 plus	3

Record-keeping statement

The City of Nedlands is committed to the reliable and systematic management of government records, in accordance with legislative requirements and best practice standards.

Record-keeping plan: The City's current record-keeping plan, RKP2018005, was submitted to the State Records Office in March 2018 and subsequently approved on 23 March 2018. In accordance with the State Records Act 2000, the plan is to be reviewed within the next five years and submitted to the State Records Office by 23 March 2023.

Information management systems: The City is continuing a review of its business processes and the various systems used to capture business intelligence across the organisation. The City continues to upgrade its on-premise SharePoint environment to SharePoint Online, along with other Microsoft Office 365 applications to improve business efficiencies.

Training and awareness: Record-keeping inductions are held for all new employees on commencement. This includes their record-keeping responsibilities and desktop training using SharePoint.

Freedom of information

The *Freedom of Information Act 1992* gives the public a right to apply for access to documents held by the City of Nedlands. The City aims to make information available whenever possible, outside the freedom of information process.

The City received nine valid freedom of information applications in 2017-18. All nine were finalised.

The City of Nedlands information statement is available on the City's website at nedlands.wa.gov.au/access-information.

Access and Inclusion

Disability Access and Inclusion Plan

The City of Nedlands' Disability Access and Inclusion Plan 2013-14 to 2017-18 is a key strategic document, outlining the City's approach to working towards a more accessible and inclusive community.

The City is required by legislation to:

- maintain a Disability Access and Inclusion Plan (DAIP)
- address seven specific outcome areas within the plan
- report to the Department of Communities – Disability Services annually on progress against actions within the plan.

While it is a statutory requirement for the City to maintain and implement a DAIP, direct community benefits also result from the City's commitment to access and inclusion.

The table below indicates the outcome areas where strategies/initiatives were planned, as well as the strategies/initiatives completed for the financial year.

Outcome areas	Number of strategies/ initiatives planned	Number of strategies/ initiatives completed (includes ongoing strategies)
Services and events	14	14
Buildings and other facilities	8	6*
Information	2	1**
Services	2	2
Complaints	0	0
Consultation	3	3
Employment	1	1

Of the total number of strategies to be implemented, three were not completed:

* Building and other facilities: the strategies upgrading the fitness equipment and softfall on Melvista Oval and upgrading the playground in Hamilton Park have been re-prioritised as a result of the budgeting and asset management processes. Both projects are listed for completion in the 2019-20 and 2020-21 financial years respectively.

** Information: providing an awareness program/annual training for managers and staff on accessible information was not completed, as the Access Working Group will be assisting with testing the website for accessibility during the 2018-19 financial year.

The City progressed the start of a new DAIP for 2018-19 to 2023-24, to be completed in the next financial year.

Access Working Group

Members of the City's Access Working Group gave voluntary advice on matters related to disability access and inclusion, such as providing input as the City worked to develop its DAIP for 2018-19 to 2023-24.

Official conduct of Elected Members – complaints register

Section 5.103 of the *Local Government Act 1995* requires that every local government prepare a Code of Conduct to be observed by Elected Members.

Local Government (Rules of Conduct) Regulations 2007

The City's processes also support managing complaints in relation to the Local Government (Rules of Conduct) Regulations 2007, which deal with:

- Disclosure of confidential information.
- Improper use of the position of Councillor to gain a personal advantage or cause detriment to the local government or others.
- The misuse of local government resources.
- Unauthorised involvement in administration matters.
- Improperly directing, influencing or making offensive or objectionable statements about a local government employee.
- Disclosure of 'impartiality' interests.
- Notifiable and prohibited gifts.

Section 5.121 of the *Local Government Act 1995* requires a local government to maintain a register of complaints that result in an action under s. 5.110(6)(b) or (c) of the same act.

Under section 5.53(2), the annual report is required to disclose the number of complaints received each year.

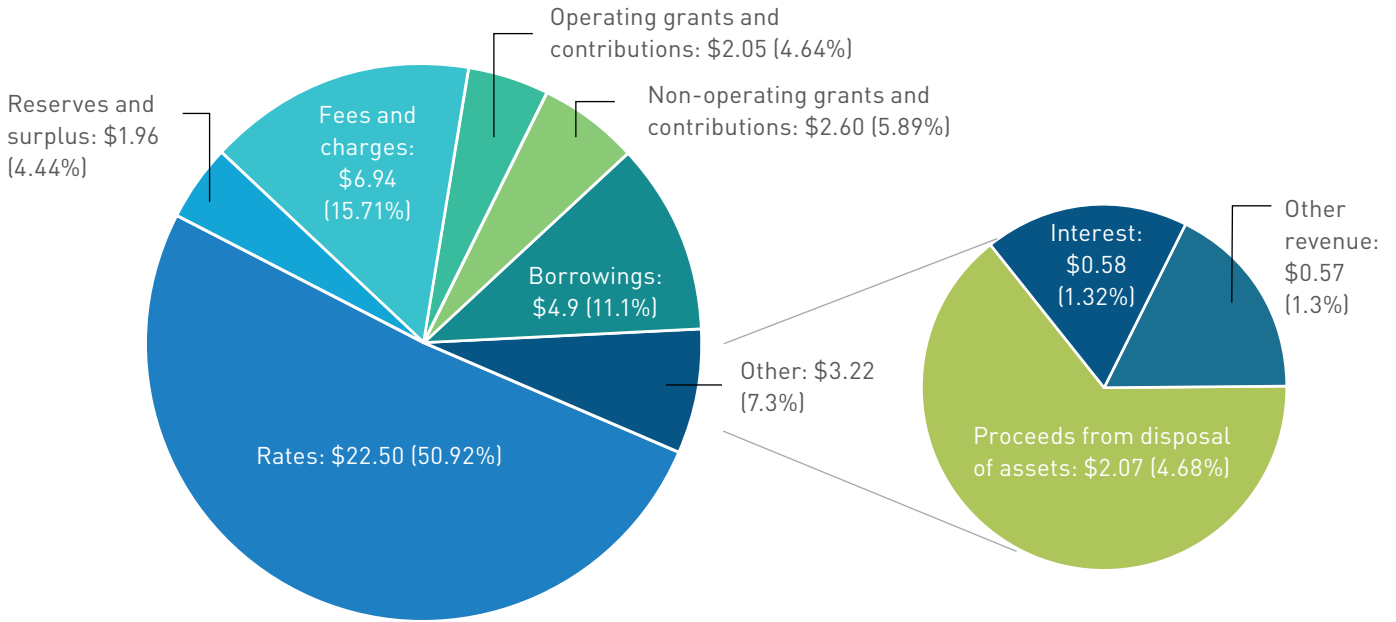
Two complaints were received and reported to the Local Government Standards Panel in 2017-18. Outcomes are yet to be determined.



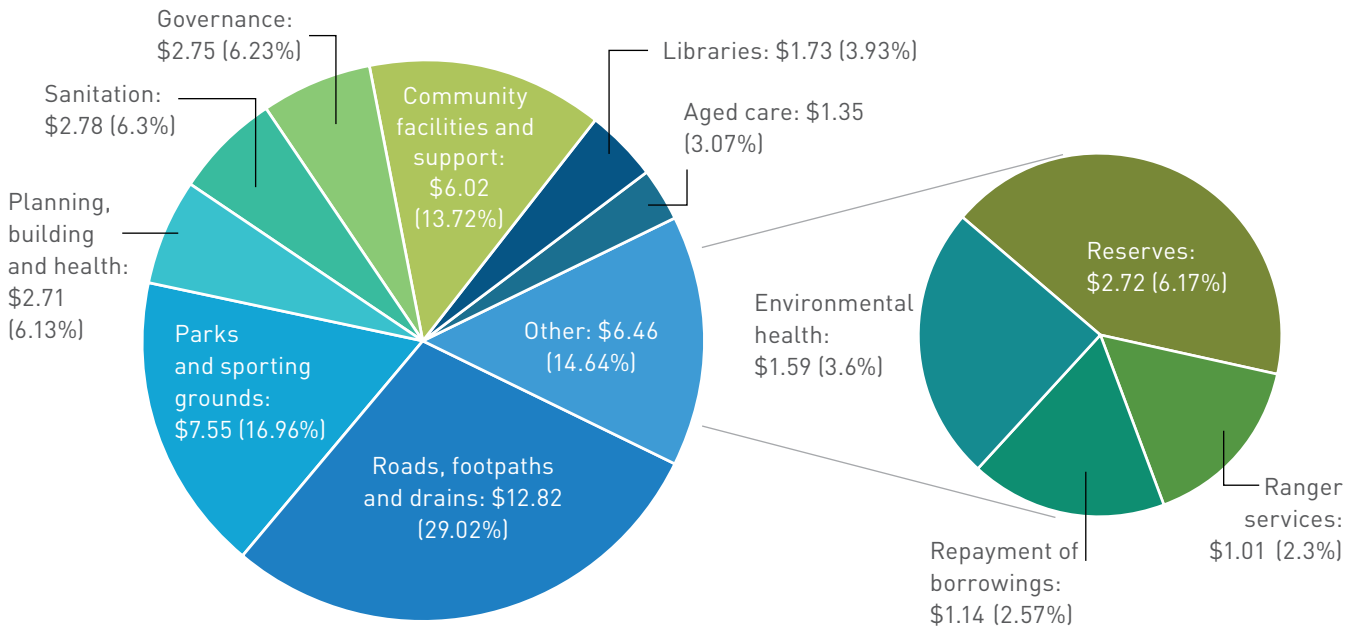


Financial Highlights 2017–2018

Revenue Source (\$m) – Total \$44.17



Service Expenditure (\$m) – Total \$44.17



How each \$100 is spent





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Financial Report

CITY OF NEDLANDS
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

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COMMUNITY VISION

Our City will be an environmentally-sensitive beautiful and inclusive place.

Principal place of business:
71 Stirling Highway
Nedlands WA 6009

**CITY OF NEDLANDS
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 Nedlands being the annual financial report and supporting notes and other information for the financial year ended 30th June 2018 are in my opinion properly drawn up to present fairly the financial position of the City of Nedlands at 30th June 2018 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and the regulations under that Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed as authorisation of issue on the 5th of November 2018.



Greg Trevaskis
Chief Executive Officer

STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2018

	NOTE	2018 Actual \$	2018 Budget \$	2017 Actual \$
Revenue				
Rates	26(a)	22,492,209	22,436,728	22,045,424
Operating grants, subsidies and contributions	2(a)	2,049,363	1,636,670	2,448,794
Fees and charges	2(a)	6,937,496	6,804,780	7,059,374
Interest earnings	2(a)	583,828	557,100	608,657
Other revenue		572,726	317,300	513,975
		32,635,622	31,752,578	32,676,224
Expenses				
Employee costs		(12,896,982)	(13,141,386)	(13,204,036)
Materials and contracts		(14,380,196)	(15,710,025)	(9,374,476)
Utility charges		(936,522)	(797,100)	(884,569)
Depreciation on non-current assets	10(b)	(5,988,203)	(7,251,700)	(7,029,311)
Interest expenses	2(b)	(275,890)	(289,005)	(284,824)
Insurance expenses		(304,537)	(299,100)	(357,782)
Other expenditure		(755,181)	(961,300)	(893,347)
		(35,537,511)	(38,449,616)	(32,028,345)
		(2,901,889)	(6,697,038)	647,879
Non-operating grants, subsidies and contributions	2(a)	2,609,259	4,594,960	2,204,087
Profit on asset disposals	10(a)	495,645	30,100	37,662
(Loss) on asset disposals	10(a)	(40,325)	(29,900)	(113,700)
Provision for impairment of other financial assets	7	(11,942)	0	0
(Loss) on revaluation of Infrastructure - Parks, Gardens and Reserves	9(b)	(1,232,307)	0	0
Net result		(1,081,559)	(2,101,878)	2,775,928
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	(54,450,333)	0	284,069,059
Total other comprehensive income		(54,450,333)	0	284,069,059
Total comprehensive income		(55,531,892)	(2,101,878)	286,844,987

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
		\$	\$	\$
Revenue				
	2(a)			
Governance		378,143	221,000	351,658
General purpose funding		23,931,487	23,500,298	23,887,159
Law, order, public safety		508,334	483,000	495,277
Health		90,478	73,500	120,374
Education and welfare		1,784,314	1,762,700	1,783,902
Community amenities		3,644,722	3,755,600	3,790,379
Recreation and culture		975,496	725,700	809,780
Transport		167,912	132,900	197,580
Economic services		1,007,763	1,017,780	1,160,557
Other property and services		146,973	80,100	79,559
		32,635,622	31,752,578	32,676,225
Expenses				
	2(a)			
Governance		(2,230,140)	(2,875,570)	(3,036,395)
General purpose funding		(384,077)	(353,657)	(369,171)
Law, order, public safety		(1,019,920)	(1,034,832)	(949,178)
Health		(692,569)	(767,375)	(680,146)
Education and welfare		(2,330,690)	(2,561,724)	(2,370,736)
Community amenities		(4,339,304)	(4,780,262)	(4,647,897)
Recreation and culture		(8,455,732)	(8,716,907)	(8,084,114)
Transport		(6,110,814)	(5,422,300)	(5,352,694)
Economic services		(4,911,487)	(6,209,914)	(5,891,945)
Other property and services		(4,786,889)	(5,438,071)	(361,247)
		(35,261,622)	(38,160,612)	(31,743,523)
Finance Costs				
	2(a)			
General purpose funding		(269,440)	(282,554)	(274,227)
Community amenities		(6,450)	(6,450)	(10,597)
		(275,890)	(289,004)	(284,824)
		(2,901,890)	(6,697,038)	647,878
Non-operating grants, subsidies and contributions	2(a)	2,609,259	4,594,960	2,204,087
Profit on disposal of assets	10(a)	495,645	30,100	37,662
(Loss) on disposal of assets	10(a)	(40,325)	(29,900)	(113,700)
Provision for impairment of other financial assets	7	(11,942)	0	0
(Loss) on revaluation of Infrastructure - Parks, Gardens and Reserves	9(b)	(1,232,307)	0	0
		1,820,331	4,595,160	2,128,049
		(1,081,559)	(2,101,878)	2,775,928
Net result				
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	11	(54,450,333)	0	284,069,059
Total other comprehensive income		(54,450,333)	0	284,069,059
Total comprehensive income		(55,531,892)	(2,101,878)	286,844,987

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2018**

	NOTE	2018	2017
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	3	11,135,046	11,020,622
Trade and other receivables	5	1,199,152	1,350,282
Inventories	6	31,936	14,232
TOTAL CURRENT ASSETS		12,366,134	12,385,136
NON-CURRENT ASSETS			
Other receivables	5	540,167	531,134
Other financial assets	7	123,734	135,676
Property, plant and equipment	8	345,708,041	347,422,769
Infrastructure	9	82,571,683	133,376,277
TOTAL NON-CURRENT ASSETS		428,943,625	481,465,856
TOTAL ASSETS		441,309,759	493,850,992
CURRENT LIABILITIES			
Trade and other payables	12	2,086,520	2,734,254
Short term borrowings	13	1,652,524	0
Current portion of long term borrowings	14(a)	1,597,168	983,843
Provisions	15	2,027,291	2,152,832
TOTAL CURRENT LIABILITIES		7,363,503	5,870,929
NON-CURRENT LIABILITIES			
Long term borrowings	14(a)	6,748,982	5,264,174
Provisions	15	337,618	324,341
TOTAL NON-CURRENT LIABILITIES		7,086,600	5,588,515
TOTAL LIABILITIES		14,450,103	11,459,444
NET ASSETS		426,859,656	482,391,548
EQUITY			
Retained surplus		67,275,653	69,877,933
Reserves - cash backed	4	6,037,350	4,516,629
Revaluation surplus	11	353,546,653	407,996,986
TOTAL EQUITY		426,859,656	482,391,548

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	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2016		67,624,740	3,993,894	123,927,927	195,546,561
Comprehensive income					
Net result		2,775,928	0	0	2,775,928
Changes on revaluation of assets	11	0	0	284,069,059	284,069,059
Total comprehensive income		2,775,928	0	284,069,059	286,844,987
Transfers from/(to) reserves		(522,735)	522,735	0	0
Balance as at 30 June 2017		69,877,933	4,516,629	407,996,986	482,391,548
Comprehensive income					
Net result		(1,081,559)	0	0	(1,081,559)
Changes on revaluation of assets	11	0	0	(54,450,333)	(54,450,333)
Total comprehensive income		(1,081,559)	0	(54,450,333)	(55,531,892)
Transfers from/(to) reserves		(1,520,721)	1,520,721	0	0
Balance as at 30 June 2018		67,275,653	6,037,350	353,546,653	426,859,656

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 \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		22,520,373	22,636,728	21,777,719
Operating grants, subsidies and contributions		2,128,475	1,653,670	2,502,364
Fees and charges		6,937,497	6,804,780	7,059,374
Interest earnings		583,828	557,100	608,657
Goods and services tax		2,037,872	0	2,073,419
Other revenue		572,725	317,300	513,975
		34,780,770	31,969,578	34,535,508
Payments				
Employee costs		(12,792,287)	(13,141,386)	(12,987,387)
Materials and contracts		(15,270,655)	(15,710,025)	(8,946,772)
Utility charges		(936,522)	(797,100)	(884,569)
Interest expenses		(267,831)	(289,005)	(290,521)
Insurance expenses		(304,537)	(299,100)	(357,782)
Goods and services tax		(2,019,017)	(311,755)	(2,055,089)
Other expenditure		(767,123)	(961,300)	(893,347)
		(32,357,972)	(31,509,671)	(26,415,467)
Net cash provided by (used in) operating activities	16	2,422,798	459,907	8,120,041
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(1,551,646)	(2,280,760)	(3,225,979)
Payments for construction of infrastructure		(9,212,125)	(13,497,940)	(8,944,870)
Non-operating grants, subsidies and contributions		2,609,259	4,594,960	2,204,087
Proceeds from sale of fixed assets		2,067,571	607,000	592,067
Net cash provided by (used in) investment activities		(6,074,999)	(10,576,740)	(9,374,695)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of long term borrowings		(1,135,626)	(983,843)	(939,810)
Proceeds from self supporting loans		15,966	12,821	9,290
Proceeds from short term borrowings		1,652,524	0	0
Proceeds from new long term borrowings		3,233,761	7,200,000	0
Net cash provided by (used in) financing activities		3,766,625	6,228,978	(930,520)
Net increase (decrease) in cash held		114,424	(3,887,855)	(2,185,174)
Cash at beginning of year		11,020,622	11,653,893	13,205,796
Cash and cash equivalents at the end of the year	16	11,135,046	7,766,038	11,020,622

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

**RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2018**

NOTE	2018 Actual	2018 Budget	2017 Actual	
	\$	\$	\$	
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)				
	2,965,451	3,823,821	6,100,933	
	2,965,451	3,823,821	6,100,933	
Revenue from operating activities (excluding rates)				
Governance	831,052	221,000	351,658	
General purpose funding	1,439,278	1,063,570	1,841,735	
Law, order, public safety	508,334	483,000	495,277	
Health	90,478	73,500	120,374	
Education and welfare	1,788,496	1,762,700	1,783,902	
Community amenities	3,647,290	3,755,600	3,790,379	
Recreation and culture	979,132	725,700	809,780	
Transport	167,912	132,900	197,580	
Economic services	1,012,672	1,017,780	1,160,557	
Other property and services	174,418	110,200	117,221	
	10,639,062	9,345,950	10,668,463	
Expenditure from operating activities				
Governance	(2,242,082)	(2,875,570)	(3,036,395)	
General purpose funding	(653,517)	(636,211)	(643,398)	
Law, order, public safety	(1,019,920)	(1,034,832)	(949,178)	
Health	(692,569)	(767,375)	(680,146)	
Education and welfare	(2,330,690)	(2,561,724)	(2,370,736)	
Community amenities	(4,345,754)	(4,786,712)	(4,658,494)	
Recreation and culture	(8,456,005)	(8,717,307)	(8,100,264)	
Transport	(6,120,431)	(5,422,300)	(5,352,694)	
Economic services	(4,911,487)	(6,209,914)	(5,891,945)	
Other property and services	(6,049,631)	(5,467,571)	(458,797)	
	(36,822,086)	(38,479,517)	(32,142,047)	
Operating activities excluded				
(Profit) on disposal of assets	10(a)	(495,645)	(30,100)	(37,662)
Loss on disposal of assets	10(a)	40,325	29,900	113,700
Loss on revaluation of fixed assets	9(b)	1,232,307	0	0
Provision for impairment of other financial asset	7	11,942	0	0
Movement in deferred pensioner rates (non-current)		(22,252)	0	(54,895)
Movement in employee benefit provisions (non-current)		13,277	15,000	70,174
Depreciation and amortisation on assets	10(b)	5,988,203	7,251,700	7,029,311
Amount attributable to operating activities		(16,449,416)	(18,043,246)	(8,252,022)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		2,609,259	4,594,960	2,204,087
Proceeds from disposal of assets	10(a)	2,067,571	607,000	592,067
Purchase of property, plant and equipment	8(b)	(1,551,646)	(2,280,760)	(3,225,979)
Purchase and construction of infrastructure	9(b)	(9,212,125)	(13,497,940)	(8,944,870)
Amount attributable to investing activities		(6,086,941)	(10,576,740)	(9,374,695)
FINANCING ACTIVITIES				
Repayment of long term borrowings	14(a)	(1,135,626)	(983,843)	(939,810)
Proceeds from new long term borrowings	14(b)	3,233,761	7,200,000	0
Proceeds from self supporting loans		15,966	12,821	9,290
Proceeds from short term borrowings	13	1,652,524	0	0
Transfers to reserves (restricted assets)	4	(2,725,085)	(2,092,298)	(522,735)
Transfers from reserves (restricted assets)	4	1,204,364	1,782,300	0
Amount attributable to financing activities		2,245,904	5,918,980	(1,453,255)
Surplus(deficiency) before general rates		(20,290,453)	(22,701,006)	(19,079,973)
Total amount raised from general rates	26	22,492,209	22,436,727	22,045,424
Net current assets at June 30 c/fwd - surplus/(deficit)	27	2,201,756	(264,279)	2,965,451

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), 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.

CRITICAL ACCOUNTING ESTIMATES (Continued)

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying 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 of Nedlands controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 29 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

Fees and Charges

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

	2018 Actual	2017 Actual
	\$	\$
	82,027	177,880
	121,899	5,156
	480,414	75,248
	89,783	116,821
	689,123	709,813
	3,647,287	3,790,180
	904,152	725,344
	69,676	477,157
	756,962	931,117
	96,173	50,658
	6,937,496	7,059,374

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

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Grant Revenue

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

	2018	2017
	\$	\$
Operating grants, subsidies and contributions		
Governance	3,816	4,865
General purpose funding	444,027	700,197
Law, order, public safety	27,420	27,631
Education and welfare	1,091,390	1,073,221
Community amenities	218	0
Recreation and culture	51,391	51,811
Transport	386,910	545,849
Economic services	44,191	45,220
	2,049,363	2,448,794
Non-operating grants, subsidies and contributions		
Recreation and culture	1,546,613	677,326
Transport	1,062,646	1,526,761
	2,609,259	2,204,087
Total grants, subsidies and contributions	4,658,622	4,652,881

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 25. 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.

Interest earnings

- Loans receivable - clubs/institutions
 - Reserve funds
 - Other funds
- Other interest revenue (refer note 26(e))

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
- Loans receivable - clubs/institutions	4,424	4,424	3,852
- Reserve funds	104,928	87,100	103,049
- Other funds	276,504	295,576	309,477
Other interest revenue (refer note 26(e))	197,972	170,000	192,279
	583,828	557,100	608,657

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Auditors remuneration

- Audit of the Annual Financial Report
- Audit of Projects

2018	2017
\$	\$
19,500	23,140
2,850	2,272
<u>22,350</u>	<u>25,412</u>

Interest expenses (finance costs)

- Long term borrowings (refer Note 14(a))
- Short term borrowing

268,479	284,824
7,411	0
<u>275,890</u>	<u>284,824</u>

Rental charges

- Operating leases

87,106	87,162
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3. CASH AND CASH EQUIVALENTS

- Unrestricted
- Restricted

NOTE	2018	2017
	\$	\$
	5,013,276	6,318,193
	6,121,770	4,702,429
	<u>11,135,046</u>	<u>11,020,622</u>

The following restrictions have been imposed by regulations or other externally imposed requirements:

Reserves cash backed - Plant Replacement Reserve	4	0	150,197
Reserves cash backed - City Development Reserve	4	456,580	544,970
Reserves cash backed - North Street Reserve	4	765,463	747,733
Reserves cash backed - Welfare Reserve	4	479,887	485,554
Reserves cash backed - Service Reserve	4	202,591	1,107,960
Reserves cash backed - Insurance Reserve	4	62,547	61,266
Reserves cash backed - Waste Management Reserve	4	842,547	580,547
Reserves cash backed - Building Replacement Reserve	4	689,119	527,136
Reserves cash backed - Swanbourne Development Reserve	4	129,140	126,241
Reserves cash backed - Public Art Reserve	4	126,894	85,011
Reserves cash backed - Business System Reserve	4	102,229	100,013
Reserves cash backed - All Abilities Play Space	4	94,900	0
Reserves cash backed - Underground Power Projects	4	485,450	0
Reserves cash backed - Major Projects	4	1,600,000	0
Unspent grants	25	84,423	185,801
		<u>6,121,770</u>	<u>4,702,429</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 that are readily convertible to known amounts of cash and which are subject to an insignificant risk

Cash and cash equivalents (Continued)

of changes in value and bank overdrafts. Bank overdrafts are reported as short term borrowings in current liabilities in the statement of financial position.

SIGNIFICANT ACCOUNTING POLICIES

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 (Continued)

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 TO 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	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
Reserves cash backed - Plant Replacement Reserve	150,197	3,140	(153,337)	0	150,043	1,300	(151,300)	43	146,543	3,654	0	150,197
Reserves cash backed - City Development Reserve	544,970	11,610	(100,000)	456,580	539,786	11,000	(300,000)	250,786	447,156	97,814	0	544,970
Reserves cash backed - North Street Reserve	747,733	17,730	0	765,463	746,348	1,500	(140,000)	607,848	728,048	19,685	0	747,733
Reserves cash backed - Welfare Reserve	485,554	15,361	(21,028)	479,887	486,139	11,000	(21,000)	476,139	469,039	16,515	0	485,554
Reserves cash backed - Service Reserve	1,107,960	24,631	(930,000)	202,591	1,106,515	27,700	(930,000)	204,215	1,078,565	29,395	0	1,107,960
Reserves cash backed - Insurance Reserve	61,266	1,281	0	62,547	61,270	1,500	0	62,770	59,720	1,546	0	61,266
Reserves cash backed - Waste Management Reserve	580,547	262,000	0	842,547	578,820	114,000	0	692,820	469,850	110,697	0	580,547
Reserves cash backed - Building Replacement Reserve	527,136	161,983	0	689,119	549,826	79,500	(240,000)	389,326	471,826	55,310	0	527,136
Reserves cash backed - Swanbourne Development Reserve	126,241	2,899	0	129,140	126,147	3,200	0	129,347	123,147	3,094	0	126,241
Reserves cash backed - Public Art Reserve	85,011	41,883	0	126,894	85,000	42,100	0	127,100	0	85,011	0	85,011
Reserves cash backed - Business System Reserve	100,013	2,216	0	102,229	100,000	6,300	0	106,300	0	100,013	0	100,013
Reserves cash backed - All Abilities Play Space	0	94,900	0	94,900	0	94,900	0	94,900	0	0	0	0
Reserves cash backed - Underground Power Projects	0	485,450	0	485,450	0	1,698,298	0	1,698,298	0	0	0	0
Reserves cash backed - Major Projects	0	1,600,000	0	1,600,000	0	0	0	0	0	0	0	0
	4,516,629	2,725,085	(1,204,364)	6,037,350	4,529,894	2,092,298	(1,782,300)	4,839,892	3,993,894	522,735	0	4,516,629

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.

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

Name of Reserve	Purpose of the reserve
Reserves cash backed - Plant Replacement Reserve	To fund replacement of plant and equipment so that the cost is spread over to a number of years.
Reserves cash backed - City Development Reserve	To fund improvement and purchase of property, plant and equipment.
Reserves cash backed - North Street Reserve	To fund operational and capital costs of community and recreational facilities at Mt Claremont and Swanbourne, and infrastructure generally.
Reserves cash backed - Welfare Reserve	To fund the operational and capital costs to welfare services.
Reserves cash backed - Service Reserve	To fund purchase of property, purchase of land and for parking areas, expense of streets depots, town planning schemes, valuation and legal cost, items of works of an urgent nature such as drainage.
Reserves cash backed - Insurance Reserve	To fund any excess that may arise from having a performance based workers compensation premium.
Reserves cash backed - Waste Management Reserve	To fund replacement of rubbish bin stock so that the cost is spread over number of years.
Reserves cash backed - Building Replacement Reserve	To fund the upgrade and/or replacement of council buildings.
Reserves cash backed - Swanbourne Development Reserve	To fund capital works in the Swanbourne area associated with the Swanbourne Masterplan. Set-up in with proceeds of the insurance claim arising from the fire of council property in Swanbourne
Reserves cash backed - Public Art Reserve	To fund works of art in the City of Nedlands.
Reserves cash backed - Business System Reserve	To fund council's business system.
Reserves cash backed - All Abilities Play Space	To fund the annual operating and maintenance cost of the All abilities Play Space
Reserves cash backed - Underground Power Projects	To fund Underground Power projects
Reserves cash backed - Major Projects	To fund capital works from proceeds from sale of major assets

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

5. TRADE AND OTHER RECEIVABLES

Current

Rates outstanding	
Sundry debtors	
GST receivable	
Self-supporting Loan Debtors	
Prepayments	
Provision for impairment in Receivables	

	2018	2017
	\$	\$
	351,530	401,946
	396,582	403,328
	256,674	275,529
	13,219	15,966
	186,333	254,683
	(5,186)	(1,170)
	<u>1,199,152</u>	<u>1,350,282</u>
	447,722	425,470
	92,445	105,664
	<u>540,167</u>	<u>531,134</u>

Non-current

Rates outstanding - pensioners	
Self-supporting Loan Debtors	

Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:

Rates outstanding

Includes:	
Past due and not impaired	
Impaired	

Sundry debtors

Includes:	
Past due and not impaired	
Impaired	

	2018	2017
	\$	\$
	351,530	401,946
	0	0
	244,101	245,510
	5,186	1,170

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 & Oil

	2018	2017
	\$	\$
	31,936	14,232

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.

7. OTHER FINANCIAL ASSETS

Non-current

Interest in Local Government House Trust

Provision for impairment

	2018	2017
	\$	\$
	135,676	135,676
	(11,942)	0
	123,734	135,676

This represents the equity the City of Nedlands has in the Local Government House Trust as a consequence of a contribution towards the cost of purchasing Local Government House. The total contribution by all Councils towards the cost of the WALGA building was \$582,000 of which the City of Nedlands contributed \$8,000. There are 620 units in the Local Government House Trust, 8 of which are held by the City of Nedlands.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

8 (a). PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
Land and buildings		
Land - freehold land at:		
- Independent valuation 2017	137,993,000	139,147,000
Land - vested in and under the control of Council at:		
- Independent valuation 2017	167,231,000	167,231,000
Total land	305,224,000	306,378,000
Buildings - non-specialised at:		
- Independent valuation 2017	1,330,000	1,330,000
- Additions after valuation - cost	0	0
Less: accumulated depreciation	(47,696)	0
	1,282,304	1,330,000
Buildings - specialised at:		
- Independent valuation 2017	51,995,080	51,995,080
- Additions after valuation - cost	520,001	0
Less: accumulated depreciation	(16,879,542)	(16,100,460)
	35,635,539	35,894,620
Total buildings	36,917,843	37,224,620
Total land and buildings	342,141,843	343,602,620
Furniture and equipment at:		
- Management valuation 2016	5,186,217	5,186,217
- Additions after valuation - cost	215,386	144,142
Less: accumulated depreciation	(4,745,715)	(4,555,762)
	655,888	774,597
Plant and equipment at:		
- Management valuation 2016	7,570,025	7,570,025
- Additions after valuation - cost	316,310	195,243
Less: accumulated depreciation	(4,976,025)	(4,719,716)
	2,910,310	3,045,552
Total property, plant and equipment	345,708,041	347,422,769

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

8. 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 - non-specialised	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	35,664,000	97,000	35,761,000	783,220	24,654,317	25,437,537	61,198,537	905,711	3,147,140	65,251,388
Additions	0	0	0	0	1,668,102	1,668,102	1,668,102	164,912	1,392,965	3,225,979
(Disposals)	0	0	0	0	0	0	0	0	(668,104)	(668,104)
Revaluation increments/ (decrements) transferred to revaluation surplus	103,483,000	167,134,000	270,617,000	619,345	12,832,714	13,452,059	284,069,059	0	0	284,069,059
Depreciation (expense)	0	0	0	(72,565)	(2,201,578)	(2,274,143)	(2,274,143)	(296,026)	(826,449)	(3,396,618)
Transfers	0	0	0	0	(1,058,935)	(1,058,935)	(1,058,935)	0	0	(1,058,935)
Carrying amount at 30 June 2017	139,147,000	167,231,000	306,378,000	1,330,000	35,894,620	37,224,620	343,602,620	774,597	3,045,552	347,422,769
Additions	0	0	0	0	520,001	520,001	520,001	130,296	901,349	1,551,646
(Disposals)	(1,154,000)	0	(1,154,000)	0	0	0	(1,154,000)	(14,617)	(443,633)	(1,612,250)
Depreciation (expense)	0	0	0	(47,696)	(779,082)	(826,778)	(826,778)	(234,388)	(592,958)	(1,654,124)
Carrying amount at 30 June 2018	137,993,000	167,231,000	305,224,000	1,282,304	35,635,539	36,917,843	342,141,843	655,888	2,910,310	345,708,041

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Date of Last Valuation	Inputs Used
Land and buildings				
Land - freehold land	Level 2	Market Approach	Jun 2017	Sales evidence of similar assets
Land - freehold (unique)	Level 3	Cost Approach	Jun 2017	Estimates of replacement cost, residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Land - vested in and under the control of Council	Level 2	Cost Approach	Jun 2017	Estimates of replacement cost, residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Buildings - non-specialised	Level 2	Market Approach	Jun 2017	Sales evidence of similar assets
Buildings - specialised	Level 3	Cost Approach	Jun 2017	Estimates of replacement cost, residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Furniture and equipment	Level 2	Market Approach	Jun 2016	Make, size, year of manufacture and condition
Plant and equipment	Level 2	Market Approach	June 2016	Make, size, year of manufacture and condition

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**

9 (a). INFRASTRUCTURE

	2018	2017
	\$	\$
Infrastructure - Roads		
- Independent valuation 2018	77,639,315	0
- Independent valuation 2015	0	111,413,794
- Additions after valuation - cost	0	11,381,505
Less: accumulated depreciation	<u>(33,969,540)</u>	<u>(42,908,040)</u>
	43,669,775	79,887,259
Infrastructure - Drainage		
- Independent valuation 2018	27,404,144	0
- Independent valuation 2015	0	31,275,978
- Additions after valuation - cost	0	439,206
Less: accumulated depreciation	<u>(13,946,627)</u>	<u>(7,915,707)</u>
	13,457,517	23,799,477
Infrastructure - Footpath		
- Independent valuation 2018	19,435,555	0
- Independent valuation 2015	0	20,788,917
- Additions after valuation - cost	0	557,999
Less: accumulated depreciation	<u>(8,227,649)</u>	<u>(4,581,656)</u>
	11,207,906	16,765,260
Infrastructure - Parks, Gardens and Reserves		
- Independent valuation 2018	18,483,191	0
- Management valuation 2015	0	14,561,359
- Additions after valuation - cost	0	2,950,966
Less: accumulated depreciation	<u>(6,441,524)</u>	<u>(5,784,941)</u>
	12,041,667	11,727,384
Infrastructure - Street Furniture		
- Independent valuation 2018	3,374,189	0
- Management valuation 2015	0	1,752,857
- Additions after valuation - cost	0	70,147
Less: accumulated depreciation	<u>(1,179,371)</u>	<u>(626,107)</u>
	2,194,818	1,196,897
Total infrastructure	<u>82,571,683</u>	<u>133,376,277</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

9. 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 - Drainage	Infrastructure - Footpath	Infrastructure - Parks, Gardens & Reserves	Infrastructure - Street Furniture	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2016	74,344,084	23,989,238	16,710,652	10,767,380	1,193,809	127,005,163
Additions	6,884,662	111,949	261,449	1,647,624	39,186	8,944,870
Depreciation (Expense)	(2,382,073)	(301,710)	(206,841)	(705,971)	(36,098)	(3,632,693)
Transfers	1,040,586	0	0	18,351	0	1,058,937
Carrying amount at 30 June 2017	79,887,259	23,799,477	16,765,260	11,727,384	1,196,897	133,376,277
Additions	3,290,581	152,484	2,113,179	3,393,884	261,997	9,212,125
Increments/(Decrements) Transferred to revaluation Surplus	(36,568,880)	(10,193,661)	(7,463,016)	(1,020,300)	795,524	(54,450,333)
Impairment (Losses) through profit or loss	0	0	0	(1,232,307)	0	(1,232,307)
Depreciation (Expense)	(2,939,185)	(300,783)	(207,517)	(826,994)	(59,600)	(4,334,079)
Carrying amount at 30 June 2018	43,669,775	13,457,517	11,207,906	12,041,667	2,194,818	82,571,683

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

9. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Date of Last Valuation	Inputs Used
Infrastructure - Roads	Level 3	Cost Approach	June 2018	Estimates of replacement cost, residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Infrastructure - Drainage	Level 3	Cost Approach	June 2018	Estimates of replacement cost, residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Infrastructure - Footpath	Level 3	Cost Approach	June 2018	Estimates of replacement cost, residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Infrastructure - Parks, Gardens & Reserves	Level 3	Cost Approach	June 2018	Estimates of replacement cost, residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.
Infrastructure - Street Furniture	Level 3	Cost Approach	June 2018	Estimates of replacement cost, residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount.

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

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

10. 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 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.

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.

Capitalisation Threshold

Expenditure on items of equipment under \$2,000 is not capitalised, but are placed on an 'Attractive Items' list, if required, for reference and maintenance.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

10. FIXED ASSETS (Continued)

(a) Disposals of Assets

The following assets were disposed off 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
	\$	\$	\$	\$	\$	\$	\$	\$
Governance								
Land - freehold	1,154,000	1,600,000	446,000	0	0	0	0	0
Plant and equipment	16,545	23,455	6,909	0	16,500	18,200	1,700	0
Education and welfare								
Plant and equipment	16,727	20,909	4,182	0	15,500	17,300	1,800	0
Community amenities								
Plant and equipment	18,073	20,636	2,564	0	0	0	0	0
Recreation and culture								
Plant and equipment	15,455	19,091	3,636	0	241,200	243,600	2,800	(400)
Plant and equipment	7,727	7,455	0	(273)	0	0	0	0
Transport								
Furniture and equipment	14,617	5,000	0	(9,617)	0	0	0	0
Economic services								
Plant and equipment	16,909	21,818	4,909	0	18,100	18,200	100	0
Other property and services								
Plant and equipment	216,097	185,662	0	(30,435)	315,500	309,700	23,700	(29,500)
Plant and equipment	136,100	163,545	27,445	0	0	0	0	0
	1,612,250	2,067,571	495,645	(40,325)	606,800	607,000	30,100	(29,900)

(b) Depreciation

	2018	2017
	\$	\$
Buildings - non-specialised	(47,696)	(72,565)
Buildings - specialised	(779,082)	(2,201,578)
Furniture and equipment	(234,388)	(296,026)
Plant and equipment	(592,958)	(826,449)
Infrastructure - Roads	(2,939,185)	(2,382,073)
Infrastructure - Drainage	(300,783)	(301,710)
Infrastructure - Footpath	(207,517)	(206,841)
Infrastructure - Parks, Parks Reticulation	(826,994)	(705,971)
Infrastructure - Street Furniture	(59,600)	(36,098)
	(5,988,203)	(7,029,311)

10. FIXED ASSETS (Continued)

(b) Depreciation (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

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

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

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

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	
- Structure	3 to 47 yrs
- Fit-outs	1 to 9 yrs
- Mechanical	2 to 14 yrs
- Roof Cladding	3 to 47 yrs
Furniture and equipment	4 to 10 yrs
Plant and equipment	5 to 15 yrs
Roads	
- Pavement	20 to 210 yrs
- Sub Grade	Not depreciated
- Top Surface	35 to 50 yrs
Footpaths	25 to 50 yrs
Stormwater	
- Pipes	60 to 80 yrs
- Pits	60 to 80 yrs
- Plant	30 to 80 yrs
Transport	
- Bus Shelters	30 yrs
- Roundabouts	20 to 80 yrs
- Street Lights	10 to 50 yrs
Parks	10 to 100 yrs
Parks Reticulation	25 to 50 yrs

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

11. REVALUATION SURPLUS

	2018				2017			
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on Revaluation	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation Movement on Revaluation
Revaluation surplus - Land - freehold land	\$ 121,100,418	\$ 0	\$ 0	\$ 0	\$ 17,617,418	\$ 103,483,000	\$ 0	\$ 103,483,000
Revaluation surplus - Land - vested in and under the control of Council	167,231,000	0	0	0	97,000	167,134,000	0	167,134,000
Revaluation surplus - Buildings - non-specialised	140,384	0	0	0	(478,961)	619,345	0	619,345
Revaluation surplus - Buildings - specialised	23,004,320	0	0	0	10,171,606	12,832,714	0	12,832,714
Revaluation surplus - Plant and equipment	732,800	0	0	0	732,800	0	0	732,800
Revaluation surplus - Infrastructure - Roads	64,710,548	0	(36,568,880)	(36,568,880)	64,710,548	0	0	64,710,548
Revaluation surplus - Infrastructure - Drainage	18,595,307	0	(10,193,661)	(10,193,661)	18,595,307	0	0	18,595,307
Revaluation surplus - Infrastructure - Footpath	11,461,909	0	(7,463,016)	(7,463,016)	11,461,909	0	0	11,461,909
Revaluation surplus - Infrastructure - Parks, Parks Reticulation	1,020,300	0	(1,020,300)	(1,020,300)	1,020,300	0	0	1,020,300
Revaluation surplus - Infrastructure - Street Furniture	0	795,524	0	795,524	0	0	0	0
	407,996,986	795,524	(55,245,857)	(54,450,333)	123,927,927	284,069,059	0	284,069,059

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 TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Accrued interest on long term borrowings
Accrued salaries and wages
ESL Payable

2018	2017
\$	\$
1,766,802	2,563,110
42,872	34,813
276,846	59,887
0	76,444
2,086,520	2,734,254

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 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.

13. SHORT-TERM BORROWINGS

Short Term Loan

2018	2017
\$	\$
1,652,524	0

Particulars/Purpose

Underground Power Project

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

14. INFORMATION ON BORROWINGS

(a) Repayments - Borrowings

Particulars	Principal 1 July 2017 \$	New Loans \$	Principal Repayments		Principal 30 June 2018		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget
General purpose funding								
Road Infrastructures # 179	866,735	0	102,699	102,699	764,036	764,036	49,261	50,054
Buildings & Infrastructures # 181	942,568	0	215,328	215,328	727,240	727,240	49,401	50,992
Buildings & Infrastructures # 182	1,116,817	0	228,419	228,419	888,398	888,398	47,730	48,194
Buildings & Infrastructures # 183	1,339,090	0	151,612	151,612	1,187,478	1,187,478	34,991	35,655
Buildings & Infrastructures # 184	1,169,167	0	122,067	122,067	1,047,100	1,047,100	34,295	35,059
Buildings & Infrastructures # 185	553,340	0	57,771	57,771	495,569	495,569	16,231	16,593
Underground Power Project # 187 Infrastructures	0 0	3,233,761 0	151,784 0	0 0	3,081,977 0	6,200,000 1,000,000	27,976 0	37,084 5,433
Community amenities								
Loan 178 - Waste Bins	141,813	0	93,125	93,125	48,688	48,688	5,128	6,450
	6,129,530	3,233,761	1,122,805	971,021	8,240,486	12,358,509	265,014	285,514
Self Supporting Loans								
General purpose funding								
Buildings & Infrastructures # 186	118,485	0	12,821	12,821	105,664	105,664	3,465	3,491
	118,485	0	12,821	12,821	105,664	105,664	3,465	3,491
	6,248,015	3,233,761	1,135,626	983,842	8,346,150	12,464,173	268,479	289,005

Self supporting loan financed by payments from third parties.
Waste Bins # 178 is financed by community amenities revenue.
All other loan repayments were financed by general purpose revenue.

Borrowings

	2018	2017
Current	\$ 1,597,168	\$ 983,843
Non-current	6,748,982	5,264,174
	<u>8,346,150</u>	<u>6,248,017</u>

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

14. INFORMATION ON BORROWINGS (Continued)

(b) New Borrowings - 2017/18

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term Years	Total Interest & Charges	Amount (Used)		Balance Unspent
	Actual	Budget					Actual	Budget	
Underground Power Project # 187	\$ 3,233,761	\$ 6,200,000	WATC	Debenture	10	\$ 228,767	\$ 2,847,476	\$ 4,650,000	\$ 386,285
							2.64%		

(c) Unspent Borrowings

Particulars	Date Borrowed	Balance 1 July 17	Borrowed During Year	Expended During Year	Balance 30 June 18
Underground Power Project # 187	6/03/2018	\$ 0	\$ 3,233,761	\$ (2,847,476)	\$ 386,285

	2018		2017	
	\$	\$	\$	\$
(d) Undrawn Borrowing Facilities				
Credit Standby Arrangements				
Bank overdraft limit		500,000		500,000
Bank overdraft at balance date		0		0
Credit card limit		130,000		130,000
Credit card balance at balance date		(19,987)		(3,140)
Total amount of credit unused		610,013		626,860
Loan facilities				
Short Term Loan		1,652,524		0
Loan facilities - current		1,597,168		983,843
Loan facilities - non-current		6,748,982		5,264,174
Total facilities in use at balance date		9,998,674		6,248,017
Unused loan facilities at balance date		950,552		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

15. PROVISIONS

	Provision for Annual Leave	Provision for Long Service Leave	Provision for Employment On-costs	Total
	\$	\$	\$	\$
Opening balance at 1 July 2017				
Current provisions	949,707	994,835	208,290	2,152,832
Non-current provisions	0	286,942	37,399	324,341
	949,707	1,281,777	245,689	2,477,173
Additional provision	1,012,075	91,975	126,965	1,231,015
Amounts used	(1,013,859)	(190,875)	(138,545)	(1,343,279)
Balance at 30 June 2018	947,923	1,182,877	234,109	2,364,909
Comprises				
Current	947,923	884,027	195,341	2,027,291
Non-current	0	298,850	38,768	337,618
	947,923	1,182,877	234,109	2,364,909

Annual Leave Liabilities

Classified as current as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018	2017
	\$	\$
With 12 months of the end of the reporting period	782,414	949,707
More than 12 months after the end of the reporting period	165,509	0
	947,923	949,707

Long Service Leave Liabilities

Unconditional long service leave provisions are classified as current liabilities as the City does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the City has an unconditional right to defer settlement of the liability until the employee has completed the requisite years of service.

Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

	2018	2017
	\$	\$
With 12 months of the end of the reporting period	598,453	825,631
More than 12 months after the end of the reporting period	584,424	456,146
	1,182,877	1,281,777

Employment On-Cost Provision

The settlement of annual leave and long service leave liabilities give rise to the payment of employment on-costs including workers' compensation insurance. The provision is the present value of expected future payments.

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Employee Costs' in the Statement of Comprehensive Income. The related liability is included in 'Employment On-Costs' provision.

	2018	2017
	\$	\$
Carrying amount at start of period	245,689	206,396
Additional/(reversal of) provisions recognised	(11,580)	39,293
	234,109	245,689

15. PROVISIONS (continued)

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

Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any remeasurements for changes in assumptions of

Other long-term employee benefits (Continued)

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.

Employment On-cost Provision

The settlement of annual leave and long service liabilities give rise to the payment of employment on-cost. The provision is the present value of expected future payments.

Employment on-costs are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Employee Costs' in the Statement of Comprehensive Income. The related liability is included in 'Employment On-costs' provision.

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

16. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash includes cash and cash equivalents, 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:

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Cash and cash equivalents	11,135,046	7,766,038	11,020,622
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(1,081,559)	(2,101,878)	2,775,928
Non-cash flows in Net result:			
Depreciation	5,988,203	7,251,700	7,029,311
(Profit)/loss on sale of asset	(455,321)	0	76,037
Loss on revaluation of fixed assets	1,232,307	(200)	0
Changes in assets and liabilities:			
(Increase)/decrease in receivables	126,130	(151,120)	(195,803)
(Increase)/decrease in inventories	(17,705)	0	10,442
Increase/(decrease) in payables	(647,734)	41,365	671,404
Increase/(decrease) in provisions	(112,264)	15,000	(43,191)
Grants contributions for the development of assets	(2,609,259)	(4,594,960)	(2,204,087)
Net cash from operating activities	<u>2,422,798</u>	<u>459,907</u>	<u>8,120,041</u>

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2018	2017
	\$	\$
Governance	309,383,585	310,704,355
Education and welfare	7,882,953	7,955,354
Community amenities	2,114,867	2,153,665
Recreation and culture	34,017,223	22,179,394
Transport	70,530,016	133,376,277
Other property and services	17,381,115	17,481,947
	<u>441,309,759</u>	<u>493,850,992</u>

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

18. CONTINGENT LIABILITIES

The City of Nedlands is not aware of any legal claims against the City which would require disclosure as contingent liabilities.

19. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

	2018	2017
	\$	\$
	716,312	2,382,090
	6,105	0
	722,417	2,382,090

(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
- later than five years

	702	27,688
	0	160
	0	0
	<u>702</u>	<u>27,848</u>

SIGNIFICANT ACCOUNTING POLICIES

Leases

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

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

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 in the periods in which they are incurred.

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

20. JOINT VENTURE ARRANGEMENTS

The City of Nedlands has no interest in any Joint Ventures.

21. INVESTMENT IN ASSOCIATES

The City of Nedlands has no interest in any Associated Entities.

22. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

The following fees, expenses and allowances were paid to council members, Mayor and deputy Mayor.

	2018 Actual	2018 Budget	2017 Actual
	\$	\$	\$
Meeting Fees	300,117	306,800	293,705
Mayor's allowance	62,725	62,700	62,727
Deputy Mayor's allowance	15,682	15,600	15,682
Telecommunications allowance	43,566	45,500	43,166
	<u>422,090</u>	<u>430,600</u>	<u>415,280</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	2,511,611	2,262,018
Post-employment benefits	264,813	246,002
Other long-term benefits	55,948	53,899
Termination benefits	0	0
	<u>2,832,372</u>	<u>2,561,919</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.

Termination benefits

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

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.

22. RELATED PARTY TRANSACTIONS (continued)

Transactions with related parties (continued)

No transactions occurred with related parties as indicated below;

	2018	2017
	\$	\$
Sale of goods and services	0	0
Purchase of goods and services	0	0
Amount outstanding from related parties:		
Trade and other receivables	0	0
Loans to associated entities	0	0
Loans to key management personnel	0	0
Amounts payable to related parties:		
Trade and other payables	0	0
Loans from associated entities	0	0

The City's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibilities 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.

23. MAJOR LAND TRANSACTIONS

The City of Nedlands did not participate in any major land transactions during the 2017/18 financial year.

24. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The City of Nedlands did not participate in any trading undertaking or major trading undertakings during the 2017/8 financial year.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

25. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾ 1/07/16	Received ⁽²⁾ 2016/17	Expended ⁽³⁾ 2016/17	Closing Balance ⁽¹⁾ 30/06/17	Received ⁽²⁾ 2017/18	Expended ⁽³⁾ 2017/18	Closing Balance 30/06/18
	\$	\$	\$	\$	\$	\$	\$
Recreation and culture							
DSR-Kidsports Program	836	6,000	(3,035)	3,801	0	(3,801)	0
Roads to Recovery Grants	0	182,000	0	182,000	141,419	(255,228)	68,191
HACC transition funding	0	0	0	0	25,500	(9,268)	16,232
Total	836	188,000	(3,035)	185,801	166,919	(268,297)	84,423

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

26. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	Value \$	Rate Revenue \$	Interim Rates \$	Back Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Back Rate \$	Budget Total Revenue \$
Differential general rate / general rate											
Gross rental valuations											
Residential	0.05410	6,750	301,033,360	16,285,903	138,241	17,082	16,441,226	16,226,831	28,627	0	16,255,458
Residential Vacant	0.07681	142	7,873,580	604,770	(98,050)	6,607	513,327	607,200	0	0	607,200
Non Residential	0.06717	392	46,874,750	3,148,577	(40,228)	8,168	3,116,518	3,113,010	8,000	0	3,121,010
Sub-Total		7,284	355,781,690	20,039,250	(37)	31,858	20,071,071	19,947,041	36,627	0	19,983,668
Minimum payment	\$										
Gross rental valuations											
Residential	1,401	1,517	32,639,180	2,125,317	(10,452)	(4,073)	2,110,793	2,126,718	0	0	2,126,718
Residential Vacant	1,847	50	945,810	92,350	2,793	0	95,143	90,503	0	0	90,503
Non Residential	1,857	127	2,266,605	235,839	(17,954)	(2,682)	215,203	235,839	0	0	235,839
Sub-Total		1,694	35,851,595	2,453,506	(25,613)	(6,755)	2,421,139	2,453,060	0	0	2,453,060
Discounts/concessions (refer note 26(d))		8,978	391,633,285	22,492,756	(25,650)	25,103	22,492,209	22,400,101	36,627	0	22,436,728
Total amount raised from general rate							0				0
Specified Area Rate (refer note 26(b))							22,492,209				22,436,728
Totals							0				0
							22,492,209				22,436,728

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

26. RATING INFORMATION (Continued)

(b) Specified Area Rate

No specified area rates were imposed by the City of Nedlands during the year ended 2018.

(c) Service Charges

No service charges were imposed by the City of Nedlands during the year ended 2018.

(d) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

The City of Nedlands offered no discounts or incentives for the early payment of rates or any other debts to Council during the 2017/18 financial year.

Waivers or Write-offs

The City of Nedlands does not offer any standard waivers or write off of rates and charges or any other debts of ratepayers unless specifically approved by the Council.

Waivers or Concessions

The City of Nedlands offers those residents who hold a current valid seniors or pensioners concession card, a concession in respect of the following services:

- (i) Rates and Charges
- (ii) ESL
- (iii) Dogs and Cats Registration

(e) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	21-Aug-17			11.00%
Option Two				
First instalment	21-Aug-17		5.50%	11.00%
Second instalment	23-Oct-17	16.00	5.50%	11.00%
Third instalment	15-Jan-18	16.00	5.50%	11.00%
Fourth instalment	19-Mar-18	16.00	5.50%	11.00%

	2018 Actual	2018 Budget
	\$	\$
Interest on unpaid rates	76,811	65,000
Interest on instalment plan	102,654	105,000
ESL interest income	8,082	0
Deferred Rates interest	10,424	0
	197,972	170,000

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

27. NET CURRENT ASSETS

Composition of net current assets

	2018 (30 June 2018 Carried Forward)	2018 (1 July 2017 Brought Forward)	2017 (30 June 2017 Carried Forward)
	\$	\$	\$
Surplus 1 July 17 brought forward	2,201,756	2,965,451	2,965,451
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	5,013,276	6,318,193	6,318,193
Restricted	6,121,770	4,702,429	4,702,429
Receivables			
Rates outstanding	351,530	401,946	401,946
Sundry debtors	396,582	403,328	403,328
GST receivable	256,674	275,529	275,529
Self-supporting Loan Debtors	13,219	15,966	15,966
Prepayments	186,333	254,683	254,683
Provision for impairment in Receivables	(5,186)	(1,170)	(1,170)
Inventories			
Fuel & Oil	31,937	14,232	14,232
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(1,766,802)	(2,563,110)	(2,563,110)
Accrued interest on long term borrowings	(42,872)	(34,813)	(34,813)
Accrued salaries and wages	(276,846)	(59,887)	(59,887)
ESL Payable	0	(76,444)	(76,444)
Short term loan	(1,652,524)	0	0
Current portion of long term borrowings	(1,597,168)	(983,843)	(983,843)
Provisions			
Provision for annual leave	(1,056,935)	(1,058,923)	(1,058,923)
Provision for long service leave	(970,358)	(1,093,909)	(1,093,909)
Unadjusted net current assets	5,002,630	6,514,203	6,514,203
Adjustments			
Less: Reserves - restricted cash	(6,037,347)	(4,516,629)	(4,516,629)
Less: Self-supporting Loan Debtors	(13,219)	(15,966)	(15,966)
Add: Short term borrowings	1,652,524	0	0
Add: Current portion of long term borrowings	1,597,168	983,843	983,843
Adjusted net current assets - surplus	2,201,756	2,965,451	2,965,451

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**

28. 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
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	11,135,046	11,020,622	11,135,046	11,020,622
Receivables	1,739,319	1,881,416	1,739,319	1,881,416
	<u>12,874,365</u>	<u>12,902,038</u>	<u>12,874,365</u>	<u>12,902,038</u>
Financial liabilities				
Payables	2,086,520	2,734,254	2,086,520	2,734,254
Short term borrowings	1,652,524	0	1,660,439	0
Long term borrowings	8,346,150	6,248,017	8,565,544	6,666,310
	<u>12,085,194</u>	<u>8,982,271</u>	<u>12,312,503</u>	<u>9,400,564</u>

Fair value is determined as follows:

Cash and cash equivalents, receivables, payables - estimated to the carrying value which approximates net market value.

Borrowings, held to maturity investments, estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

28. 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. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments 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% ⁽¹⁾ movement in interest rates on cash	\$	\$
- Equity	111,350	110,206
- Statement of Comprehensive Income	111,350	110,206

Notes:

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

28. 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:

	2018	2017
	%	%
Percentage of rates and annual charges		
- Current	55	51
- Overdue	45	49
Percentage of other receivables		
- Current	36	47
- Overdue	64	53

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

28. 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 Sensitivity Table below:

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2018					
Payables	2,086,520	0	0	2,086,520	2,086,520
Short term borrowings	1,652,524	0	0	1,652,524	1,652,524
Long term borrowings	1,873,048	6,172,356	1,142,715	9,188,119	8,346,150
	<u>5,612,092</u>	<u>6,172,356</u>	<u>1,142,715</u>	<u>12,927,163</u>	<u>12,085,194</u>
2017					
Payables	2,734,524	0	0	2,734,524	2,734,254
Long term borrowings	1,230,330	4,168,181	1,730,537	7,129,048	6,248,016
	<u>3,964,854</u>	<u>4,168,181</u>	<u>1,730,537</u>	<u>9,863,572</u>	<u>8,982,270</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
	\$	\$	\$	\$	\$	\$	\$	
Borrowings								
Fixed rate								
Short term borrowings	1,652,524	0	0	0	0	0	1,652,524	
Long term borrowings	48,688	0	727,240	888,399	3,081,977	3,599,846	8,346,150	8.60%
Weighted average Effective interest rate	1.11%		9.86%	8.98%	6.73%	13.39%		
Year ended 30 June 2017								
Borrowings								
Fixed rate								
Long term borrowings	0	0	141,813	942,568	1,116,817	4,046,818	6,248,016	14.10%
Weighted average Effective interest rate			5.32%	13.02%	11.46%	15.39%		

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

29. TRUST FUNDS

Funds held at balance date over which the City has no control and which are not included in the financial statements are as follows:

	1 July 2017	Amounts Received	Amounts Paid	30 June 2018
	\$	\$	\$	\$
Footpath Bonds	1,159,933	463,641	(461,773)	1,161,801
Hall & Key Bond	47,155	6,066	(3,346)	49,875
Tresillian Bond & Miscellaneous	7,395	300	(903)	6,792
Retention for Non Compliance	40,979	1,601	0	42,580
Construction Training Bond	66,244	211,157	(204,124)	73,277
Building Construction Bond	222,139	161,614	(165,442)	218,311
Unclaimed Money	49,596	1,188	0	50,784
Tresillian Artist Sales	1,465	3,339	(4,055)	749
Crossover Bond	6,000	30,219	0	36,219
Miscellaneous	19,200	59,306	(14,099)	64,407
DAP Application Levy	0	7,639	0	7,639
Adelma	100,000	0	0	100,000
Supplier Retention	0	9,465	0	9,465
Staff Funds	1,273	6,703	(7,858)	118
	1,721,379	962,237	(861,600)	1,822,016

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

30. 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:

Title	Issued / Compiled	Applicable (1)	Impact
(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	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend on the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability 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. 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.

Notes:

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

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018

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

Title	Issued / Compiled	Applicable (1)	Impact
(iv) AASB 1058 Income of Not-for-Profit Entities (incorporating AASB 2016-7 and AASB 2016-8)	December 2016	1 January 2019	These standards are likely to have a significant impact on the income recognition for NFP's. Key areas for consideration are: <ul style="list-style-type: none"> - Assets received below fair value; - Transfers received to acquire or construct non-financial assets; - Grants received; - Prepaid rates; - Leases entered into at below market rates; and - Volunteer services.

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.

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

31. 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

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the 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 even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the 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 statement, an additional (third) statement of financial position as at the beginning of the preceding period in addition to the minimum comparative financial statements is presented.

e) Budget comparative figures

Unless otherwise stated, the budget comparative figures shown in this annual financial report relate to the adopted 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.

31. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 an asset at its current service capacity.

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

i) Impairment of assets

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

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

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

For non-cash generating specialised assets such as roads, drains, public buildings and the like, no annual assessment 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**

32. ACTIVITIES/PROGRAMS

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

PROGRAM NAME	OBJECTIVE	ACTIVITIES
GOVERNANCE	To provide a decision making process for the efficient allocation of scarce resources.	Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.
GENERAL PURPOSE FUNDING	To collect revenue to allow for the provision of services.	Rates, general purpose government grants and interest revenue.
LAW, ORDER, PUBLIC SAFETY	To provide services to help ensure a safer and environmentally conscious community.	Supervision and enforcement of various local laws relating to fire prevention, animal control and other aspects of public safety including emergency services.
HEALTH	To provide an operational framework for environmental and community health.	Inspection of food outlets and their control, provision of meat inspection services, noise control and waste disposal compliance.
EDUCATION AND WELFARE	To provide services to disadvantaged persons, the elderly, children and youth.	Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and vouth services.
HOUSING	To provide and maintain elderly residents housing.	Provision and maintenance of elderly residents housing.
COMMUNITY AMENITIES	To provide services required by the community.	Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.
RECREATION AND CULTURE	To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.	Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.
TRANSPORT	To provide safe, effective and efficient transport services to the community.	Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting
ECONOMIC	To help promote the shire and its economic wellbeing.	Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.
OTHER PROPERTY AND SERVICES	To monitor and control City of Nedlands'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

33. FINANCIAL RATIOS

	2018	2017	2016
Current ratio	0.85	1.31	2.00
Asset sustainability ratio	1.45	1.65	1.29
Debt service cover ratio	1.83	6.44	5.94
Operating surplus ratio	(0.12)	0.02	(0.03)
Own source revenue coverage ratio	0.84	0.94	0.92
Asset consumption ratio	0.57	0.67	0.59
Asset renewal funding ratio	0.86	0.88	0.86

The above ratios are calculated as follows:

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

Notes:

The current ratio, debt service cover ratio and operating surplus ratio disclosed above were distorted by the early receipt of Financial Assistance Grants and short term borrowings to fund the owners' portion of the Underground Power Project included in current liabilities.

In addition, the debt service cover ratio, operating surplus ratio and own source revenue coverage ratio disclosed above were distorted by the spend on the underground power project which commenced during the year and impairment loss of infrastructure assets through profit or loss.

	2017/18	2016/17	2015/16
	\$	\$	\$
Amount of Financial Assistance Grant received during the year relating to the subsequent year. Short term borrowings for the owners' portion of the Underground Power Project included in current liabilities	395,032	396,470	0
Amount of Financial Assistance Grant received in prior year relating to current year.	1,652,524	0	0
Underground power project commenced in 2017/18	396,470	0	394,492
Impairment loss of infrastructure assets through profit or loss	4,500,000	0	0
	1,232,307	0	0

**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2018**

33. FINANCIAL RATIOS (continued)

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

	2018	2017	2016
Current ratio	1.02	1.27	N/A
Debt service cover ratio	5.89	6.12	6.30
Operating surplus ratio	0.07	0.01	(0.02)
Own source revenue coverage ratio	1.00	N/A	N/A

34. EVENTS AFTER THE REPORTING PERIOD

There have been no significant events after the reporting period that are required to be reported in the 2017/18 Annual Financial Report

INDEPENDENT AUDITOR'S REPORT TO: RATEPAYERS OF CITY OF NEDLANDS

Report on the Financial Report

Opinion

We have audited the financial report of **City of Nedlands** (the Council), which comprises the Statement of Financial Position as at 30 June 2018, the Statement of Comprehensive Income by Nature or 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 a summary of significant accounting policies and other explanatory information and Statement by Chief Executive Officer.

In our opinion, the annual financial report of the **City of Nedlands** is:

- (i) based on proper accounts and records ; and
- (ii) fairly represents, in all material respects, the results of the operations of the Council 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 consistent with the Act, Australian Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Council in accordance with the auditor independence and 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 opinion.

Emphasis of Matter – Basis of Accounting

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

INDEPENDENT AUDITOR'S REPORT (Cont'd)

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

The Chief Executive Officer (CEO) of the Council 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 Council'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 Council.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITOR'S REPORT (Cont'd)


Report on Other Legal and Regulatory Requirements

In accordance with the *Local Government (Audit) Regulations 1996*, we also report that:


- (a) In our opinion, there are no matters that indicate significant adverse trends in the financial position or financial management practices of the Council.
- (b) In our opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions:
- (c) All required information and explanations were obtained by us.
- (d) All audit procedures were satisfactorily completed.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the financial report of the **City of Nedlands** for the year ended 30 June 2018 included on the Council's website. Management is responsible for the integrity of the Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. 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.



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CERTIFIED PRACTISING ACCOUNTANTS
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BURSWOOD WA 6100



A MACRI
PARTNER

PERTH
DATED THIS 5TH DAY OF NOVEMBER 2018.



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