



City of Nedlands

# ***Minutes***

## ***Special Council Meeting***

***5 December 2017***

### **Attention**

**These Minutes are subject to confirmation.**

Prior to acting on any resolution of the Council contained in these minutes, a check should be made of the Ordinary Meeting of Council following this meeting to ensure that there has not been a correction made to any resolution.

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## City of Nedlands

**Minutes of a Special Meeting of Council held in the Council Chambers, Nedlands on Tuesday 5 December 2017 at 6.45 pm for the purpose of accepting the Annual Report 2016/17.**

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### **Declaration of Opening**

The Presiding Member declared the meeting open at 6.45 pm and drew attention to the disclaimer below.

(NOTE: Council at its meeting on 24 August 2004 resolved that should the meeting time reach 11.00 p.m. the meeting is to consider an adjournment motion to reconvene the next day).

### **Present and Apologies and Leave Of Absence (Previously Approved)**

<b>Councillors</b>	His Worship the Mayor, R M C Hipkins (Presiding Member)	
	Councillor C M de Lacy	Hollywood Ward
	Councillor J D Wetherall	Hollywood Ward
	Councillor G A R Hay	Melvista Ward
	Councillor N W Shaw	Melvista Ward
	Councillor N B J Horley	Coastal Districts Ward
	Councillor L J McManus	Coastal Districts Ward
	Councillor K A Smyth	Coastal Districts Ward
	Councillor I S Argyle	Dalkeith Ward
	Councillor W R B Hassell	Dalkeith Ward
	Councillor A Mangano	Dalkeith Ward

<b>Staff</b>	Mr G K Trevaskis	Chief Executive Officer
	Mrs L M Driscoll	Director Corporate & Strategy
	Mr P L Mickleson	Director Planning & Development
	Mr M A Glover	Director Technical Services
	Mrs N M Ceric	Executive Assistant to CEO & Mayor

**Public** There were 9 members of the public present.

**Press** The Post Newspaper representative.

**Leave of Absence (Previously Approved)** Nil.

**Apologies** Nil.

<b>Absent</b>	Councillor T P James	Melvista Ward
	Councillor B G Hodsdon	Hollywood Ward

## **Disclaimer**

Members of the public who attend Council meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. For example by reference to the confirmed Minutes of Council meeting. Members of the public are also advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

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### **1. Public Question Time**

Nil.

### **2. Addresses by Members of the Public**

Nil.

### **3. Disclosures of Financial Interest**

The Presiding Member reminded Councillors and Staff of the requirements of Section 5.65 of the *Local Government Act* to disclose any interest during the meeting when the matter is discussed.

There were no disclosures of financial interest.

### **4. Disclosures of Interests Affecting Impartiality**

The Presiding Member reminded Councillors and Staff of the requirements of Council's Code of Conduct in accordance with Section 5.103 of the *Local Government Act*.

There were no disclosures affecting impartiality.

### **5. Declarations by Members That They Have Not Given Due Consideration to Papers**

Nil.



**6. Annual Report 2016/17**

<b>Council</b>	5 December 2017
<b>Applicant</b>	City of Nedlands
<b>Officer</b>	Lorraine Driscoll, Director Corporate & Strategy
<b>CEO</b>	Greg Trevaskis
<b>Attachments</b>	1. Annual Report 2016-17 2. Financial Report 2016-17

**Regulation 11(da) – Not Applicable – Recommendation Adopted**

Moved – Councillor Hassell  
Seconded – Councillor Shaw

**That the Recommendation to Council be adopted.**

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 11/-**

**Council Resolution / Recommendation to Council**

**Council:**

- 1. Accepts the Annual Report of the City of Nedlands for the year ended 30 June 2017, in accordance with the provisions of section 5.54 of the *Local Government Act 1995*, and**
- 2. Refers the Annual Report for the year ended 30 June 2017 to the adjourned Annual General Meeting of Electors of the City of Nedlands to be held at 6:00pm, Thursday 14 December 2017 at the Adam Armstrong Pavilion.**

**Executive Summary**

The Annual Report for the year ended 30 June 2017 is presented to Council for acceptance. The Annual report is presented in two parts, being the Annual Report, which includes a summary of income and expenditure and the Financial Report. Also included is a full set of audited annual financial statements and the Independent Auditor’s report.

Once formally received and accepted by Council, the Annual Report can be referred for discussion at the Annual Electors’ Meeting

## Discussion/Overview

### Background

Section 5.53 of the *Local Government Act 1995* requires a Local Government to prepare an Annual Report for each financial year. The Annual Report is to contain a report from the Mayor, a report from the Chief Executive Officer, the Financial Report for the Financial Year, the Auditor's Report for the Financial Year, a number of other matters in relation to principal activities and such other information as may be prescribed.

Attached is the Annual Report for the year ended 30 June 2017, including the Financial Report and Independent Auditor's Report. The Financial Report comprising the Accounts for the year ended 30 June 2017 was completed and submitted to Council's Auditor Macri Partners who completed their audit in October 2017.

Once received and accepted, Council is then required by Section 5.27 of the *Local Government Act of 1995* to hold a General Meeting of Electors once every financial year to discuss the contents of the Annual Report for the previous financial year and any other general business.

### Key Relevant Previous Council Decisions:

Not applicable.

### Consultation

Required by legislation:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Required by City of Nedlands policy:	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

The Annual Financial Report has been presented to the Audit and Risk Committee.

### Legislation / Policy

Sections 5.27, 5.29, 5.53, 5.54 and 6.4 of the *Local Government Act 1995* respectively deal with the requirement for a General Meeting of Electors each financial year and the requirement for an Annual Financial Report.

### Budget/Financial Implications

See discussion below.

## Discussion

### Highlights

1. The City completed the multi-functional Allen Park Lower Pavilion refurbishment at a cost of \$1.2m.
2. Nearly 7.2km of the City's roads and 2,115m of footpath were renewed, with a further 89m of new footpaths constructed, along with improving blackspot areas.
3. Sustainability remained a key focus with over 676 street trees and 24,000 native seedlings planted across the City.
4. Our online community engagement hub, "Your Voice" continued to be a major resource for our ratepayers with just under 8,000 visits during the year. We also undertook 80 engagement projects – a significant increase from the 50 in the previous year.
5. The long-standing Summer Concerts in the Park series continued its tradition of entertaining families in our beautiful parks.
6. The City has made significant in-roads in the delivery of contemporary office solutions, rolling out Sharepoint 365 to a large part of the organisation which allows us to place all our corporate knowledge in one place. This also provided for process improvements and maximising efficiencies.
7. Our refurbished customer service centre which includes a break-out office and new system for contact management has enabled us to improve on our top-quality service to our ratepayers and business contacts.
8. The tender to construct the All Abilities Play Space at Beaton Park was awarded and construction began in the second half of 2016/17.
9. The City progressed the potential provision of underground power with a project within the West Hollywood area, in partnership with Western Power, which will continue into the 2017/18 financial year.
10. Much work has been done over the past year to prepare the Local Planning Scheme No. 3 for submission to the State Government.
11. The City continues to focus its resources and efforts into the delivery of the 2013-23 Strategic Community Plan and has done so with success.

### Overview of 2016/17 Financial Performance

The City completed the 2016/17 financial year with a surplus net result in the Statement of Comprehensive Income of \$2,775,928 compared to the budget of \$1,902,900. The Statement of Comprehensive Income includes all operating revenues and expenses, both cash and non-cash and grants & contributions. In terms of setting its rates Council does not budget to raise rates to recover the non-cash costs of depreciation but does budget to generate sufficient operating revenue to fund its capital works program and financing activities. Any shortfall is covered by borrowings and/or transfers from reserves.

Key factors contributing to the variances by Nature or Type between actual and revised budget are provided in this report.

The significant reasons for the variances are:

### **Operating and Other Revenue**

1. Operating revenue for the year was \$32,676,223 compared to the budget of \$31,864,870, which represents an increase of \$811,353 (2.54%).
2. Rates levied were \$262,194 (1.2%) higher than budget due to better than expected increase in interim rates.
3. Operating Grants & Contributions received was \$493,504 (25.24%) higher than budget. This was mainly due to the receipt of \$396,470 operating grants for 2017/18 which was received in advance in this financial year and therefore recorded as income in 2016 /17.
4. Fees and Charges raised were higher than budget by \$230,174 (3.37%), with nil increase in waste collection and bin charge rates. The higher income was due to increased course fees, facility charges, issuance of licenses and sanitation charges.
5. Interest income from investments were less by \$74,393 (10.89%) than budget due to wholesale interest rates decline during the year.
6. Other Revenue was below budget by \$100,125 (16.30%). This was largely due to the WESROC Project of \$127,672, which was subsequently received in 2017/18 financial year and some compensating increased revenue in other areas.

### **Operating and Other Expenses**

1. Operating expenses for the year were \$32,028,345 compared to the budget of \$33,033,870, a decrease of \$1,005,525 (3.04%).
2. Employee costs increased by \$473,536 (3.72%) compared to the budget. This is mainly due to increased leave provisions at year end of \$408,286 due to reduced leave taken by the staff during the year.
3. Materials and Contracts costs decreased by \$1,651,174 (14.97%) compared to the budget. This is due to the deferment of some operating projects due to factors outside the City's control and savings due to constant monitoring of expenses.
4. Utility charges increased by \$106,469 or (13.68%) due to a higher than expected increase in charges.
5. Other expenditure decreased by \$110,153 (10.98%). This was due partly to reduced grants provided by Council.

## Balance Sheet Analysis

### Capital Works

During the financial year the City spent \$12,170,849 in carrying out its Capital Works program of which \$8,944,870 was spent on improving infrastructure assets – roads, footpaths, drainage, parks and gardens and \$3,225,979 was spent on upgrading and renovating the City’s buildings and purchase of plant and equipment.

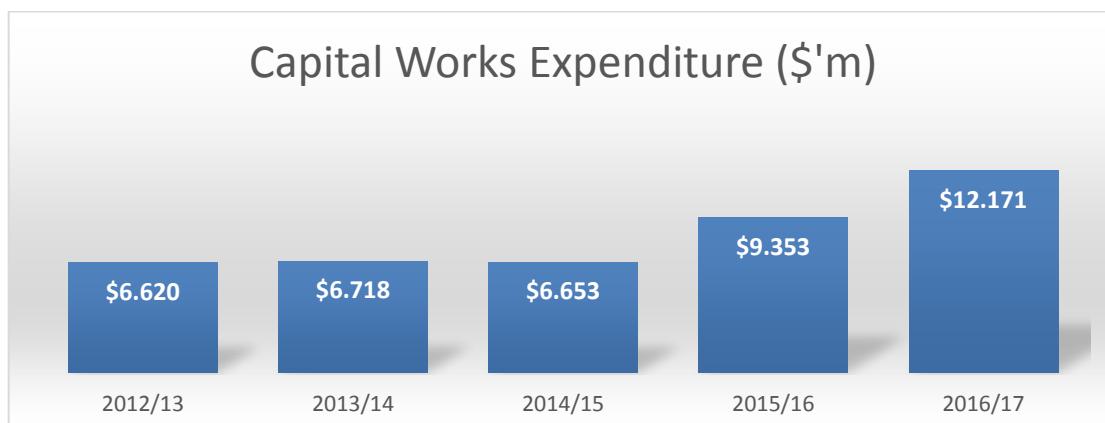
The 2016/17 capital budget was \$14,539,169, of which \$11,420,957, was for improving infrastructure assets and \$3,118,212 was for upgrading and renovating the City’s buildings and purchase of plant and equipment.

There were some infrastructure projects which were not fully completed during the year and are carried forward to the 2017/18 financial year and have been re-budgeted in the 2017/18 Budget adopted in June 2017, including the following:

<b>Grant Funded Projects</b>	Amount (\$)
Brockway/Brookdale/Underwood	499,900
<b>Major Projects</b>	Amount (\$)
All Abilities Play Space	1,014,240
Riverwall	877,800

Of the total funds expended on capital works, \$2,204,087 were from grants and contributions and the balance was made up of operating surplus and sale of plant.

The values of capital works completed in each of the past 5 years is shown in the following chart. It is to be noted that the high value of capital works in 2016/17 was due to All Abilities Play Space, Allen Park Lower Pavilion Renovations and Road Rehabilitation works at Gallop Road, Boronia Avenue, Leon Road and Princess Road, whilst in 2015/16 was due to the Collegians Football Clubrooms at David Cruickshank Reserve.



## **Revaluation of Fixed Assets**

The Local Government (Financial Management) Regulations 1996 requires all physical assets to be valued on a fair value basis with full implementation by 30 June 2015. We have adopted the requirements of the Department of Local Government and Communities (DLGC) circular (02-2016) and conducted the recurring revaluation of Land and Buildings this Financial Year.

The impact of the revaluation is a surplus of \$284,069,059 and the recognition is in the Statement of Changes in Equity. This is a one-off event due to a change in the valuation methodology, and it is to be noted that the revaluation surplus does not have any impact on the cash position of the City.

The significant value of the revaluation surplus is attributed to the change in the valuation methodology based on Accounting Standard 13 Fair Value Measurement. The City's professional valuers recommend this approach and The Auditors have evaluated the competency and objectivity of the expert valuers and are satisfied that the valuation methodology use is consistent with Regulation 17A(4) of the LG Regulations.

## **Cash and Cash Equivalents**

The cash and cash equivalent balance at 30 June 2017 was \$11,020,622 compared to \$13,205,796, a decrease of \$2,185,174 (16.55%). Reserves included in this balance amounted to \$4,520,429 or 41% of the total. The decrease is due to funding of the increased capital works in this financial year without the requirement of additional borrowings.

## **Receivables**

The increase in Receivables in 2016/17 of \$144,437 compared to the previous year was mainly due to the increase in rates, and fees and charges revenue. As a %, the rates and sundry debtors outstanding compared to rates, and fees and charges revenue for this financial year is 2.76% compared to 2.55% for the previous financial year.

One of the risk factors evaluated in the Notes to the Accounts (Note 4) is receivables – the risk that the debts may not be collected by the City. Credit risk on rates and annual charges is minimal as they are charges on the associated properties, and the City has the ability to recover these debts from the sale of the properties if necessary.

## **Payables**

The increase in payables of \$421,404 was as a result of the receipt of higher value capital project invoices towards the end of the year.

## Borrowings

The City did not have any additional borrowings during the year. At 30 June 2017, the City had total borrowings of \$6,248,017 after principal repayment of \$939,810 compare to 2015/16 total borrowings of \$7,187,827.

## Provisions

The provisions showed an increase of \$206,809 comprising \$136,635 of short term portion and \$70,174 of long term portion. The increase is mainly due to reduced leave taken by employees during the year compared to the previous year.

## Financial Performance Indicators

The Financial Ratios in Note 19 to the accounts give an overview of the financial performance of the City in 2016/17 compared with the previous two years. All the ratios except for the Asset Consumption ratio are within recommended standard benchmarks set by the Department of Local Government.

The Asset Consumption Ratio is lower than target due to the aging nature of the City's assets which is being addressed by planned increase in capital expenditure in the coming years.

Ratio	Target	2017	2016	2015
Liquidity - Current Ratio	>1.00	<b>1.35</b>	2.00	2.01
Debt Ratio - Debt Service Cover Ratio	>2.00	<b>6.44</b>	5.94	10.75
Coverage Ratio - Own Source Revenue Coverage Ratio	>40%	<b>94%</b>	92%	98%
Financial Performance - Operating Surplus Ratio	>1%	<b>2%</b>	-3%	6%
Asset Management Ratios - Asset Sustainability Ratio	>50%	<b>165%</b>	129%	92%
Asset Consumption Ratio	90-110%	<b>67%</b>	59%	60%
Asset Renewal Funding Ratio	75-95%	<b>88%</b>	86%	85%

## Audit Report

The City's Auditor, Macri Partners, have completed the audit of the Annual Financial Statements in line with current Australian Standards and have provided an Unqualified Opinion following the meeting with the Audit and Risk Committee.

## Conclusion

Council's acceptance of the Annual Report for the City of Nedlands for the year ended 30 June 2017 comprising the Annual Report, Financial Report and the Auditor's Report is recommended.

**Declaration of Closure**

There being no further business, the Presiding Member declared the meeting closed at 6.47 pm.





# Uniquely Nedlands

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Annual Report 2016-2017



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# Message from the Mayor

**Max Hipkins, Mayor**

Another financial year has passed and the City of Nedlands has continued to show its strength through diversity of function, facilities, people and culture. Our City offers a unique urban setting, combining attractive heritage places with modern facilities and an intense urban culture that blends arts, education, recreation, sport and social activities.

As always, the past financial year proved to be another extremely busy, yet challenging and rewarding one for the City of Nedlands – witness the success of our Anzac Day ceremony, biennial Roland Leach Poetry Prize, Emerge: Youth Art Awards, Summer Concerts, Allen Park Lower Pavilion upgrade and the ground-breaking ceremony for the All Abilities Play Space.

The 2016-17 financial year started with the City of Nedlands having reduced boundaries, after part of the University of WA and QEII Medical Centre were transferred from us and given to the City of Perth. This was a result of the-then Liberal State Government passing the City of Perth Act, which enabled the boundary changes.

Much work was done over the past year to prepare Local Planning Scheme No. 3 for submission to the State Government. I would like to give a special mention to those who helped with last-minute changes and additions at the Special Council Meeting on 13 December 2016. As of 30 June, 2017, the City was still awaiting the WA Planning Commission to approve the scheme.

The City progressed the Nedlands (West Hollywood) Underground Power project throughout 2016-17, after investing time in its design, costings, surveys and results. The City funded the detailed design and cost estimate and almost 68% of respondents voted in favour to proceed. Western Power is currently finalising the contract details. The Council is exploring low-cost LED technology used for the street lights, including smart controls, in 2017-18.

New technology used to recover and recycle bulk verge rubbish streams has put the City a significant step closer towards achieving the State Government's target of diverting 65% of all waste from landfill by 2020. Under new bulk collection and disposal arrangements introduced in 2016-17, 748 tonnes of hard waste and 722 tonnes of green waste was collected from City verges in four weeks – resulting in a 92% recovery rate from landfill.

In coordination with WESROC, the City is assisting research projects to better understand and replenish the aquifers beneath the Leighton Peninsula. These include a project that will identify connections between the shallow aquifer to the Leederville and Yarragadee confined aquifers below, as well as the potential re-charge of aquifers using recycled waste water. These projects, which began as investigations to future-proof water supplies for the City's parks, should increase our ability to adapt to climate change.



All Abilities Play Space ground-breaking ceremony

Another financial year has passed and the City of Nedlands has continued to show its strength through diversity of function, facilities, people and culture.

The City was re-endorsed as a Waterwise council, thanks to our water-saving efforts over the past year and ongoing commitment to sustainable water management, both within council operations and across the community.

In October 2016, the City – in partnership with the Swanbourne Coastal Alliance – received \$21,538 through the WA Planning Commission's Coastwest Grants Program to restore degraded areas of the coastal dune system. Weed control and stabilisation work was undertaken between November and May and 4,000 local provenance seedlings were planted in June.

A limestone rock revetment wall and landscaping now stretches from the Sunset Foreshore on Iris Avenue to the Tawarri Function Centre. Stage one of the \$1.2 million restoration project by the City and Department of Parks and Wildlife will prevent subsidence that commonly occurs near waterways.

The City of Nedlands now contracts services to other local governments, allowing the City to employ in-house specialist staff, which results in better economies of scale. The City has maintained its commitment to keeping the community safe with ongoing relevant swimming pool sampling and food inspections as required.

And in response to car parking pressures stemming from UWA, QEII Medical Centre and commuters from the northern suburbs going to Perth, the City is progressively extending timed street parking after consultation with adjoining residents.

The \$1.2 million refurbished Allen Park Lower Pavilion in Swanbourne opened in December (on budget), an achievement that involved great cooperation from council officers, Swanbourne Tigers Junior Football, Swanbourne Cricket Club and Department of Sport and Recreation. The upgrade included the construction of new change rooms, an umpires' room, accommodation for female players, a universal access toilet and shower facility, new kitchen with kiosk facility, a new roof, additional storage, a refurbished hall with air-conditioning and a covered outdoor viewing area.

Work on the All Abilities Play Space on the Nedlands Swan River foreshore began in early 2017. Six years in the making, the \$4 million community-driven project will provide an innovative state-of-the-art facility regardless of age or ability. In April, we had a record-breaking 500 people attend the Anzac Day ceremony at Birdwood Parade, doubling the number from previous years.

A strong commitment to community consultation through Your Voice has given me an in-depth view of our City's needs and we are now in a strong position to further progress and capitalise on numerous opportunities. Our vision for Nedlands is a city that is vibrant, prosperous, safe and family-friendly – and we will continue to listen and work to satisfy the needs of the community.

# Your Council

City of Nedlands 2016 – 2017

Cr Max Hipkins, Mayor

Dalkeith	Coastal Districts	Hollywood	Melvista
Cr Bill Hassell AM (Deputy Mayor)	Cr Nikola Horley	Cr Ben Hodsdon	Cr Gordon Hay
Cr Ian Argyle	Cr Leo McManus	Cr Robert Binks	Cr Toni James
Cr Joe Porter (Retired 1 Feb 2017)	Cr Kerry Smyth	Cr John Wetherall	Cr Nigel Shaw

Mayor, Councillors and City's Executive staff members. Absent Cr Horley and Cr McManus







Cr Max Hipkins  
Mayor



Cr Bill Hassell AM  
Deputy Mayor  
Dalkeith Ward



Cr Nikola Horley  
Coastal Districts Ward



Cr Ben Hodsdon  
Hollywood Ward



Cr Gordon Hay  
Melvista Ward



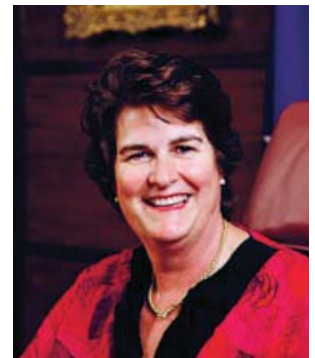
Cr Ian Argyle  
Dalkeith Ward



Cr Leo McManus  
Coastal Districts Ward



Cr Robert Binks  
Hollywood Ward



Cr Toni James  
Melvista Ward



Cr Joe Porter  
Dalkeith Ward  
(Retired 1 Feb 2017)



Cr Kerry Smyth  
Coastal Districts Ward



Cr John Wetherall  
Hollywood Ward



Cr Nigel Shaw  
Melvista Ward



# CEO Report

**Greg Trevaskis**, Chief Executive Officer

This year has been a good one for the City with a continued focus on delivering the outcomes of the 2013-23 Strategic Community Plan.

Our emphasis continues to be on maximising the benefits of every dollar we spend, achieving operational efficiencies and consolidating initiatives from previous years. In particular, we have made significant in-roads in the delivery of contemporary office solutions. We have rolled out Sharepoint 365 to a large part of the organisation, which allows us to place all our corporate knowledge in one place. As this project has progressed, we have been able to identify opportunities for process improvements in how we conduct our business. This has the advantage of not only maximising efficiencies but it also provides opportunities for innovation and staff development.

Streamlining our systems and processes has meant that some of the functions traditionally managed by a separate team are now able to be performed at an individual level. One such function is record-keeping – the Sharepoint 365 implementation has effectively meant that each staff member is responsible for their own record-keeping. This meant that during the year we had to make the very difficult decision to close down our records department and offer redundancies to two of our staff members. While this was a difficult decision to make, I am confident it was in the best interests of the City and demonstrated our commitment to the ongoing management of our spend. I would like to acknowledge the contribution staff members Karen Haughey and

Adie Baldie made during their combined 24 years at the City and wish them well in the future.

During 2016-17, we built upon our 10-Year Financial Plan, which guides our evaluation of major projects and operational initiatives. The plan is the stepping stone to securing our future and building on our financial sustainability – while continuing to invest in our infrastructure and serve our community. It is within this context we:

- Delivered more than \$12.1 million in capital projects
- Maintained staff levels
- Achieved savings in operational costs of more than \$1 million
- Remained strong with key financial ratios, representing financial discipline
- Realised an overall operating outcome with a surplus of \$489,000.

A key component of the 10-Year Financial Plan was the development of a Five-Year Capital Works Program, concentrated on establishing the average condition of City assets to be at an acceptable condition rating within a defined time horizon.

During the year we, realised savings in several operational areas such as waste management, insurance premiums (about 30% compared to the previous year) and ICT (Information and Communications Technology) projects.



Overall, our operational spend in 2016-17 was approximately \$1 million lower than budget, despite increases in non-discretionary expenditure. This can be attributed to a culture within the City of seeking innovation and efficient ways to conduct our business.

This year we also undertook improvements to our customer service delivery with increased emphasis on providing a top-quality service to our ratepayers and those we do business with. We refurbished our customer service centre to a contemporary bright open space, which includes a break-out office so ratepayers can meet with our planning and building staff in a quiet, private space. We implemented new systems and processes that allow us to track and manage incoming calls and contacts, which helps with peak times and rostering this area appropriately.

Community and stakeholder engagement is extremely important to the City and guides us in delivering initiatives and setting priorities for the delivery of projects. In 2016-17, we undertook 80 engagement projects – a significant increase from 50 in the previous year. Our online engagement hub Your Voice continues to be a major resource for our ratepayers and we received just under 8,000 visits this year. An independent community engagement company has rated our online engagement as within the top three in WA, when compared to other local government organisations. This is something we are extremely proud of because we are being compared with local governments significantly larger than the City of Nedlands.

Earlier this year, we sought expressions of interest (EOI) for the development of the Tawarri site, a beautiful part of the City located at 120 Esplanade in Dalkeith. This area shares boundaries with the Sunset foreshore, which includes the heritage-listed Sunset Hospital. The site sits alongside Beaton Park, the location of the All Abilities Play Space which began construction in 2017.

The City, through its EOI process, proposed the Tawarri site be redeveloped to incorporate quality facilities that would be open and accessible to the public and enhance public enjoyment of the reserve. Future developments of the Tawarri site would need to complement the Swan River and surrounding features and landscape, including the All Abilities Play Space. We were pleased to receive four quality submissions as a result of this process and will continue the evaluation during the forthcoming year.

Further in this report you will read about the new Local Planning Strategy and Local Planning Scheme, which were the main focus for the strategic planning team for a large part of the year. This involved a significant amount of work and I am confident both reflect the needs and wants of our community. The strategy was adopted by Council and, at the time of writing, we are awaiting approval from the Western Australian Planning Commission.

Much has been in the media during the year about the closure of Hackett Hall, a community-based facility in Lawler Park. The City made the decision to temporarily close the 1960s hall due to the structural integrity of the building, after safety issues were identified in an independent structural report. As a result of the closure, community group Playlovers – long-term users who have leased the hall since 2009 – had to look for alternative premises. This was a challenging situation for all involved and the City worked closely with the group to identify alternative venue options. However, given their specific requirements, an alternative venue was not able to be sourced. The City continues to work through the structural concerns and future plans for the building and local area.

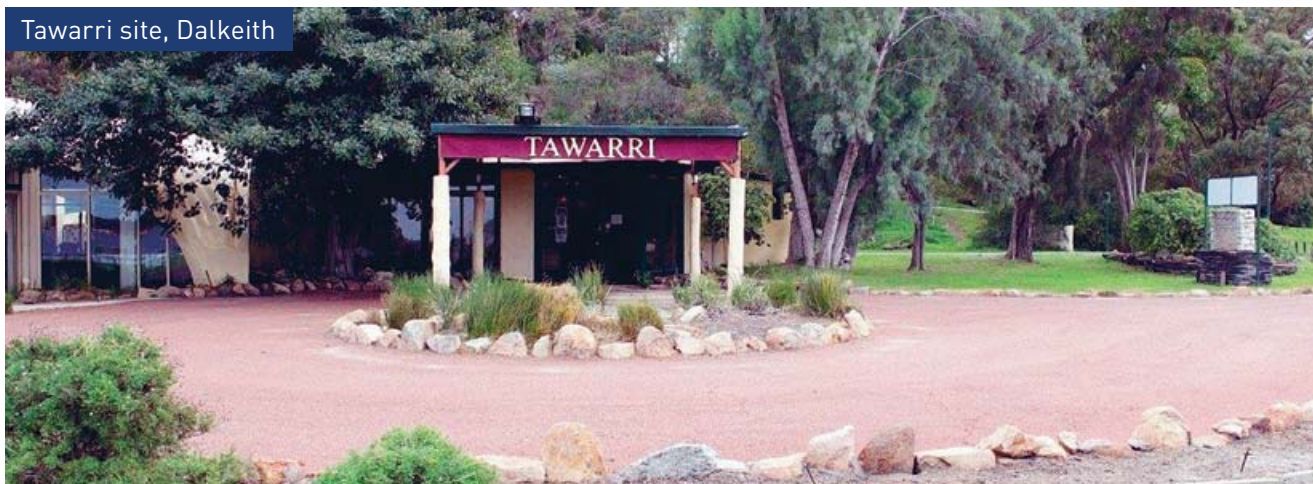
An Enterprise Bargaining Agreement was due for renewal during the year and we began the process to have a new four-year agreement in place to start in 2017-18. A stable environment enabled good discussions and a smooth transition to new instruments of employment, which provides certainty to all parties.

Our employment practices place an emphasis on steady training and development of staff. Where there is turnover, the City attracts a high volume of applicants and, importantly, high-calibre employees. The remuneration strategy is to reward staff in an appropriate manner, consistent with economic and business conditions and the local government market for similar councils.

On a sadder note, former City of Nedlands Senior Communications Officer Michelle Newton lost her battle with a long-term illness during the year. Michelle was a very popular staff member and will be greatly missed by everyone at the City.

As always, I am most grateful for the ongoing support I receive in my role from Mayor Max Hipkins, Councillors, City employees and my executive team. It is a group effort and we all strive to make improvements for the well-being and advancement of the City of Nedlands.

Tawarri site, Dalkeith





What makes Nedlands what it is?

# Uniquely Nedlands





A harmonious community where residents can enjoy living, working and socialising together – that is the key goal for the City of Nedlands. It is committed to providing value-for-money and quality services to the community, including easy access to excellent health and educational facilities.







It goes without question that Nedlands is a beautiful place... and the City strives to maintain this unique character through its picturesque parks and gardens and undulating tree-lined streets and bushland areas.

Delivering high standard quality infrastructure, services and activities to the community is of great importance to the City, as well as enabling lively community hubs where people can come together and interact. An active, safe, and inclusive community can be achieved through well-maintained urban infrastructure (roads, cycle paths, parks, and community and sporting facilities), nurturing the natural environment, facilitating social programs and supporting City events, arts and cultural activities.

The City is dedicated to achieving this by serving the needs of the community while continuously improving its standards. This is done by understanding the community's views, needs and aspirations and then working to attain the desired results. At the same time, social, economic and environmental aspirations are all balanced accordingly.





There are many opportunities for the community to take part in the City's activities and decision-making, whether it's being active on committees and advisory groups (ranging from sustainability, arts and governance to youth and accessibility) or participating in community engagement activities and voting in Council elections.

To achieve this, we value:

- Accountability, by conducting business and all 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.



It goes without question that Nedlands is a beautiful place... and the City strives to maintain this unique character.



# 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 1 July 2013.

The 10-year Strategic Community Plan identified that 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 is focused on the City's infrastructure.

The 2016-17 financial year saw the substantial renewal of infrastructure throughout the City, including more than 7km of road renewed, 104 new drainage pits installed, more than 2km of footpaths renewed and nearly 1km of new footpaths constructed. The percentage of road network in good condition has increased over the past four years and now has an average condition rating of 8.1 (fair condition) with a target to reach a rating of 8.5 (good condition) over the next decade.

In hand with the City's strategic and corporate business planning, a Five-Year Capital Works Program was developed. 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 the average condition of all City assets to be at an acceptable condition rating in the future.

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

## Capital Works targets and achievements

Description	Corporate Business Plan (CBP) four-year target	2015–2016 completed	2016–2017 end of year goals	2016–2017 goals achieved	Four-year goals achieved
New building projects finished	David Cruickshank completed	Completed	Allen Park Lower Pavilion completed	Allen Park Lower Pavilion completed	David Cruickshank and Allen Park Lower Pavilion completed
Square metres of natural areas path renewed <sup>1</sup>	Renew 2,285m <sup>2</sup>	1,365m <sup>2</sup>	0m <sup>2</sup>	0m <sup>2</sup>	1,365m <sup>2</sup>
Square metres of greenway planted	Plant 5,860m <sup>2</sup>	4,650m <sup>2</sup>	1,100m <sup>2</sup>	3,350m <sup>2</sup>	8,200m <sup>2</sup>
Number of trees planted <sup>2</sup>	2,050 street/reserve trees	1,535	500	676	2,211
Metres of river wall repaired <sup>3</sup>	281m	0m	100m	100m	100m
Square metres of carpark new or upgraded <sup>4</sup>	Upgrade or build 13,240m <sup>2</sup>	5,244m <sup>2</sup>	400m <sup>2</sup>	2,116m <sup>2</sup>	6,313m <sup>2</sup>
Number of bus shelters upgraded <sup>5</sup>	16	7	2	2	9
Number of pits installed	100	106	30	104	210
Metres of footpath renewed <sup>6</sup>	Renew 12,793m	4,198m	500m	2,116m	6,313m
Metres of new footpath <sup>6</sup>	Build 1,223m	380m	80m	89.5m	469.5m
Number of Black Spot projects completed <sup>7</sup>	8	5	2	0	5
Kilometres of road renewed <sup>8</sup>	34.31km	8.46km	6.82km	7.18km	15.64km

### Notes

<sup>1</sup> Less natural area pathways have been upgraded due to changing priorities.

<sup>2</sup> Additional capital projects were undertaken over the four-year period and funding was able to go further than originally expected.

<sup>3</sup> The remaining 180m of the Nedlands foreshore river wall construction will be undertaken in January 2018.

<sup>4</sup> 4,000m<sup>2</sup> of new or upgraded car parks is programmed for 2017-18

<sup>5</sup> The tender for the replacement of all advertising bus shelters (19) will be awarded in 2017-18.

<sup>6</sup> Replacement of, and new, footpaths have an increased emphasis in the latest forward Five-Year Capital Works Program, starting in the 2017-18 financial year.

<sup>7</sup> One Black Spot project is progressing at the Railway Road and Guger Street intersection with Loch Street and two further projects programmed for the 2018-19 financial year.

<sup>8</sup> Kilometres of roads renewed: administration has reviewed the life-cycle of the road asset and established a program to have the average condition of the road network to be at a "good" condition by 2030. The average condition is currently rated as "fair".





Park amenities

### Allen Park redevelopment

The City of Nedlands celebrated the official opening of its new \$1.2m multi-functional pavilion in Swanbourne during December 2016. The refurbished building was completed with the cooperation of long-term tenants – the Swanbourne Tigers Junior Football and Swanbourne Cricket Club – and is available for a wide range of community and sporting groups, events, meetings and activities.

The need for refurbishment was identified in both the City's Strategic Community Plan and Strategic Recreational Plan as one of five facilities marked as a priority for development. Originally built in 1963, the condition of the building had declined over the past 10 years, along with its use by community members.

The upgrade included the construction of new change rooms and an umpires' room, a universal access toilet and shower facility, kitchen with kiosk facility, new roof, additional storage and a refurbished hall with air-conditioning and covered outdoor viewing area.

The project was jointly funded with the City contributing \$910,000 from held reserve funds. The City also received a \$190,000 grant from the Department of Sport and Recreation's Community Sporting and Recreation Facilities fund. An additional \$100,000 was raised by the Swanbourne Tigers Junior Football Club and Swanbourne Cricket Club.

A sinking fund of \$28,000 per annum has been set aside to keep the new facility in first-class condition, in an ongoing partnership between Council and the junior football and cricket clubs.



Swan River wall

The Council's Strategic Plan had an original target of improving the facilities in 2019-2020. However, due to the decline in the building's condition and use, a plan to investigate an upgrade (rather than a new facility) to deliver better amenities was developed.

Progressing the importance of Allen Park to the community continued and ABV Leisure Consultancy was appointed to develop a master plan with residents and park users for the future management of the reserve.

The master plan process considers existing conservation efforts and heritage of the area, matched with the park's links to nearby beaches and its regional role as a central sporting facility in the western suburbs. The process will investigate the optimal mix of various sports at the reserve, along with the established environmental area, while balancing access to the community for casual and passive recreation purposes. This project is continuing into the 2017-18 financial year.

### Nedlands foreshore

Three major projects began during the year – the construction of a new river wall between Iris Avenue and Perth Flying Squadron Yacht Club, All Abilities Play Space and the Tawarri Reception Centre redevelopment.

The City of Nedlands and Department of Parks and Wildlife started a \$1.2 million restoration project on the river wall in January 2017. Stage two will begin in January 2018, complementing the All Abilities Play Space.



The construction of a rock revetment wall was the preferred option because it provided a cost-effective, low-maintenance approach to protect and enhance the river foreshore for future generations.

While the river wall works were being undertaken, planning for the \$4 million community-driven All Abilities Play Space project at Beaton Park progressed. The park will provide an innovative state-of-the-art play facility for everyone – the largest of its kind in WA – regardless of age or ability.

The large-scale, purpose-designed project was initiated by the Rotary Clubs of Nedlands, Subiaco and West Perth with the City of Nedlands providing the site and managing construction.

Project partners also include Inclusion WA, Australia's Bridge, Lotterywest, Disability Services Commission, WA Local Government Association, Wood and Grieve Engineers, Cardno and community members, as well as private individuals who have made generous donations towards construction, inspired by the project's inclusive aims.

Award-winning landscape architect Fiona Robbé, who is part of an international group developing standards for inclusive playgrounds, designed the play space after intensive consultation with local user groups.

Some of the features will 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.

The Nedlands foreshore is also home to the Tawarri Reception Centre, built in 1957, which is approaching the end of a 21-year lease (on 30 June 2018) and the end of its functional life.

Council publicly called for expressions of interests in a land lease – submissions ranged from proposals to use the hot water under the site to create a health spa, complemented by food and beverage services, through to a replacement function centre offering a wider range of facilities.

From these submissions, tenders will be sought during the 2017-18 financial year to secure detailed proposals.

### **Road network improvements**

The City of Nedlands' road network is one of the oldest networks in the metropolitan area with evidence of many hand-built roads from the 1800s.

Since the Council adopted the Strategic Community Plan in 2013, there has been a significant effort made

to improve the average condition of the 159km network. In the 2016-17 financial year, the City rehabilitated 7.184km of road pavement (new kerbing, drainage, asphalt surface) – the largest program ever attempted by the City in any one year and more than double the performance of the previous three years collectively.

City staff and contractors completed 21 of the 22 programmed projects within the year, representing 4.5% of the total road network.

The road network also includes laneways, which are dedicated road reserves. Council adopted a new policy in April 2017 that allows for the construction to a minimum paved and drained standard of the 10.57km of part paved or un-paved laneways in the City.

The City conducted a trial of the construction method for a recycled asphalt pavement laneway in Laxum Lane, Nedlands, in May 2017 which proved successful.

### **Enviro-scape master planning for the City's parks**

Preparing enviro-scape master plans for the 67 parks in the City began in the 2016-17 financial year with the development of a plan for David Cruickshank Reserve.

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 plan developed aims to ensure that community needs are served at the most economic whole-of-life cost.

Age and condition of the assets, along with the initiatives identified for David Cruickshank (and other plans), will be delivered and funded over the long term through current and the forward Five-Year Capital Works Program.

### **2017-2027 Strategic Community Plan and Long-Term Financial Management Plan**

A review of the Strategic Community Plan, to look ahead 10 years from 2017 to 2027, will be progressed in the 2017-18 financial year. A key component will be the Long-Term Financial Plan. These plans will continue to secure the City's long-term future, further build on the City's financial sustainability and provide for continuing investment in infrastructure while remaining relevant to the City of Nedlands community.

# Community Engagement



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

It is intrinsic to Council to provide good governance and strong leadership to ensure 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.

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.

Carrington Park



Allen Park engagement





## Key initiatives

The City undertook more than 80 engagement projects in 2016-17.

There were about 7,800 visits to the online engagement hub Your Voice Nedlands with people viewing 21,000 pages. Consultation involved a range of tools that enabled people to provide information and seek feedback.

Surveys and submissions were the most popular tools with 505 completed for a variety of projects. The community sourced information by downloading documentation (1,898 downloads), key decision dates and frequently asked questions. The City also provided information sessions, public open days and direct mail-outs to inform – and invite – community participation in projects.

### Overall, the top performing projects were:

- Underground power (West Hollywood)
- Local Planning Strategy
- Proposed Laws and Amendments
- Stay Updated/Community Updates.

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

The financial year also focused on further improving governance around community engagement – in particular, strategy development and procedures, templates and guidelines.

The City's participation for "engaged, informed and aware" compares favourably with other WA councils. The City achieved an engaged result of 11% to 30 June 2017 with aware visitors at 31% and informed visitors at 58%. It is noted the industry average for Australia is 4% for engaged visits.



# City Infrastructure

## Overview

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

The 2023 Strategic Community Planning process identified that 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 Strategic Community Plan.

The City is on track to complete most of the works identified in previous plans. The City also developed a new Five-Year Capital Works Program, which was approved by Council as part of the budget process. Major priorities for the City have been the Stirling Highway streetscape project (awarded in 2016-17 to be delivered in 2017-18), Allen Park Pavilion refurbishment, river wall rehabilitation with rock revetment and the start of works on the 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 8.1, which has improved significantly in the past four years.

Improving building infrastructure throughout the City was also a key priority. Following on from the new Adam Armstrong Pavilion at David Cruickshank Reserve, the City has upgraded the Allen Park Pavilion with new changerooms, new storage rooms, an upgraded kitchen and main function area, as well as adding new toilet facilities and a veranda extension to the building.

## Road resurfacing and rehabilitation

Nearly 7.2km of the City's roads were renewed during the year, representing more than 4.5% of the total road network (159km).

The aim was to improve amenity, reduce the impact of potential flooding and improve road safety by installing roadside soak wells, which also replenish the groundwater system. The following roads were rehabilitated during the year:

- Gallop Road (Wavell Road to Bruce Street)
- Watkins Road (Victoria Avenue to end of cul-de-sac)
- Asquith Street (Mayfair Street to Rochdale Road)
- Broome Street (Carrington Street to cemetery entrance)
- Loftus Street (Carrington Street to Government Road)
- Kitchener Street (Verdun Street to Aberdare Road)
- Circe Circle (north) (intersection of School Road)
- Swansea Street (Jameson Street to Greenville Street)
- Boronia Avenue (Karella Street to Stirling Highway)
- Adelma Place (Jutland Parade to end of cul-de-sac)
- Edward Street (Bruce Street to Broadway)
- Leon Road (Victoria Avenue to Alexander Road)
- Hillway (Bruce Street to Broadway)
- Taylor Road (Princess Road to Stirling Highway)
- Nardina Crescent (Wavell Road and Viking Road)
- Lyons Street (Clement Street and North Street)
- School Road (Genesta Crescent to Circe Circle)
- Alfred Road Intersection with Nidjalla Road (traffic flow modification)
- Princess Road (Bruce Street to Broadway)
- Waroonga Road (Princess Road to Jenkins Road)
- Rockton Road (Princess Road to Stirling Highway)

Concerned about the sap leaking from the massive marri tree on our front verge, I emailed the council and got a prompt response from Andrew Dickson with an interim report on the possible reasons for this and an assurance that an arborist would examine the tree. The arborist rang me, explaining the cause of this, which is affecting other marri trees in the city (which may or not be fatal) and the actions to be taken to try to preserve the tree. Please pass on my thanks. Credit where credit is due.



**Colin Latchem**

## Key points

The City is on track to complete works identified at this stage of the 10-Year Forward Works Plan

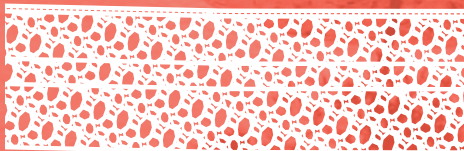
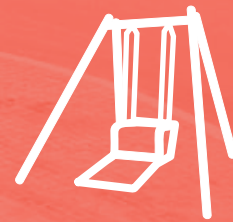
Stirling Highway streetscape project upgrades



Allen Park Pavilion refurbishment with new changerooms, toilets, storage rooms, upgraded kitchen and main function area and veranda extension

River wall rehabilitation with rock revetment wall

Work started on the All Abilities Play Space



**10,000m<sup>2</sup>**



Progressing new model for funding underground power





Stirling Highway

### **Drainage improvements and storm water management**

Soak wells are important to protect road pavements against water ingress and to replenish the ground water at its source. These installations continued to be a focus with 104 new units (635m<sup>3</sup> of soak well capacity) installed throughout the City, as part of road rehabilitation and drainage works.

Major projects included improving drainage in Strickland Street and providing gross pollutant traps in Waratah Place. The Swan River gross pollutant-trapping program will eventually result in all gross pollutants within the City's drainage system being captured before entering the Swan River.

### **Footpath improvement and rehabilitation**

The City progressed its annual footpath improvement and replacement plan by completing the link of the section opposite Monash Avenue in Smyth Road to Loch Street from Railway Road, through to Carrington Street and the School Sports Circuit link at Challenge Stadium.

A total of 2,115m of footpath was renewed and 89m of new footpaths were constructed during the year.

### **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 2016-17, the City's Black Spot program progressed with the completion of pedestrian safety initiatives at the Railway Road-Gugeri Street-Loch Street intersection. This was a project built in coordination with the Town of Claremont using a \$461,000 grant from the Federal Government's Black Spot Program.

The City of Nedlands and Town of Cambridge also received a \$580,000 road improvement grant to upgrade the intersection at Brockway Road, Brookdale Street and Underwood Avenue.

The project will increase safety and reduce congestion and the overall number and severity of crashes. Pedestrian and cyclist facilities were improved, along with improving visibility, due to an upgrade to street lighting and an LED technology upgrade of the traffic signals.

I'd like to commend all your team working on the Kitchener Street road works. Your contractors carried out their work in a pleasant and professional manner. They kept us informed, making it easier for planning our daily commutes. Please pass on my thanks.

**Vicki Stoddart**

## **Key initiatives**

### **Nedlands Foreshore River Wall**

With a staged budget of \$1.2 million, the City of Nedlands and Department of Parks and Wildlife began a restoration project on the Nedlands foreshore river wall between Iris Avenue and the Perth Flying Squadron Yacht Club. More than 100m of restoration and landscaping works were completed from the Sunset Foreshore (near Iris Avenue) to the Tawarri Function Centre.

A deteriorated and aging concrete slab wall and capping was removed and replaced with limestone rock revetment. The introduction of rock revetment was a long-term design solution to provide strong and long-lasting protection against erosion by way of natural energy dissipation from the river currents and boat wash, as well as being aesthetically pleasing.

The project aims to provide a cost-effective, low-maintenance and sustainable environment to protect and enhance the river foreshore for future generations.

Planning for the second stage has begun for the next section (from Tawarri Reception Centre to the Perth Flying Squadron Yacht Club groyne), which will be constructed in January 2018 in conjunction with the All Abilities Play Space project.

## Building works

The building maintenance capital works schedule included all project sizes, from minor upgrades and refurbishments to new construction.

The following projects were undertaken during the year:

- Council Administration (refurbishment of reception, meeting rooms and some office space, construction of new toilet facilities, covered areas, storage and security and car park upgrades)
- Council Works Depot (continuation of security fence replacement and signs, upgrade of office facilities)
- Nedlands Community Care (replacement of lights and fixtures using LEDs, upgrade to kitchen and toilet facilities)
- Point Resolution Childcare Centre (improvements to lighting, children's area, reception, kitchen, staff and office facilities)
- Nedlands Library (roof and gutter replacement, upgrade to staff areas)
- Mt Claremont Community Centre (restoring previous cafe for public use)
- CCTV equipment upgrades at numerous facilities across the City.
- Reconstruction and extension to Allen Park Pavilion.

## All Abilities Play Space

Work on the All Abilities Play Space at Beaton Park has begun. A 10,000m<sup>2</sup> (1 hectare) playground will take advantage of the natural environment and Swan River. It is purpose-designed to cater for all ages, people with disability and their families to play together with everyone being engaged in the specialised equipment.

The first stage of this multi-staged project was to relocate the sewerage pump station and power supply to the site, which has been completed. Purchase of the play space equipment is progressing.

## Underground power

The City progressed the potential provision of underground power with a project within the West Hollywood area, in partnership with Western Power.

Initially, a survey was undertaken with property owners during January-February to determine their views on the importance of installing underground power, along with their willingness to pay for the connection.

A second survey was undertaken, following the receipt of the detailed design estimate from Western Power, because the cost of the project had reduced from the previous survey due to an increased subsidy from Western Power. There was also a significant level of existing underground connection within the project area.

This project will continue into the 2017-18 financial year and has the potential to become a new model for delivering underground power to the rest of the City.

**\$7.56m**

total spend on road rehabilitation projects

**\$0.43m**

total spend on footpath rehabilitation projects

**\$0.57m**

total spend on drainage rehab projects

**\$2.76m**

total spend on building maintenance and upgrades

**104**

new soak wells installed



Achieved an average road network condition rating of 8.1 with a target of 8.5 in the next decade

Approximately

**7.2km**

of roads renewed



**2,115m**

footpaths renewed

**89m**

of new footpaths constructed

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

For more than 20 years, the City of Nedlands has strongly supported the Friends of Hollywood Reserve in their endeavour to maintain and improve this bush reserve. This support has been through the provision of native seedlings annually for planting by the friends and Hollywood Primary School students, as well as the guidance and assistance by the City's bushcare officers Vicki Shannon and Ken Okamitsu. Both are hands-on mentors.

We thank the City of Nedlands on the behalf of the many residents who pass through daily and enjoy the reserve's plant and animal life.

Friends of  
Hollywood Reserve

# Natural Environment



# Key points

Enviro-scape master plans progressing for all **67** parks in the City



parks maintenance programs completed



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



parks capital improvement projects completed

Tender to construct All Abilities Play Space at Beaton Park awarded and construction began in the second half of 2016-17

Greenway expansion with the planting of native vegetation in the railway reserve, Point Resolution and Swanbourne coastal dunes



street trees planted



nature strip development applications assessed



## 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. Our 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 process.

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 will be developed with the aim of ensuring that community needs are served at the most economic whole-of-life cost.

The renewal of park assets continued with the completion of 18 capital improvement projects, in accordance with the Five-Year Capital Works Program.

The City secured development approvals and awarded the construction tender for phase one works of the All Abilities Play Space at Beaton Park. Phase one works include fencing, entrances, purchase and installation of the play equipment, landscaping and visitor facilities. Stages one and two of the four-stage project are anticipated to be delivered during the 2017-18 financial year.

The City attained the capability to deliver superior sports turf surfaces, following the acquisition of a new tractor dedicated to fine turf mowing. This followed a business case presentation demonstrating the benefits of providing improved services in this area of operations.





### Environmental conservation

Greenways continued to be expanded with native vegetation planted to improve biodiversity, also allowing for the migration of wildlife throughout the City. Projects included native plantings in the railway reserve, Point Resolution and Swanbourne coastal dunes.

The City completed stage four of a project to create a green corridor along the rail reserve by planting 3,600 local provenance waterwise shrubs and ground covers.

At Point Resolution Reserve, about 6,000 seedlings were planted as part of a joint project between the City of Nedlands and Department of Parks and Wildlife with support from the Friends of Point Resolution.

A further 4,000 local provenance plant species were planted along the Swanbourne dunes with funding from the Coastwest Grants program. The Swanbourne Coastal Alliance community group partnered with the City to deliver the project.

## Key initiatives

### Parks Services

- Replacing overhead security lighting at Brockman Reserve.
- Replacing pump irrigation control cabinet and renewing and re-locating synthetic cricket wicket at David Cruickshank Reserve.
- Renewing gardens at Dot Bennett Park.
- Installing weather station linked to the City's irrigation central control system at Allen Park and Lawler Park.
- Re-lining the top irrigation lake on Montgomery Avenue, Mt Claremont.
- Replacing a section of dilapidated fencing on Nedlands Library grounds.
- Renewing two garden beds at Peace Memorial Rose Garden
- Upgrading playground at St Peters Square Gardens and play equipment at Leura Park.
- Installing greenway planting along a railway corridor section on Stubbs Terrace, Shenton Park.
- Refurbishing limestone and brick wall at The Marlows, Mt Claremont.
- Replacing irrigation control cabinet at Hollywood Reserve.
- Refurbishing section of river wall at Sunset Foreshore.
- Installing vertical garden and security lights at the City's Administration Building.

### Environmental conservation

- Installing a bush garden at Hollywood Reserve to showcase bush tucker plants while allowing people to experience the bushland in its natural setting.
- Upgraded signs and bench seating at Hollywood Reserve.
- Installing cliff risk signs at Bishop Road Reserve, Adelma Place, Iris Avenue, Birdwood Parade, Point Resolution Reserve and Sunset Foreshore, in accordance with relevant Australian Standards and the National Aquatic and Recreational Signage Manual.
- Natural Areas Volunteer Appreciation Event held in conjunction with the Swanbourne Coastal Alliance to celebrate its 10-year anniversary.
- Ongoing bush care programs undertaken with community groups, local school groups and Conservation Volunteers Australia.
- Ongoing fire management program in bushland areas.
- Feral animal control, including feral bees, foxes, cats and rainbow lorikeets.
- Ongoing environmental weed control.

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# Health and Compliance



# Key points

Extensive asbestos decontamination works have continued across multiple projects to address historic issues within Allen Park, Swanbourne and Shenton Reserve

Regular patrols of schools, commercial areas, and public facilities such as the Hollywood Hospital and UWA precincts

Scheme water consumption dropped by



**1,312kL**

compared to the previous year

Electricity consumption reduced by

**38,533kW/h**

A native fauna survey in Shenton Park and bushland identified feral cats were the primary predator

Cats registered



**228**





## Overview

### Environmental Health

The City is routinely involved in many aspects of public health to ensure community safety in public facilities.

This includes undertaking inspections and licensing of local events, food premises, public buildings, public aquatic facilities, hairdressing establishments and pest control to ensure all facilities comply with the *Health Act 1911*, the new *Public Health Act 2016* and *Australia New Zealand Food Standards Code*.

Environmental health activities also include responding to noise and other nuisance complaints on behalf of residents.

### 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 the Hollywood Hospital and UWA precincts.

In compliance with the *Cat Act 2011*, there were 228 cat registrations within the City. Since the legislation was adopted, work has been undertaken to ensure residents are informed of their responsibilities and are assisted in complying with the necessary requirements.

## 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. This 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

An increase in electricity consumption in the 2015-16 financial year was attributed to a bore working overtime to replenish water levels in the leaking Daran Park lakes. Emergency repair works were undertaken in July 2016 and electricity consumption dropped by 38,533 kW/h as a result.



## WESROC Native Fauna and Feral Cat Project

The City of Nedlands, on behalf of WESROC (Western Suburbs Regional Organisation of Councils), undertook a survey in 2015 to ascertain the cause of predation of native fauna in Shenton Park and Swanbourne bushland. The survey identified feral cats as the primary predator in this area.

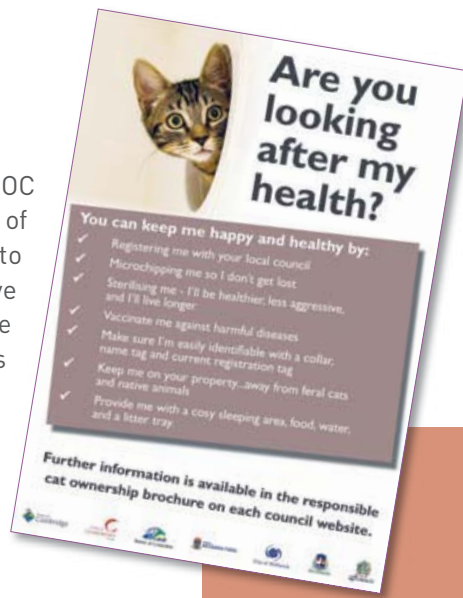
The City of Nedlands led this project on behalf of WESROC and, in 2016, began the Feral Cats Project funded by a \$12,000 State Natural Resource Management Office grant. The City's Ranger Services, in conjunction with WESROC, developed an education campaign to promote responsible cat ownership.

## Western Central Local Emergency Management

City Rangers were involved in the Western Central Local Emergency Management Committee in 2016-17. The committee undertakes planning for emergencies and local government recovery with other western suburbs local governments and other agencies, including the Red Cross, WA Police and Department of Fire and Emergency Services.

## Key initiatives

- Rangers coordinated the Pets at the Park event with the Towns of Claremont and Mosman Park, attracting 500-600 participants and 28 market stalls.
- Asbestos remediation was again a focus for the City. Extensive decontamination works continued across multiple projects to address historic issues within Allen Park, Swanbourne and Shenton Reserve. The City has also been developing an asbestos management plan for City assets. The Shenton Park and Allen Park plans have been completed.
- In 2016-17, the City was commended by the Water Corporation for efficiencies implemented through irrigation strategies to maximise groundwater use and conservation. Parks and reserves have been maintained to an excellent standard while using 1,254kL less than our allocated 709,300kL of groundwater during the financial year.
- The WESROC Native Plant Subsidy Scheme was a success with residents purchasing more than 2,600 seedlings. The City has achieved more than 23,500 seedling sales through this initiative since 2008.



Public building inspections



Food premise infringement notices



189

Public aquatic facilities inspections

33 dog attacks investigated



Total infringements for parking issues

4,192

296



Total warnings issued for parking

2,618

native plant subsidy scheme plants sold



Groundwater savings

1,254kL

less than the City's allocation







I was delighted with the result of the recent verge collection. The contractor, as with the previous verge collection, took considerable care to remove our green waste and ensure the verge was left clean and tidy. Before the day was out, the street sweeper completed the clean-up with meticulous attention to our roadside. The verge collections are an outstanding success. This should not in any way overshadow the weekly bin collection, which is efficiently and cleanly completed every week without fail. The operators display enormous patience and dexterity in working around cars, particularly in front of the shopping areas. As a ratepayer, I am satisfied that we are receiving value for money.



**Dr Stephen Davis**

# Waste Services



# Key points

The City is committed to achieving a waste diversion target of

65% by 2020

The City is a leading metropolitan local government using the three-bin system (top 3) and verge collection with a diversion rate of more than

54%

More than

80%

of residents are using the standard bin service (120L rubbish bin), contributing to lower waste generation in the City. The remaining residents utilise the upgrade service (240L rubbish bin) or super service (2 x 240L rubbish bins)

More than

22%

of residents are using the complimentary second recycle bin option



Continuous improvements in the three-bin collection service has seen no increases in the waste service charge to ratepayers for the past four years. Effectively a reduction due to CPI increases.



## Overview

The City of Nedlands continues to strive to be one of WA's local governments recognised for resource recovery at the source by achieving high diversion rates and, consequently, a strong customer satisfaction outcome. In the past financial year, the City has achieved a 54% overall diversion rate, the highest so far.

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

In the City of Nedlands, 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 660 commercial recycling services are included in the City's kerbside collection system. The City also provides two combined residential bulk verge collections each year which consist of hard waste, green waste, e-waste and mattresses.

In 2016-17, the City collected 11,738 tonnes of waste, 3,436 tonnes of green waste and 2,873 tonnes of recyclable material from the both kerbside collections and bulk waste streams. 54% of combined waste was diverted from landfill and recovered, reused or recycled. By comparison, in 2015-16 the City's overall diversion was a recovery rate of 49% from landfill.

The difference has been the City's new verge bulk collection and disposal arrangements where collection from City verges was completed in four weeks, providing a 94% recovery rate from landfill.

Previously, the service took eight weeks to complete with a 48% recovery rate from landfill. Additionally, this initiative has significantly decreased the opportunity for illegal dumping, which was reflected in reduced tonnages collected – thereby creating a reduced cost for the City.

The new contract has resulted in a decrease of more than 160 tonnes of waste to landfill and a reduction in collection and disposal costs of about \$75,500, compared to the cost of the 2015-16 collection. The service has also reduced the negative impact on the appearance of verges.

In accordance with industry best practice – and to achieve the most cost-effective outcomes for ratepayers – the City continues 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. The message is to encourage waste materials to be thought of in terms of a resource to be recovered, reused and recycled wherever possible.

### Graffiti and vandalism

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

- Adoption of the City's Waste Minimisation Strategy and Action Plan 2017-2020
- Implementation of new technology to recover and recycle bulk verge hard waste stream
- Reducing bulk collection timeframes from eight to four weeks
- Green waste bags, worm farms and compost bins provided at discounted rates
- Implementation of dedicated dog waste litter bins at key locations
- 48-hour graffiti removal at public spaces or areas visible from public spaces.

The City's graffiti and vandalism contract ensures all graffiti is removed within 48 hours of being reported.



Graffiti removal

## Statistics



**11,738** tonnes of domestic waste collected

**2,853** tonnes of recyclables diverted from landfill

**21** tonnes of e-waste and mattresses diverted from landfill

**3,436** tonnes of green waste diverted from landfill



An increase of **5%**

on the City's overall recovery rate through bulk verge collection

# Built Environment

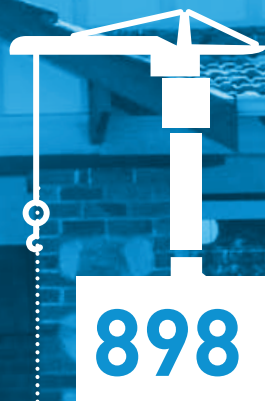
- Progression of new Local Planning Strategy
- Progression of new Local Planning Scheme No. 3
- Development of local development plans and policies for development within the City
- All development applications received by the City were determined within statutory timeframes (more than 50% determined within 20 days)
- Implementation of new permit application computer system
- Contract services offered and undertaken with other local governments



We received a letter of approval for the fencing of our home. May I take this opportunity to say thank you for your patience and your understanding of our situation... we are pleased to see the final result. Our kids are now safe to use the pool and are having some peace as the house is located in a busy corner and in front of a commercial premise.

**Taf Berhane**

## Key points



pool barrier inspections conducted – 707 in City of Nedlands and 362 in Town of Claremont



**57**

tenancy arrangements with community organisations, sports clubs and organisations that provide a community service

**4**

The City also has four lease arrangements with commercial operators



### Overview

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

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

These activities ensure the City continues to develop and thrive in pursuit of its vision of being easy to get around and a great place to do business. 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 councils to assist with their building functions.

#### Strategic planning

A new Local Planning Strategy and Local Planning Scheme were the main focus for the strategic planning team. Following a comprehensive consultation process, the draft Local Planning Strategy (a high-level comprehensive planning framework for the City) was adopted by Council and sent to the Western Australian Planning Commission (WAPC) for approval in August 2016. This was followed by the draft Local Planning Scheme No. 3, adopted by Council and presented to the WAPC in December 2016 for permission to advertise. The City is awaiting a response from the WAPC for both documents.

While waiting for a response from the WAPC, the City has continued to formulate supporting documents that will make up the remainder of the planning framework. This includes Local Development Plans and Local Planning Policies. Together with the new Local Planning Scheme No. 3, these Local Development Plans and Policies will update the built form controls for all development within the City of Nedlands.



#### Statutory planning

The statutory planning team focused on processing development applications to ensure timeframes were met and the community was consulted in decision-making when necessary. All development applications were processed within statutory timeframes. Of the 363 development applications the City determined, 100% were determined within the required 60 or 90-day statutory timeframes with more than 50% determined within 20 days – well under the required timeframes.

In addition, the more recently introduced “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 proved popular. There has been a significant increase in the number of checks requested and this may, in part, be due to the quick processing times of these checks, which has consistently been less than 10 days. This allows applicants to quickly and efficiently sort out any issues with their development before committing to the development or building processes.

Development compliance also formed a significant part of the statutory planning team's resources in 2016-17. 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.

The creation and implementation of a new permit application computer system was undertaken to improve efficiency and prepare the City for the acceptance of building permits through electronic lodgment.

As a requirement of the Building Commission, the City must now report on the process and activity of building permits. A new reporting structure has been incorporated into the department's new processing software that will see the City achieve direct reporting to the Commission.

The building department continued to offer contract services to other local governments to assist with some building functions, in the areas of building permit approvals, swimming pool inspections and building compliance.

## Key initiatives

### Building and compliance

- Creating and implementing new computer system for processing building applications, incorporating new State Government reporting requirements
- Preparing for acceptance of electronic lodgment for building applications

### Planning

- Draft City of Nedlands Local Planning Strategy
- Draft City of Nedlands Local Planning Scheme No.3

100%

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

100%

development applications processed within 60 or 90-day statutory timeframes



new planning compliance matters completed

78

deemed-to-comply requests received

100%

100% deemed-to-comply requests approved within 10 days





# Community Services

## Key points

More than

100

people attended the Nedlands Community Care Seniors Expo

New classes, activities and events introduced for positive ageing program



2016 Roland Leach Poetry Prize was held by Nedlands Library

20,490

hours of service provided by Nedlands Community Care staff to 265 eligible community members

Successful audit of childcare services by Childcare Licensing Regulatory Unit



Nedlands Community Care has been our saviour for many years. A sick husband of 92 years of age with dementia and macular degeneration has needed care full time by me, his wife. After a HACC (Home and Community Care) report, we were introduced to all the facilities the centre offered, including lovely bus trips, beautiful meals cooked by such caring staff, trips to the movies and quiz days, as well as lots of help for domestic home visits with our lives taking on a new future. Many new friendships have been made with clients and staff – such an important part of our lives. We thank them so much.



Ailsa Farmer, right, with husband Robin

## Ailsa Farmer

### 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 assistance, light gardening maintenance, shopping and paying bills
- Transport to medical appointments and local shopping centres, assisted by a volunteer
- The Waratah Club, which provides activities and meals at the centre, 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 engagement at a nominal cost. Activities are open to all seniors and are held at NCC and Dalkeith Hall.

Weekly activities include:

- Walking groups
- Table tennis
- Yoga for seniors
- Pilates for seniors
- Zumba Gold
- Line dancing
- Mah-jong
- A computer support cafe.

Monthly activities include outings to the local cinema followed by a meal and attending educational talks with afternoon tea included. Seniors are invited to try any activity at any time.

In the 2016 customer satisfaction survey, members felt the "Affinity Club was a valuable asset to the wellbeing of seniors, giving a true sense of community and belonging".





Point Resolution Child Care Centre

### Point Resolution Child Care Centre (PRCC)

In 2016-17, 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. With a reputation as a trusted provider of care and education, PRCC was responsible for more than 120 children each week.

PRCC offers a fun and stimulating environment for children aged up to six years, where they can learn and grow during their early years.

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.

### Library services

The City has two libraries: Nedlands Library on Stirling Highway and Mt Claremont Library on Montgomery Avenue. Membership stands at 9,759 members and 76% are local residents.

The library collection includes a wide range and variety of books, magazines, talking books, DVDs, CDs, local history and electronic content (eBooks, eAudiobooks and eMagazines). Over the past year, book club sets were loaned and hired out 214 times – 24 more than in the previous year – raising \$6,420 for the Nedlands Library. These sets are available for established book clubs to hire out at \$30 per set of 10 books.

The Local Studies Collection has a new window decal on its archival room. A selection of Local Studies images were carefully selected to represent the City, taking in river boundaries, Stirling Highway and through to the sea. When the City was established, the river was the first communication between the port of Fremantle and capital city of Perth. Stirling Highway is the original Perth-to-Fremantle Road and buildings along the highway reflect the development of the City. The sea also brought the first Europeans to the west coast with Swanbourne Beach one of the first landing sites.



# Key initiatives

## Aged care services

- Nedlands Community Care held a successful and informative Seniors Expo at Adam Armstrong Pavilion in October with more than 100 community members and other senior groups participating
- Nedlands Community Care received a 99% overall satisfaction rate from its 2016 client survey
- The Nedlands Community Care social group continued its monthly movie get-togethers with more than 35 clients.

## Child care services

- Successfully passed audit checks conducted by Childcare Licensing Regulatory Unit
- Funding received from Long Day Care Professional Development Program used to provide staff training and participation in forums for professional discussion, strengthening capacity to deliver inspiring, engaging programs
- Achieved 100 satisfaction rate in annual parent survey
- Community members and families attended events including meet and greet sessions and Mother's Day, Father's Day and Grandparents Day celebrations
- Fostered strong partnerships and supported families with agencies such as Ngala and Telethon Speech and Hearing
- Renovations to PRCC's entry and reception area improved access and created areas to display information, photos and other items.

## Positive ageing

- Three new exercise classes were added: tai chi, pilates for seniors and Zumba Gold.
- An iPad for seniors class was introduced, complementing weekly sessions at the computer support cafe where members improve IT skills
- New social events were introduced, including Singing The Musicals, Melbourne Cup, carols around the piano, Pancake Day, St Patrick's Day and Biggest Morning Tea
- A craft class motivated members to share skills with others, inspiring people to help a charity
- More than \$1000 was raised for Cancer Council at the Biggest Morning Tea

## Library services

The library service conducted the Roland Leach Poetry Prize in 2016, a biennial competition held since 2005. It aims to promote poetry in the community by recognising and rewarding outstanding original works written by young people in WA.

The library received 1,116 entries from 95 schools across the State. The overall winner was Lewis Orr from Scotch College, a City of Nedlands resident. Poems were judged by professional writer and poet Shane McCauley, who judged the previous five competitions. Patron Roland Leach also continued his support.

Libraries conducted a biennial user survey in June 2017 and 98% of respondents were satisfied with the service overall.

99% satisfaction rating for Nedlands Community Care

Number of Affinity Club members increased by 44.6%

97% satisfaction rating with Affinity Club activities

98% satisfaction rate for library events

100% satisfaction rating achieved in Point Resolution Child Care Centre parent survey



297

monthly average of people attending positive ageing activities

390

events provided at Nedlands and Mt Claremont Libraries with 4,879 people attending

5,210

new additions to the libraries in 2016-17

214

loans of library book club sets

334,360

library transactions (includes loans, returns, reservations and renewals – increase of 106,062 from last year)

105,331

visits to Nedlands and Mt Claremont Libraries



## Key points

101

externally-provided events were held on City reserves and approved by the City, up from 64 in 2015-16



80%

satisfaction with the City achieved from hall users



83%

satisfaction with the City achieved from community groups and organisations



30

sporting clubs used City reserves

# Community Development

It's all in the name. We talk a lot, debate a lot and eventually find solutions. Being a part of YAC (Youth Advisory Council) has helped me find my voice and engage with the community, especially due to having such a supportive leader in Community Development Officer (Youth and Children) Mel Dias. Thanks Mel.

**Ella Wylynko**



More than

**3,850**

people attended three Summer Concerts in the Park with a 96% satisfaction rating

**60**

people were welcomed as Australian citizens



**75**

young people entered the Emerge: Youth Art Awards

Tresillian Arts Centre provided

**349**

courses with a 95% satisfaction rating

**4**

community grants, valued at

**\$2,233**

were provided by Council for local events and street parties



**12**

youth grants, valued at a total of

**\$3,000**

were provided to local young people





Launch of the upgrade to David Cruickshank Reserve

### Overview

Throughout 2016-17, the City continued to work in partnership with the local community. Celebrating and strengthening local relationships is a key role for Community Development, which is undertaken by providing a wide range of events, grants, services and activities.

A major focus for Community Development was the continued upgrading of community and sporting facilities, given that major hubs are where community connections take place.

Operating on City reserves, 30 local sporting clubs provided a wide choice of sporting options for local community members, contributing to their health and well-being. The City also assisted clubs with securing funds to upgrade their facilities.

The City again prioritised engagement with local young people by providing the Youth Advisory Committee (YAC), youth grants and youth activities.

The City's Volunteer Services made every effort to match volunteers to volunteer roles that suited and interested them. These volunteers worked both within services provided by the City as an organisation and also within the broader community. Encouraging volunteers to work in local community organisations helped to strengthen and support these groups.

The City welcomed new citizens and celebrated and strengthened local relationships at many inclusive community events.

A strong emphasis on art and culture also saw the City continue to provide the Tresillian Arts Centre, as well as the Emerge: Youth Art Awards and associated exhibition.

Community Development provides services that help strengthen the community's capacity to meet its own needs. It works in partnership with the local community in the following areas:

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

#### Sport and recreation

The City works in partnership with 30 local sporting clubs to offer a wide range of sporting options to the community. Recreation Services ensures that local sporting clubs have orderly and prioritised access to the City's seven major sporting reserves. As well as access to reserves, Recreation Services supports clubs in securing funding to upgrade their facilities so they meet the needs of the community, clubs and sporting codes.

#### Community events

More than 4,700 people attended the City's major community events, including:

- Three Summer Concerts in the Park
- Two Nedlands Going Places Tours
- The annual Anzac Day ceremony
- A Remembrance Day ceremony
- Two citizenship ceremonies.

An increasing number of people enjoyed the City's beautiful parks and reserves for their event, including those that were community-based, corporate or private (such as wedding ceremonies). The City supported the community to deliver 101 local events provided by other organisations. Examples included the Cuban Club New Year's Day event and Christ Church Run. This figure is a significant increase on 64 events in the previous year, itself a record at the time.

### Youth development

Since 2013, the annual Emerge: Youth Art Awards exhibition has showcased the art work of young local people. The August 2016 exhibition attracted 75 entries with attendees expressing an 87% satisfaction level.

Twelve young local people received \$250 grants from Council's Youth Grants Fund. The fund recognises and encourages initiatives that deliver a wide range of socially-positive activities helping to contribute to the community. Examples included participating in the Methodist Ladies' College Vietnam Service Tour and attending the Gothia Cup Soccer Tournament in Sweden.

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.

Unfortunately, Splashfest, the City's annual water-based event for children, young people and families, planned for March 2017, was cancelled due to unseasonal stormy weather.

### Volunteer services

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

- 147 volunteers to roles in community organisations
- 160 volunteers to roles within the City of Nedlands as an organisation.

Many of the 147 volunteers referred to community organisations went on to play a key role in those organisations, contributing to a more resilient, inclusive community. Many of these community organisations depended greatly on volunteers to deliver their services and to meet community need.

The 157 active volunteers who worked within City of Nedlands-provided programs gave their valued time to extend many of the services being delivered. This included volunteering in the libraries, community transport and bush care, as well as serving on many different committees and advisory groups.

### Local businesses

The City of Nedlands hosted two business sundowners. These give local business people, City staff and Councillors an opportunity to network in a relaxed setting. Both events were well-supported by local business people and enjoyed by those who attended.

### Tresillian Arts Centre

Tresillian 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. In total, 349 courses were provided with 2,310 enrolments.

Tresillian users expressed a 95% satisfaction rating with the services they received.

### Key initiatives

- A comprehensive upgrade of Allen Park Pavilion was completed, jointly funded by the City, State Government's Department of Sport and Recreation, Swanbourne Tigers Junior Football Club and Swanbourne Cricket Club.
- Dalkeith Tennis Club received a \$49,024 grant from Council and was assisted to receive a matching grant from the Department of Sport and Recreation to upgrade their floodlights, supporting night tennis.
- David Cruickshank Reserve also received a significant upgrade with funds from the City as well as \$70,000 from the Department of Sport and Recreation for irrigation, \$7,320 towards the replacement of cricket practice nets (also from the Department of Sport and Recreation) and a \$5,350 grant from the Federal Government's Stronger Communities Fund.

Volunteers are important to the City. On average, each volunteer gives 8.8 hours per month, which is more than 15,000 volunteer hours per year. This represents more than \$500,000 in donated benefit to the City.





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# Statutory Requirements





Council  
(3) ●.....

Number of meetings held

N/A

Elected members not required to attend

## Elected Member Attendance

Elected Member attendance – 1 July 2016 to 30 June 2017

Elected Member	Council (11)	Special Council (4)	Committee [11]	Audit and Risk Committee (3)	Sustainable Nedlands Committee [5]	Arts Committee [2]	CEO Performance Review [1]
Mayor RMC Hipkins	9	3	9	2	4	2	1
Cr KA Smyth	11	4	11	N/A	N/A	N/A	N/A
Cr NBJ Horley	10	3	8	N/A	N/A	N/A	N/A
Cr LJ McManus	11	4	11	3	N/A	N/A	1
Cr IS Argyle	11	4	11	3	N/A	N/A	N/A
Cr SJ Porter	0	0	0	0	N/A	N/A	N/A
Cr BG Hodsdon	11	2	8	1	N/A	2	N/A
Cr TP James	11	4	9	N/A	N/A	1	1
Cr NW Shaw	11	4	8	N/A	3	N/A	N/A
Cr GAR Hay	10	3	8	0	N/A	N/A	N/A
Cr JD Wetherall	10	4	10	N/A	N/A	2	1
Cr RM Binks	9	4	11	N/A	4	N/A	N/A
Cr WRB Hassell	10	4	10	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	0
\$110 000 to \$119 999	0
\$120 000 to \$129 999	6
\$130 000 to \$139 999	5
\$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 completed a Record-Keeping Plan (RKP2010069) Review Report on 15 March 2016, which was presented to the State Records Commission on 12 August 2016.

The report provided evidence of the City's progress towards better practice record-keeping with a commitment to submit an amended plan by 31 December 2017.

**Information management systems:** The City is currently reviewing 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 11 valid freedom of information applications in 2016-17. Ten were finalised.

The City of Nedlands information statement is available at [nedlands.wa.gov.au/access-information](http://nedlands.wa.gov.au/access-information).

# Disability Access and Inclusion Plan

The City of Nedlands' Disability Access and Inclusion Plan 2013-14 – 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 Disability Services Commission 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.

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	4
Information	2	2
Services	2	2
Complaints	0	0
Consultation	3	3
Employment	1	1

## Official conduct – complaints register

The following is a record of complaints made and referred to the Standards Panel under Section 5.121 of the *Local Government Act 1995*.

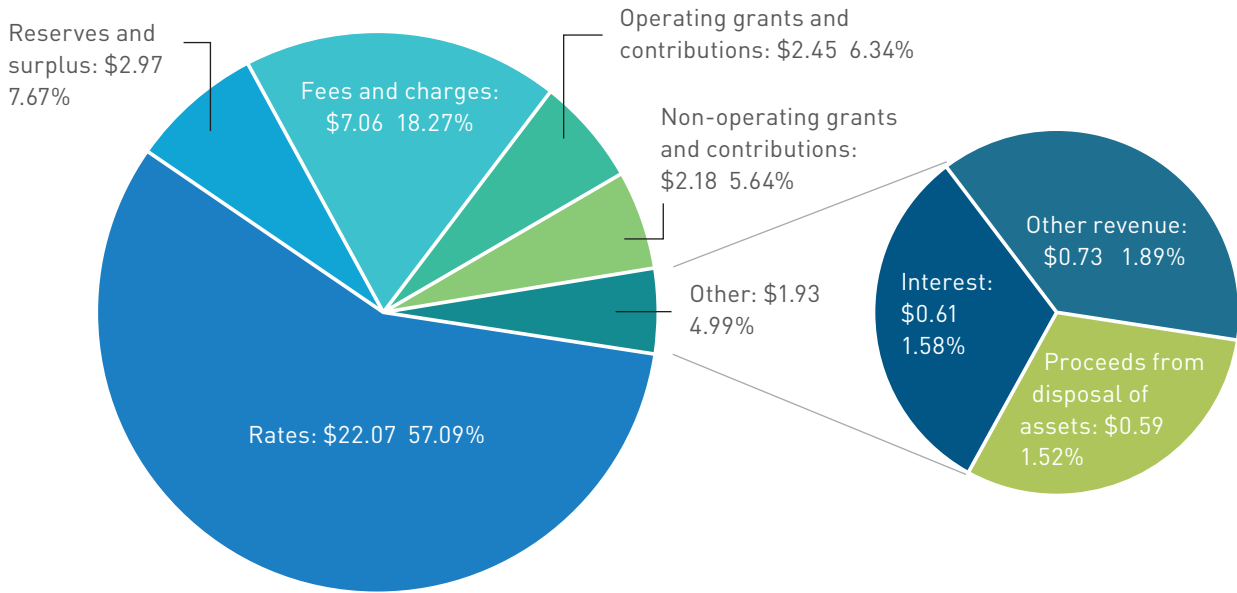
Council member complaints can be made in relation to breach of a local law relating to the conduct of meetings, improper disclosure of information, securing personal advantage or disadvantaging others, misuse of resources, involvement in administration, relations with employees, non-disclosure of interest adverse to impartiality and the acceptance of gifts.

The City did not receive any complaints during the 2016-17 financial year.

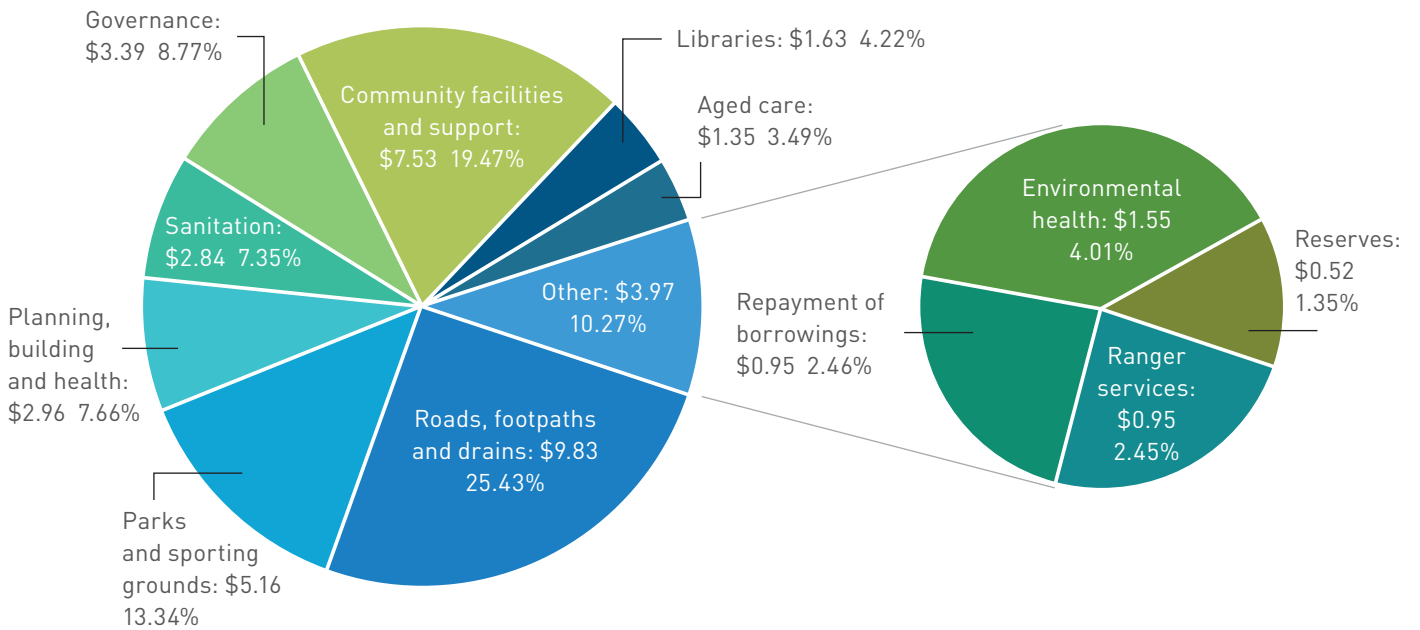


# Financial Highlights 2016–2017

## Revenue Source (\$m) – Total \$38.66



## Service Expenditure (\$m) – Total \$38.66



## How each \$100 is spent







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PO Box 9 Nedlands WA 6909

**T** 9273 3500  
**TTY** 9273 3646

**E** [council@nedlands.wa.gov.au](mailto:council@nedlands.wa.gov.au)  
**www.nedlands.wa.gov.au**

This document is available in alternative  
formats upon request.

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# Financial Report

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Annual Report 2016-2017



**CITY OF NEDLANDS**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

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Principal place of business:  
71 Stirling Highway  
Nedlands, WA 6009



CITY OF NEDLANDS  
FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed as authorisation of issue on the 26<sup>th</sup> day of October 2017



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Greg Trevaskis  
Chief Executive Officer

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
Rates	23	22,045,424	21,783,230	20,899,560
Operating grants, subsidies and contributions	30	2,448,794	1,955,290	1,708,042
Fees and charges	29	7,059,374	6,829,200	6,925,350
Interest earnings	2(a)	608,657	683,050	816,756
Other revenue	2(a)	513,975	614,100	680,394
		<u>32,676,223</u>	<u>31,864,870</u>	<u>31,030,102</u>
<b>Expenses</b>				
Employee costs		(13,204,036)	(12,730,500)	(12,733,973)
Materials and contracts		(9,374,476)	(11,025,650)	(9,135,931)
Utility charges		(884,569)	(778,100)	(878,650)
Depreciation on non-current assets	2(a)	(7,029,311)	(6,828,800)	(7,072,058)
Interest expenses	2(a)	(284,824)	(290,520)	(307,221)
Insurance expenses		(357,782)	(376,800)	(382,593)
Other expenditure		(893,347)	(1,003,500)	(1,323,128)
		<u>(32,028,345)</u>	<u>(33,033,870)</u>	<u>(31,833,554)</u>
		647,879	(1,169,000)	(803,452)
Non-operating grants, subsidies and contributions	30	2,204,087	3,165,000	1,626,227
Profit on asset disposals	21	37,662	30,000	55,316
(Loss) on asset disposals	21	(113,700)	(123,100)	(111,808)
<b>Net result</b>		<b>2,775,928</b>	<b>1,902,900</b>	<b>766,283</b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	284,069,059	0	403,022
<b>Total other comprehensive income</b>		<b>284,069,059</b>	<b>0</b>	<b>403,022</b>
<b>Total comprehensive income</b>		<b>286,844,987</b>	<b>1,902,900</b>	<b>1,169,305</b>

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

**CITY OF NEDLANDS**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**BY PROGRAM**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 \$	2017 Budget \$	2016 \$
<b>Revenue</b>				
	2(a)			
Governance		351,658	507,200	451,184
General purpose funding		23,887,159	23,307,370	22,098,392
Law, order, public safety		495,277	477,800	110,610
Health		120,374	86,100	141,508
Education and welfare		1,783,902	1,750,300	1,802,795
Community amenities		3,790,379	3,829,700	3,811,933
Recreation and culture		809,780	688,600	806,602
Transport		197,580	71,500	596,805
Economic services		1,160,557	1,081,300	1,144,655
Other property and services		79,559	65,000	65,616
		<u>32,676,225</u>	<u>31,864,870</u>	<u>31,030,100</u>
<b>Expenses</b>				
	2(a)			
Governance		(3,036,395)	(3,646,400)	(3,153,736)
General purpose funding		(369,171)	(357,600)	(309,761)
Law, order, public safety		(949,178)	(939,250)	(886,350)
Health		(680,146)	(753,000)	(649,008)
Education and welfare		(2,370,736)	(2,356,200)	(2,382,503)
Community amenities		(4,647,897)	(4,687,800)	(4,619,055)
Recreation and culture		(8,084,114)	(8,174,000)	(8,271,398)
Transport		(5,352,694)	(5,144,200)	(5,169,316)
Economic services		(5,891,945)	(5,958,200)	(6,044,952)
Other property and services		(361,247)	(726,700)	(40,252)
		<u>(31,743,523)</u>	<u>(32,743,350)</u>	<u>(31,526,331)</u>
<b>Finance costs</b>				
	2(a)			
General purpose funding		(274,227)	(278,677)	(291,471)
Community amenities		(10,597)	(11,843)	(15,750)
		<u>(284,824)</u>	<u>(290,520)</u>	<u>(307,221)</u>
		647,878	(1,169,000)	(803,452)
Non-operating grants, subsidies and contributions	30	2,204,087	3,165,000	1,626,227
Profit on disposal of assets	21	37,662	30,000	55,316
(Loss) on disposal of assets	21	(113,700)	(123,100)	(111,808)
<b>Net result</b>		<b><u>2,775,928</u></b>	<b><u>1,902,900</u></b>	<b><u>766,283</u></b>
<b>Other comprehensive income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	284,069,059	0	403,022
<b>Total other comprehensive income</b>		<b><u>284,069,059</u></b>	<b><u>0</u></b>	<b><u>403,022</u></b>
<b>Total comprehensive income</b>		<b><u>286,844,987</u></b>	<b><u>1,902,900</u></b>	<b><u>1,169,305</u></b>

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



**CITY OF NEDLANDS**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30TH JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	11,020,622	13,205,796
Trade and other receivables	4	1,350,282	1,205,845
Inventories	5	14,232	24,674
<b>TOTAL CURRENT ASSETS</b>		<u>12,385,136</u>	<u>14,436,315</u>
<b>NON-CURRENT ASSETS</b>			
Other receivables	4	531,134	489,060
Other financial assets	6	135,676	135,676
Property, plant and equipment	7	347,422,769	65,251,388
Infrastructure	8	133,376,277	127,005,163
<b>TOTAL NON-CURRENT ASSETS</b>		<u>481,465,856</u>	<u>192,881,287</u>
<b>TOTAL ASSETS</b>		<u>493,850,992</u>	<u>207,317,602</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	2,734,254	2,312,850
Current portion of long term borrowings	10	983,843	939,810
Provisions	11	2,152,832	2,016,197
<b>TOTAL CURRENT LIABILITIES</b>		<u>5,870,929</u>	<u>5,268,857</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	10	5,264,174	6,248,017
Provisions	11	324,341	254,167
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>5,588,515</u>	<u>6,502,184</u>
<b>TOTAL LIABILITIES</b>		<u>11,459,444</u>	<u>11,771,041</u>
<b>NET ASSETS</b>		<u>482,391,548</u>	<u>195,546,561</u>
<b>EQUITY</b>			
Retained surplus		69,877,933	67,624,740
Reserves - cash backed	12	4,516,629	3,993,894
Revaluation surplus	13	407,996,986	123,927,927
<b>TOTAL EQUITY</b>		<u>482,391,548</u>	<u>195,546,561</u>

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

CITY OF NEDLANDS  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2017

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
<b>Balance as at 1 July 2015</b>		66,718,260	4,134,091	123,524,905	194,377,256
Comprehensive income					
Net result		766,283	0	0	766,283
Changes on revaluation of assets	13	0	0	403,022	403,022
Total comprehensive income		766,283	0	403,022	1,169,305
Transfers from/(to) reserves		140,197	(140,197)	0	0
<b>Balance as at 30 June 2016</b>		<b>67,624,740</b>	<b>3,993,894</b>	<b>123,927,927</b>	<b>195,546,561</b>
Comprehensive income					
Net result		2,775,928	0	0	2,775,928
Changes on revaluation of assets	13	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
<b>Balance as at 30 June 2017</b>		<b>69,877,933</b>	<b>4,516,629</b>	<b>407,996,986</b>	<b>482,391,548</b>

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

**CITY OF NEDLANDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Rates		21,777,719	21,347,565	21,014,281
Operating grants, subsidies and contributions		2,502,364	1,955,290	1,958,042
Fees and charges		7,059,374	6,361,700	6,180,076
Service charges		0	0	0
Interest earnings		608,657	683,050	816,756
Goods and services tax		2,073,419	0	1,810,186
Other revenue		513,975	1,000,440	1,223,855
		<u>34,535,508</u>	<u>31,348,045</u>	<u>33,003,196</u>
<b>Payments</b>				
Employee costs		(12,987,387)	(12,757,700)	(12,548,817)
Materials and contracts		(8,946,772)	(10,204,377)	(9,088,378)
Utility charges		(884,569)	(771,012)	(878,650)
Interest expenses		(290,521)	(290,520)	(299,981)
Insurance expenses		(357,782)	(443,500)	(308,917)
Goods and services tax		(2,055,089)	0	(1,883,573)
Other expenditure		(893,347)	(973,368)	(1,315,293)
		<u>(26,415,467)</u>	<u>(25,440,477)</u>	<u>(26,323,609)</u>
<b>Net cash provided by (used in) operating activities</b>	14(b)	<u>8,120,041</u>	<u>5,907,568</u>	<u>6,679,587</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Payments for purchase of property, plant & equipment		(3,225,979)	(3,118,212)	(4,388,809)
Payments for construction of infrastructure		(8,944,870)	(11,420,957)	(4,964,020)
Non-operating grants, subsidies and contributions		2,204,087	3,165,000	1,626,227
Proceeds from sale of fixed assets		592,067	571,600	209,557
<b>Net cash provided by (used in) investment activities</b>		<u>(9,374,695)</u>	<u>(10,802,569)</u>	<u>(7,517,045)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of debentures		(939,810)	(939,810)	(790,872)
Advances to Community Groups		0	0	(140,000)
Proceeds from self supporting loans		9,290	12,435	9,080
Proceeds from new debentures		0	0	2,122,000
<b>Net cash provided by (used in) financing activities</b>		<u>(930,520)</u>	<u>(927,375)</u>	<u>1,200,208</u>
<b>Net increase (decrease) in cash held</b>		(2,185,174)	(5,822,376)	362,750
Cash at beginning of year		13,205,796	13,205,796	12,843,046
<b>Cash and cash equivalents at the end of the year</b>	14(a)	<u>11,020,622</u>	<u>7,383,420</u>	<u>13,205,796</u>

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



**CITY OF NEDLANDS  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2017**

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
<b>Net current assets at start of financial year - surplus/(deficit)</b>		6,100,933	6,100,932	5,957,145
		<u>6,100,933</u>	<u>6,100,932</u>	<u>5,957,145</u>
<b>Revenue from operating activities (excluding rates)</b>				
Governance		351,658	507,200	451,184
General purpose funding		1,841,735	1,524,140	1,198,831
Law, order, public safety		495,277	477,800	110,610
Health		120,374	86,100	141,508
Education and welfare		1,783,902	1,750,300	1,802,795
Community amenities		3,790,379	3,829,700	3,811,933
Recreation and culture		809,780	688,600	806,602
Transport		197,580	71,500	596,805
Economic services		1,160,557	1,081,300	1,037,124
Other property and services		117,221	95,000	116,655
		<u>10,668,463</u>	<u>10,111,640</u>	<u>10,074,047</u>
<b>Expenditure from operating activities</b>				
Governance		(3,036,395)	(3,646,400)	(3,153,736)
General purpose funding		(643,398)	(636,276)	(601,232)
Law, order, public safety		(949,178)	(939,250)	(886,350)
Health		(680,146)	(753,000)	(649,008)
Education and welfare		(2,370,736)	(2,356,200)	(2,382,503)
Community amenities		(4,658,494)	(4,699,643)	(4,634,805)
Recreation and culture		(8,084,114)	(8,193,600)	(8,271,398)
Transport		(5,352,694)	(5,144,200)	(5,169,316)
Economic services		(5,891,945)	(5,958,200)	(6,044,952)
Other property and services		(474,947)	(830,200)	(40,252)
		<u>(32,142,047)</u>	<u>(33,156,969)</u>	<u>(31,833,552)</u>
<b>Operating activities excluded from budget</b>				
(Profit) on disposal of assets	21	(37,662)	(30,000)	(55,316)
Loss on disposal of assets	21	113,700	123,100	111,808
Movement in deferred pensioner rates (non-current)		(54,895)	0	(11,183)
Movement in employee benefit provisions (non-current)		70,174	(400)	63,005
Depreciation and amortisation on assets	2(a)	7,029,311	6,822,800	7,072,058
<b>Amount attributable to operating activities</b>		<u>(8,252,022)</u>	<u>(10,028,897)</u>	<u>(8,621,988)</u>
<b>INVESTING ACTIVITIES</b>				
Non-operating grants, subsidies and contributions		2,204,087	3,165,000	1,626,227
Proceeds from disposal of assets	21	592,067	571,600	209,557
Purchase of property, plant and equipment	7(b)	(3,225,979)	(3,118,212)	(4,388,809)
Purchase and construction of infrastructure	8(b)	(8,944,870)	(11,420,957)	(4,964,020)
<b>Amount attributable to investing activities</b>		<u>(9,374,695)</u>	<u>(10,802,569)</u>	<u>(7,517,045)</u>
<b>FINANCING ACTIVITIES</b>				
Advances to community groups		0	0	(140,000)
Repayment of debentures	22(a)	(939,810)	(939,810)	(790,872)
Proceeds from new debentures	22(a)	0	0	2,122,000
Proceeds from self supporting loans		9,290	12,435	9,080
Transfers to reserves (restricted assets)	12	(522,735)	(643,850)	(503,744)
Transfers from reserves (restricted assets)	12	0	2,175,000	643,941
<b>Amount attributable to financing activities</b>		<u>(1,453,255)</u>	<u>603,775</u>	<u>1,340,405</u>
<b>Surplus(deficiency) before general rates</b>		<u>(19,079,973)</u>	<u>(20,227,691)</u>	<u>(14,798,628)</u>
<b>Total amount raised from general rates</b>	23	<u>22,045,424</u>	<u>21,783,230</u>	<u>20,899,560</u>
<b>Net current assets at June 30 c/fwd - surplus/(deficit)</b>	24	<u><u>2,965,451</u></u>	<u><u>1,555,539</u></u>	<u><u>6,100,932</u></u>

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) BASIS OF PREPARATION**

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

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

**CRITICAL ACCOUNTING ESTIMATES**

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

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

**THE LOCAL GOVERNMENT REPORTING ENTITY**

All Funds through which the 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 20 to these financial statements.

**(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) Cash and Cash Equivalents**

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

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



CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) **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.

(d) **Inventories**

**General**

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

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

**Land held for sale**

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

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

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

(e) **Fixed Assets**

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

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

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

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

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

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

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



CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

***Land under control***

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

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

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

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

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework detailed above, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework detailed above.

***Revaluation***

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

***Land under roads***

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

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

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

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

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

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

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

**(e) Fixed Assets (Continued)**

***Depreciation***

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

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

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

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

	Short Life	Long Life
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	
Drainage	16 to 65 yrs	
Roads		
- Pavement	80 to 200 yrs	
- Sub Grade		100,000 yrs
- Top Surface	17 to 29 yrs	
- Surface Water Channel	15 to 65 yrs	
Footpaths	16 to 78 yrs	
Stormwater		
- Pipes	93 to 126 yrs	
- Pits	84 to 120 yrs	
- Plant	107 to 114 yrs	
Transport	16 to 76 yrs	150 yrs
- Bus Shelters	37 to 78 yrs	
- Roundabouts	15 to 78 yrs	
- Street Lights	29.25 yrs	
Parks	16 to 76 yrs	
Parks Reticulation	17 to 76 yrs	

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.

CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

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

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

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

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

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

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

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

***Fair value hierarchy***

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

**Level 1**

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

**Level 2**

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

**Level 3**

Measurements based on unobservable inputs for the asset or liability.

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

***Valuation techniques***

The City of Nedlands 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 of Nedlands 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.



CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities (Continued)

**Income approach**

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

**Cost approach**

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

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

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

(g) Financial Instruments

**Initial recognition and measurement**

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

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

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

**(g) Financial Instruments (Continued)**

*Classification and subsequent measurement (continued)*

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

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

*(ii) Loans and receivables*

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

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

*(iii) Held-to-maturity investments*

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

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

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

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

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

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

*(v) Financial liabilities*

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



CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

**Impairment**

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

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

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

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

**Derecognition**

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

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

(h) Impairment of Assets

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

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

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

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

(i) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the City of Nedlands prior to the end of the financial year that are unpaid and arise when the City of Nedlands 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.



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

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

**(j) Employee Benefits**

**Short-term employee benefits**

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

**Other long-term employee benefits**

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

The City of Nedlands's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the City of Nedlands 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.

**(k) 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.

**(l) Provisions**

Provisions are recognised when the City of Nedlands 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.

**(m) 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 of Nedlands, are classified as finance leases.

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

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

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

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

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

**(n) Investment in Associates**

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

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

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

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

**(o) Interests in Joint Arrangements**

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

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

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

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

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

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 2(c) . That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

**(q) Superannuation**

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



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

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

**(r) 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 of Nedlands's operational cycle. In the case of liabilities where the City of Nedlands 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.

**(s) Rounding Off Figures**

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

**(t) Comparative Figures**

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

When the City of Nedlands 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.

**(u) Budget Comparative Figures**

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



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

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

**(v) 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 of Nedlands.

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

Notes:

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

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

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

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

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

**Notes:**

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

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

During the current year, the City of Nedlands 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 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities

[AASB 10, 124 & 1049]

The objective of this Standard was to extend the scope of AASB 124 *Related Party Disclosures* to include not-for-profit sector entities.

The Standard has had a significant disclosure impact on the financial report of the City of Nedlands as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.

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

**2. REVENUE AND EXPENSES**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Net Result</b>		
The Net result includes:		
(i) Charging as an expense:		
<b>Auditors remuneration</b>		
Audit of the Annual Financial Report	23,140	19,060
Audit of Projects	2,272	2,100
<b>Depreciation</b>		
Buildings - non-specialised	72,565	72,565
Buildings - specialised	2,201,578	2,464,206
Furniture and equipment	296,026	323,333
Plant and equipment	826,449	565,207
Infrastructure - Roads	2,382,073	2,391,466
Infrastructure - Drainage	301,710	301,739
Infrastructure - Footpath	206,841	271,592
Infrastructure - Parks, Gardens & Reserves	705,971	633,828
Infrastructure -Street Furniture	36,098	48,122
	<u>7,029,311</u>	<u>7,072,058</u>
<b>Interest expenses (finance costs)</b>		
Debentures (refer Note 22 (a))	284,824	307,221
	<u>284,824</u>	<u>307,221</u>
<b>Rental charges</b>		
- Operating leases		
Photocopier Leases	87,162	97,472
	<u>87,162</u>	<u>97,472</u>
(ii) Crediting as revenue:		
<b>Other revenue</b>		
Other	513,975	680,394
	<u>513,975</u>	<u>680,394</u>
	<b>2017</b>	<b>2017</b>
	<b>Actual</b>	<b>Budget</b>
	<b>\$</b>	<b>\$</b>
<b>Interest earnings</b>		
- Loans receivable - clubs/institutions	3,852	3,900
- Reserve funds	103,049	100,550
- Other funds	309,477	386,100
Other interest revenue (refer note 28)	192,279	192,500
	<u>608,657</u>	<u>683,050</u>
	<u>608,657</u>	<u>816,756</u>



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

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

**(b) Statement of Objective**

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

**COMMUNITY VISION**

The City of Nedlands will endeavour to provide the community services and facilities to meet the needs of the members of the community and enable them to enjoy a pleasant and healthy way of life.

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

**GOVERNANCE**

**Objective:**

To provide a decision making process for the efficient allocation of scarce resources.

**Activities:**

Includes the activities of members of council and the administrative support available to the council for the provision of governance of the district. Other costs relate to the task of assisting elected members and ratepayers on matters which do not concern specific council services.

**GENERAL PURPOSE FUNDING**

**Objective:**

To collect revenue to allow for the provision of services.

**Activities:**

Rates, general purpose government grants and interest revenue.

**LAW, ORDER, PUBLIC SAFETY**

**Objective:**

To provide services to help ensure a safer and environmentally conscious community.

**Activities:**

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

**HEALTH**

**Objective:**

To provide an operational framework for environmental and community health.

**Activities:**

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

**EDUCATION AND WELFARE**

**Objective:**

To provide services to disadvantaged persons, the elderly, children and youth.

**Activities:**

Maintenance of child minding centre, playgroup centre, senior citizen centre and aged care centre. Provision and maintenance of home and community care programs and youth services.

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

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

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

**HOUSING**

**Objective:**

To provide and maintain elderly residents housing.

**Activities:**

Provision and maintenance of elderly residents housing.

**COMMUNITY AMENITIES**

**Objective:**

To provide services required by the community.

**Activities:**

Rubbish collection services, operation of rubbish disposal sites, litter control, construction and maintenance of urban storm water drains, protection of the environment and administration of town planning schemes, cemetery and public conveniences.

**RECREATION AND CULTURE**

**Objective:**

To establish and effectively manage infrastructure and resource which will help the social wellbeing of the community.

**Activities:**

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**

**Objective:**

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

**Activities:**

Construction and maintenance of roads, streets, footpaths, depots, cycle ways, parking facilities and traffic control. Cleaning of streets and maintenance of street trees, street lighting etc.

**ECONOMIC SERVICES**

**Objective:**

To help promote the shire and its economic wellbeing.

**Activities:**

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**

**Objective:**

To monitor and control City of Nedlands's overheads operating accounts.

**Activities:**

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

CITY OF NEDLANDS  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

Grant/Contribution	Opening Balance <sup>(1)</sup> 1/07/15 \$	Received <sup>(2)</sup> 2015/16 \$	Expended <sup>(3)</sup> 2015/16 \$	Closing Balance <sup>(1)</sup> 30/06/16 \$	Received <sup>(2)</sup> 2016/17 \$	Expended <sup>(3)</sup> 2016/17 \$	Closing Balance 30/06/17 \$
Recreation and culture DSR-Kidsports Program	0	5,000	(4,164)	836	6,000	(3,035)	3,801
<b>Total</b>	<b>0</b>	<b>5,000</b>	<b>(4,164)</b>	<b>836</b>	<b>6,000</b>	<b>(3,035)</b>	<b>3,801</b>

Notes:

- (1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous reporting period.
- (2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.
- (3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.



**CITY OF NEDLANDS**  
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	Note	2017 \$	2016 \$
<b>3. CASH AND CASH EQUIVALENTS</b>			
Unrestricted		6,500,193	9,211,066
Restricted		4,520,429	3,994,730
		<u>11,020,622</u>	<u>13,205,796</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Plant Replacement Reserve	12	150,197	146,543
City Development Reserve	12	544,970	447,156
North Street Reserve	12	747,733	728,048
Welfare Reserve	12	485,554	469,039
Service Reserve	12	1,107,960	1,078,565
Insurance Reserve	12	61,266	59,720
Waste Management Reserve	12	580,547	469,850
Building Replacement Reserve	12	527,136	471,826
Swanbourne Development Reserve	12	126,241	123,147
Public Art Reserve	12	85,011	0
Business System Reserve	12	100,013	0
Unspent grants	2(c)	3,801	836
		<u>4,520,429</u>	<u>3,994,730</u>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>4. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates outstanding	401,946	189,136
Sundry debtors	403,328	541,910
GST receivable	275,529	293,859
Self Supporting Loan Debtors	15,966	12,435
Prepayments	254,683	169,675
Provision for Impairment in Receivables	(1,170)	(1,170)
	<u>1,350,282</u>	<u>1,205,845</u>
<b>Non-current</b>		
Rates outstanding - pensioners	425,470	370,575
Self Supporting Loan Debtors	105,664	118,485
	<u>531,134</u>	<u>489,060</u>

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

<b>Rates outstanding</b>	<u>401,946</u>	<u>189,136</u>
Includes:		
Past due and not impaired	<u>401,946</u>	<u>189,136</u>
<b>Sundry debtors</b>	<u>403,328</u>	<u>541,910</u>
Includes:		
Past due and not impaired	402,158	540,740
Impaired	<u>1,170</u>	<u>1,170</u>

**5. INVENTORIES**

<b>Current</b>		
Fuel & Oil	<u>14,232</u>	<u>24,674</u>

**6. FINANCIAL ASSETS**

<b>Non-current</b>		
Interest in Local Government House Trust	<u>135,676</u>	<u>135,676</u>

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.

**CITY OF NEDLANDS**  
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	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>7 (a). PROPERTY, PLANT AND EQUIPMENT</b>		
Land - freehold land		
- Independent valuation 2017	139,147,000	35,664,000
	<u>139,147,000</u>	<u>35,664,000</u>
Land - vested in and under the control of Council at:		
- Independent valuation 2017	167,231,000	97,000
	<u>167,231,000</u>	<u>97,000</u>
	<u>306,378,000</u>	<u>35,761,000</u>
Buildings - non-specialised at:		
- Independent valuation 2017	1,330,000	945,393
Buildings - non-specialised - Less: accumulated depreciation	0	(162,173)
	<u>1,330,000</u>	<u>783,220</u>
Buildings - specialised at:		
- Independent valuation 2017	51,995,080	65,265,495
Buildings - specialised - Less: accumulated depreciation	(16,100,460)	(40,611,178)
	<u>35,894,620</u>	<u>24,654,317</u>
	<u>37,224,620</u>	<u>25,437,537</u>
<b>Total land and buildings</b>	<u><u>343,602,620</u></u>	<u><u>61,198,537</u></u>
Furniture and equipment at:		
- Management valuation 2016	5,186,217	5,186,217
- Additions after valuation - cost	144,142	0
Furniture and equipment - Less: accumulated depreciation	(4,555,762)	(4,280,506)
	<u>774,597</u>	<u>905,711</u>
Plant and equipment at:		
- Management valuation 2016	7,570,025	7,570,025
- Additions after valuation - cost	195,243	0
Plant and equipment - Less: accumulated depreciation	(4,719,716)	(4,422,885)
	<u>3,045,552</u>	<u>3,147,140</u>
	<u><u>347,422,769</u></u>	<u><u>65,251,388</u></u>

The fair value of property, plant and equipment is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and where appropriate the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A (2) which requires property, plant and equipment to be shown at fair value.

**Change in Valuation Methodology**

The significant increase in the fair value of land is attributed to the change in valuation methodology based on Accounting Standard AASB 13 Fair Value Measurement. The previous valuation which was conducted in 2013, involved the usage of a discount method to value the City of Nedland's land which are zoned as parks, recreation and public purpose on the basis the land could not be sold.

The current valuation completed by APV valuers has used the cost approach (replacement cost) under the accounting standard i.e. based on what it would cost the City to acquire such land. Accordingly no discount has been applied to the land values which has resulted in the significant movement in the fair value of Land.



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7. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/(Decrements) Transferred to Revaluation	Revaluation (Losses)/Reversals Through to Profit or Loss	Depreciation (Expense)	Transfers	Carrying Amount at the End of Year
	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold	35,664,000	0	0	103,483,000	0	0	0	139,147,000
Land - vested in and under the control of Council	97,000	0	0	167,134,000	0	0	0	167,231,000
<b>Total land</b>	<b>35,761,000</b>	<b>0</b>	<b>0</b>	<b>270,617,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>306,378,000</b>
Buildings - non-specialised	783,220	0	0	619,345	0	(72,565)	0	1,330,000
Buildings - specialised	24,654,317	1,668,102	0	12,832,714	0	(2,201,578)	(1,058,935)	35,894,620
<b>Total buildings</b>	<b>25,437,537</b>	<b>1,668,102</b>	<b>0</b>	<b>13,452,059</b>	<b>0</b>	<b>(2,274,143)</b>	<b>(1,058,935)</b>	<b>37,224,620</b>
<b>Total land and buildings</b>	<b>61,198,537</b>	<b>1,668,102</b>	<b>0</b>	<b>284,069,059</b>	<b>0</b>	<b>(2,274,143)</b>	<b>(1,058,935)</b>	<b>343,602,620</b>
Furniture and equipment	905,711	164,912	0	0	0	(296,026)	0	774,597
Plant and equipment	3,147,140	1,392,965	(668,104)	0	0	(826,449)	0	3,045,552
<b>Total property, plant and equipment</b>	<b>65,251,388</b>	<b>3,225,979</b>	<b>(668,104)</b>	<b>284,069,059</b>	<b>0</b>	<b>(3,396,618)</b>	<b>(1,058,935)</b>	<b>347,422,769</b>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**7. PROPERTY, PLANT AND EQUIPMENT (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Land - freehold land</b>				
Land - freehold	Level 2	Market Approach	June 2017	Sales evidence of similar assets
Land - freehold (unique)	Level 3	Cost Approach	June 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	June 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	June 2017	Sales evidence of similar assets
Buildings - specialised	Level 3	Cost Approach	June 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.
<b>Furniture and equipment</b>	Level 2	Market Approach	June 2016	Make, size, year of manufacture and condition
<b>Plant and equipment</b>	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.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	2017	2016
	\$	\$
<b>8 (a). INFRASTRUCTURE</b>		
Infrastructure - Roads		
- Management valuation 2015	111,413,794	111,413,794
- Additions after valuation - cost	11,381,505	3,456,257
Infrastructure - Roads - Less: accumulated depreciation	<u>(42,908,040)</u>	<u>(40,525,967)</u>
	79,887,259	74,344,084
Infrastructure - Drainage		
- Management valuation 2015	31,275,978	31,275,978
- Additions after valuation - cost	439,206	327,257
Infrastructure - User defined 2 - Less: accumulated depreciation	<u>(7,915,707)</u>	<u>(7,613,997)</u>
	23,799,477	23,989,238
Infrastructure - Footpath		
- Management valuation 2015	20,788,917	20,788,917
- Additions after valuation - cost	557,999	296,551
Infrastructure - User defined 3 - Less: accumulated depreciation	<u>(4,581,656)</u>	<u>(4,374,816)</u>
	16,765,260	16,710,652
Infrastructure - Parks, Gardens & Reserves		
- Management valuation 2015	14,561,359	14,561,359
- Additions after valuation - cost	2,950,966	1,284,993
Infrastructure - User defined 4 - Less: accumulated depreciation	<u>(5,784,941)</u>	<u>(5,078,972)</u>
	11,727,384	10,767,380
Infrastructure -Street Furniture		
- Management valuation 2015	1,752,857	1,752,857
- Additions after valuation - cost	70,147	30,961
Infrastructure - User defined 5 - Less: accumulated depreciation	<u>(626,107)</u>	<u>(590,009)</u>
	1,196,897	1,193,809
	<u>133,376,277</u>	<u>127,005,163</u>

The fair value of infrastructure is determined at least every three years in accordance with the regulatory framework. Additions since the date of valuation are shown as cost. Given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered the recorded written down value approximates fair value. At the end of each intervening period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with Local Government (Financial Management) Regulation 17A(2) which requires infrastructure to be shown at fair value.



CITY OF NEDLANDS  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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8. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Revaluation (Loss)/ Reversal Transferred to Profit or Loss	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	74,344,084	6,884,662	0	0	0	(2,382,073)	1,040,586	79,887,259
Infrastructure - Drainage	23,989,238	111,949	0	0	0	(301,710)	0	23,799,477
Infrastructure - Footpath	16,710,652	261,449	0	0	0	(206,841)	0	16,765,260
Infrastructure - Parks, Gardens & Reserves	10,767,380	1,647,624	0	0	0	(705,971)	18,351	11,727,384
Infrastructure -Street Furniture	1,193,809	39,186	0	0	0	(36,098)	0	1,196,897
<b>Total infrastructure</b>	<b>127,005,163</b>	<b>8,944,870</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3,632,693)</b>	<b>1,058,937</b>	<b>133,376,277</b>

**CITY OF NEDLANDS**  
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**8. INFRASTRUCTURE (Continued)**

**(c) Fair Value Measurements**

<b>Asset Class</b>	<b>Fair Value Hierarchy</b>	<b>Valuation Technique</b>	<b>Date of last Valuation</b>	<b>Inputs used</b>
<b>Infrastructure - Roads</b>	3	Cost Approach	June 2015	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.
<b>Infrastructure - Drainage</b>	3	Cost Approach	June 2015	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.
<b>Infrastructure - Footpath</b>	3	Cost Approach	June 2015	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.
<b>Infrastructure - Parks, Gardens &amp; Reserves</b>	3	Cost Approach	June 2015	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.
<b>Infrastructure -Street Furniture</b>	3	Cost Approach	June 2015	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.

**CITY OF NEDLANDS**  
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	2017	2016
	\$	\$
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry creditors	2,563,110	1,964,459
Accrued interest on debentures	34,813	40,510
Accrued salaries and wages	59,887	50,046
Deferred Income	0	250,000
ESL Payable	76,444	7,835
	<u>2,734,254</u>	<u>2,312,850</u>

**10. LONG-TERM BORROWINGS**

<b>Current</b>		
Secured by floating charge		
Debentures	<u>983,843</u>	<u>939,810</u>
<b>Non-current</b>		
Secured by floating charge		
Debentures	<u>5,264,174</u>	<u>6,248,017</u>

Additional detail on borrowings is provided in Note 22.

**11. PROVISIONS**

	Provision for Annual Leave \$	Provision for Long Service Leave \$	Total \$
<b>Opening balance at 1 July 2016</b>			
Current provisions	1,014,933	1,001,264	2,016,197
Non-current provisions	0	254,167	254,167
	<u>1,014,933</u>	<u>1,255,431</u>	<u>2,270,364</u>
Additional provision	1,153,837	416,063	1,569,900
Amounts used	(1,109,847)	(253,244)	(1,363,091)
<b>Balance at 30 June 2017</b>	<u>1,058,923</u>	<u>1,418,250</u>	<u>2,477,173</u>
<b>Comprises</b>			
Current	1,058,923	1,093,909	2,152,832
Non-current	0	324,341	324,341
	<u>1,058,923</u>	<u>1,418,250</u>	<u>2,477,173</u>



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**12. RESERVES - CASH BACKED**

	Actual 2017 Opening Balance	Actual 2017 Transfer to	Actual 2017 Transfer (from)	Actual 2017 Closing Balance	Budget 2017 Opening Balance	Budget 2017 Transfer to	Budget 2017 Transfer (from)	Budget 2017 Closing Balance	Actual 2016 Opening Balance	Actual 2016 Transfer to	Actual 2016 Transfer (from)	Actual 2016 Closing Balance
Plant Replacement Reserve	\$ 146,543	\$ 3,654	\$ 0	\$ 150,197	\$ 146,177	\$ 3,800	\$ (100,000)	\$ 49,977	\$ 142,447	\$ 4,096	\$ 0	\$ 146,543
City Development Reserve	447,156	97,814	0	544,970	474,393	54,630	(100,000)	429,023	379,852	76,304	(9,000)	447,156
North Street Reserve	728,048	19,685	0	747,733	703,717	18,300	(685,000)	37,017	1,149,527	29,460	(450,939)	728,048
Welfare Reserve	469,039	16,515	0	485,554	468,020	12,170	(40,000)	440,190	456,150	12,889	0	469,039
Service Reserve	1,078,565	29,395	0	1,107,960	1,075,932	27,970	(1,000,000)	103,902	1,047,412	31,153	0	1,078,565
Insurance Reserve	59,720	1,546	0	61,266	59,585	1,550	0	61,135	58,106	1,614	0	59,720
Waste Management Reserve	469,850	110,697	0	580,547	345,157	108,970	0	454,127	157,248	312,602	0	469,850
Building Replacement Reserve	471,826	55,310	0	527,136	471,945	78,270	(250,000)	300,215	619,755	32,071	(180,000)	471,826
Swanbourne Development Reserve	123,147	3,094	0	126,241	122,876	3,190	0	126,066	119,667	3,480	0	123,147
Public Art Reserve	0	85,011	0	85,011	0	85,000	0	85,000	3,927	75	(4,002)	0
Business System Reserve	0	100,013	0	100,013	0	250,000	0	250,000	0	0	0	0
	3,993,894	522,735	0	4,516,629	3,867,802	643,850	(2,175,000)	2,336,652	4,134,091	503,744	(643,941)	3,993,894

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	Anticipated date of use	Purpose of the reserve
Plant Replacement Reserve	2017-18	To fund replacement of plant and equipment so that the cost is spread over to a number of years.
City Development Reserve	On-going	To fund improvement and purchase of property, plant and equipment.
North Street Reserve	On-going	To fund operational and capital costs of community and recreational facilities at Mt Claremont and Swanbourne, and infrastructure generally.
Welfare Reserve	On-going	To fund the operational and capital costs to welfare services.
Service Reserve	On-going	To fund purchase of property, purchase of land and for parking areas, expense of streets depots, town planning schemes, valuation and legal cost, legal cost, items of works of an urgent nature such as drainage.
Insurance Reserve	On-going	To fund any excess that may arise from having a performance based workers compensation premium.
Waste Management Reserve	On-going	To fund replacement of rubbish bin stock so that the cost is spread over number of years.
Building Replacement Reserve	On-going	To fund the upgrade and/or replacement of council buildings.
Swanbourne Development Reserve	On-going	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
Public Art Reserve	On-going	To fund works of art in the City of Nedlands.
Business System Reserve	On-going	To fund council's business system.

CITY OF NEDLANDS  
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13. REVALUATION SURPLUS

	2017			2017			2016			2016		
	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Movement on Revaluation	Closing Balance		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
Revaluation surplus - Land - freehold	17,617,418	103,483,000	0	103,483,000	121,100,418	17,617,418	0	0	0	17,617,418		
Revaluation surplus - Land - vested in and under the control of Council	97,000	167,134,000	0	167,134,000	167,231,000	97,000	0	0	0	97,000		
Revaluation surplus - Buildings - non-specialised	(478,961)	619,345	0	619,345	140,384	(478,961)	0	0	0	(478,961)		
Revaluation surplus - Buildings - specialised	10,171,606	12,832,714	0	12,832,714	23,004,320	10,171,606	0	0	0	10,171,606		
Revaluation surplus - Plant and equipment	732,800	0	0	0	732,800	329,778	403,022	0	403,022	732,800		
Revaluation surplus - Infrastructure - Roads	64,710,548	0	0	0	64,710,548	64,710,548	0	0	0	64,710,548		
Revaluation surplus - Infrastructure - Drainage	18,595,307	0	0	0	18,595,307	18,595,307	0	0	0	18,595,307		
Revaluation surplus - Infrastructure - Footpaths	11,461,909	0	0	0	11,461,909	11,461,909	0	0	0	11,461,909		
Revaluation surplus - Infrastructure - Street Furniture	1,020,300	0	0	0	1,020,300	1,020,300	0	0	0	1,020,300		
	123,927,927	284,069,059	0	284,069,059	407,996,986	123,524,905	403,022	0	403,022	123,927,927		

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.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**14. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of Cash**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
Cash and cash equivalents	<u>11,020,622</u>	<u>7,383,420</u>	<u>13,205,796</u>
<b>(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>			
Net result	2,775,928	1,902,900	766,283
Non-cash flows in Net result:			
Depreciation	7,029,311	6,828,800	7,072,058
(Profit)/Loss on sale of asset	76,037	93,100	56,491
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(195,803)	164,952	(63,451)
(Increase)/Decrease in inventories	10,442	(329)	(6,523)
Increase/(Decrease) in payables	677,101	(199,201)	265,253
Increase/(Decrease) in provisions	(250,000)	282,346	(23,352)
Increase/(Decrease) in Accrued interest payable	(5,697)	0	7,240
Increase/(Decrease) in Employess Leave Entitlements	206,809	0	231,815
Grants contributions for the development of assets	<u>(2,204,087)</u>	<u>(3,165,000)</u>	<u>(1,626,227)</u>
Net cash from operating activities	<u>8,120,041</u>	<u>5,907,568</u>	<u>6,679,587</u>

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Undrawn Borrowing Facilities</b>		
<b>Credit Standby Arrangements</b>		
Bank overdraft limit	500,000	500,000
Bank overdraft at balance date	0	0
Credit & Purchasing card limit	130,000	125,000
Credit & Purchasing card balance at balance date	<u>(3,140)</u>	<u>(1,017)</u>
<b>Total amount of credit unused</b>	<u>626,860</u>	<u>623,983</u>
<b>Loan facilities</b>		
Loan facilities - current	983,843	939,810
Loan facilities - non-current	<u>5,264,174</u>	<u>6,248,017</u>
<b>Total facilities in use at balance date</b>	<u>6,248,017</u>	<u>7,187,827</u>
<b>Unused loan facilities at balance date</b>	<u>NIL</u>	<u>NIL</u>



**CITY OF NEDLANDS**  
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**FOR THE YEAR ENDED 30TH JUNE 2017**

**15. CONTINGENT LIABILITIES**

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

<b>16. CAPITAL AND LEASING COMMITMENTS</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	27,688	73,902
- later than one year but not later than five years	160	27,448
- later than five years	0	0
	<u>27,848</u>	<u>101,350</u>

The City of Nedlands did not have any future operating lease commitments at the reporting date.

**(b) Capital Expenditure Commitments**

Contracted for:		
- capital expenditure projects	2,382,090	2,308,829
- plant & equipment purchases	<u>0</u>	<u>0</u>
Payable:		
- not later than one year	<u>2,382,090</u>	<u>2,308,829</u>

**17. JOINT VENTURE ARRANGEMENTS**

The City of Nedlands has no interest in any Controlled Entities, Associated Entities or Joint Ventures.

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

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	310,704,355	35,930,673
Education and welfare	7,955,354	3,108,647
Community amenities	2,153,665	37,405
Recreation and culture	22,179,394	31,888,530
Transport	133,376,277	119,508,498
Other property and services	17,481,947	16,843,844
	<u>493,850,992</u>	<u>207,317,597</u>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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	2017	2016	2015
<b>19. FINANCIAL RATIOS</b>			
Current ratio	1.35	2.00	2.01
Asset sustainability ratio	1.65	1.29	0.92
Debt service cover ratio	6.44	5.94	10.75
Operating surplus ratio	0.02	(0.03)	0.60
Own source revenue coverage ratio	0.94	0.92	0.98

The above ratios are calculated as follows:

Current ratio	$\frac{\text{current assets minus restricted assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{Depreciation expenses}}$
Debt service cover ratio	$\frac{\text{annual operating surplus before interest and depreciation}}{\text{principal and interest}}$
Operating surplus ratio	$\frac{\text{operating revenue minus operating expenses}}{\text{own source operating revenue}}$
Own source revenue coverage ratio	$\frac{\text{own source operating revenue}}{\text{operating expenses}}$

**Notes:**

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 59 of this document.

Three of the 2017 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.

The early payment of the grant increased operating revenue in 2017 by \$396,470.

Two of the 2016 and three of the 2015 ratios disclosed above were distorted by the early receipt of half of the allocation of the 2015-16 Financial Assistance Grant on 30 June 2015.

The early payment of the grant increased operating revenue in 2015 and decreased operating revenue in 2016 by \$394,492.

If recognised in the year to which the allocation related, the calculations in the 2017, 2016 and 2015 columns above would be as follows:

	2017	2016	2015
Current ratio	1.27	N/A	1.92
Debt service cover ratio	6.12	6.30	10.27
Operating surplus ratio	0.01	-0.02	0.04

**CITY OF NEDLANDS**  
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**20. 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 2016 \$	Amounts Received \$	Amounts Paid (\$)	30 June 2017 \$
Footpath Bonds	1,071,609	635,007	(545,033)	1,161,583
Hall & Key Bond	44,981	4,543	(2,369)	47,155
Tresi Bond & Miscellaneous	8,408	1,200	(2,213)	7,395
Retention for Non Compliance	10,434	30,869	(324)	40,979
Construction Trainig bond	66,750	603,126	(570,521)	99,355
Building Construction bond	190,095	278,511	(238,529)	230,077
Unclaimed Money	51,862	3,734	(6,000)	49,596
Tresillian Artist Sales	1,563	6,174	(6,272)	1,465
Crossover Bnd	6,000	0	0	6,000
Miscellaneous	25,350	0	(4,877)	20,473
Adelma	100,000	0	0	100,000
	<u>1,577,052</u>			<u>1,764,078</u>

**21. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
<b>Plant and Equipment</b>								
Recreation and culture								
Plant and Equipment	38,150	22,000	0	(16,150)	39,600	20,000	0	(19,600)
Other property and services								
Plant and Equipment	236,007	273,669	37,662	0	236,000	266,000	30,000	0
Plant and Equipment	393,947	296,397	0	(97,550)	389,100	285,600	0	(103,500)
	<u>668,104</u>	<u>592,067</u>	<u>37,662</u>	<u>(113,700)</u>	<u>664,700</u>	<u>571,600</u>	<u>30,000</u>	<u>(123,100)</u>



CITY OF NEDLANDS  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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22. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2016 \$	New Loans \$	Principal Repayments		Principal 30 June 2017		Interest Repayments	
			Actual	Budget	Actual	Budget	Actual	Budget
<b>General purpose funding</b>								
Road Infrastructures # 179	963,458	0	96,723	96,723	866,735	866,735	55,283	56,029
Buildings & Infrastructures # 181	1,145,627	0	203,059	203,059	942,568	942,568	61,761	63,261
Buildings & Infrastructures # 182	1,334,873	0	218,056	218,056	1,116,817	1,116,817	58,114	58,557
Buildings & Infrastructures # 183	1,486,560	0	147,470	147,470	1,339,090	1,339,090	39,152	39,798
Buildings & Infrastructures # 184	1,287,499	0	118,332	118,332	1,169,167	1,169,167	38,054	38,794
Buildings & Infrastructures # 185	609,344	0	56,004	56,004	553,340	553,340	18,010	18,361
Buildings & Infrastructures # 186	130,920	0	12,435	12,435	118,485	118,485	3,852	3,877
<b>Community amenities</b>								
Waste Bins # 178	229,546	0	87,733	87,733	141,813	141,813	10,597	11,843
	7,056,907	0	927,375	927,375	6,129,532	6,129,530	280,972	286,643
<b>Self Supporting Loans</b>								
<b>General purpose funding</b>								
Buildings & Infrastructures # 186	130,920	0	12,435	12,435	118,485	118,485	3,852	3,877
	130,920	0	12,435	12,435	118,485	118,485	3,852	3,877
	7,187,827	0	939,810	939,810	6,248,017	6,248,015	284,824	290,520

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.

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

**22. INFORMATION ON BORROWINGS (Continued)**

**(b) New Debentures - 2016/17**

The City of Nedlands did not take up any new debentures during the year ended 30 June 2017.

**(c) Unspent Debentures**

The City of Ndlands did not have any unspent debentures as at 30 June2017.

**(d) Overdraft**

The City of Nedlands has not utilised an overdraft facility during the 2016/17 Financial Year, although an overdraft facility of \$500,000 with the National Australia Bank does exist.





CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2017

**24. NET CURRENT ASSETS**

Composition of net current assets

	2017	2017	2016
	(30 June 2017 Carried Forward) \$	(1 July 2016 Brought Forward) \$	(30 June 2016 Carried Forward) \$
<b>Surplus/(Deficit) 1 July 16 brought forward</b>	<u>2,965,451</u>	<u>6,100,933</u>	<u>6,100,933</u>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents			
Unrestricted	6,500,193	9,211,066	9,211,066
Restricted	4,520,429	3,994,730	3,994,730
Receivables			
Rates outstanding	401,946	189,136	189,136
Sundry debtors	403,328	541,908	541,908
GST receivable	275,529	293,859	293,859
Self Supporting Loan Debtors	15,966	12,435	12,435
Prepayments	254,683	169,673	169,673
Provision for Impairment in Receivables	(1,170)	(1,170)	(1,170)
Inventories			
Fuel & Oil	14,232	24,674	24,674
<b>LESS: CURRENT LIABILITIES</b>			
Trade and other payables			
Sundry creditors	(2,563,110)	(1,964,459)	(1,964,459)
Accrued interest on debentures	(34,813)	(40,510)	(40,510)
Accrued salaries and wages	(59,887)	(50,046)	(50,046)
Deferred Income	0	(250,000)	(250,000)
ESL Payable	(76,444)	(7,835)	(7,835)
Current portion of long term borrowings			
Secured by floating charge	(983,843)	(939,810)	(939,810)
Provisions			
Provision for annual leave	(1,058,923)	(1,014,933)	(1,014,933)
Provision for long service leave	(1,093,909)	(1,001,264)	(1,001,264)
<b>Unadjusted net current assets</b>	<u><b>6,514,203</b></u>	<u><b>9,167,452</b></u>	<u><b>9,167,452</b></u>
<b>Adjustments</b>			
Less: Reserves - restricted cash	(4,516,629)	(3,993,894)	(3,993,894)
Less: Self Supporting Loan Debtors	(15,966)	(12,435)	(12,435)
Add: Secured by floating charge	983,843	939,810	939,810
<b>Adjusted net current assets - surplus/(deficit)</b>	<u><b>2,965,451</b></u>	<u><b>6,100,933</b></u>	<u><b>6,100,933</b></u>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2016 brought forward position used in the 2017 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2016 audited financial report.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**25. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR**

No specified area rates were imposed by the City of Nedlands during the year ended 2017.

**26. SERVICE CHARGES - 2016/17 FINANCIAL YEAR**

No service charges were imposed by the City of Nedlands during the year ended 2017.

**27. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2016/17 FINANCIAL YEAR**

**Discounts or Incentives**

The City of Nedlands offered no discounts or incentives for the early payment of rates or any other debts to Council during the 2016/17 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.

**Concessions**

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

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

**28. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR**

	<b>Interest Rate %</b>	<b>Admin Charge \$</b>	<b>Revenue \$</b>	<b>Budgeted Revenue \$</b>
Interest on unpaid rates	11.00%		75,028	51,000
ESL interest Income	11.00%		6,754	5,500
Interest on instalment plan	5.50%		100,885	126,000
Deferred Rates Interest			9,611	10,000
Charges on instalment plan		45	88,830	88,000
			281,109	280,500

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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<b>29. FEES &amp; CHARGES</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Governance	177,880	83,815
General purpose funding	5,156	0
Law, order, public safety	75,248	83,539
Health	116,821	79,656
Education and welfare	709,813	754,420
Community amenities	3,790,180	3,710,040
Recreation and culture	725,344	694,564
Transport	477,157	616,988
Economic services	931,117	858,363
Other property and services	50,658	43,965
	<u>7,059,374</u>	<u>6,925,350</u>

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

**30. GRANT REVENUE**

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

<b>By Nature or Type:</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Operating grants, subsidies and contributions</b>		
Governance	4,865	28,740
General purpose funding	1,138,639	362,679
Law, order, public safety	27,631	27,072
Education and welfare	1,073,221	1,045,001
Recreation and culture	51,811	41,953
Transport	107,407	59,802
Economic services	45,220	142,795
	<u>2,448,794</u>	<u>1,708,042</u>
<b>Non-operating grants, subsidies and contributions</b>		
Recreation and culture	677,326	801,700
Transport	1,526,761	824,527
	<u>2,204,087</u>	<u>1,626,227</u>
	<u>4,652,881</u>	<u>3,334,269</u>

**31. EMPLOYEE NUMBERS**

The number of full-time equivalent employees at balance date

<u>140</u>	<u>149</u>
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**32. ELECTED MEMBERS REMUNERATION**

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

	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
Meeting Fees	293,705	306,800	302,844
Mayor's allowance	62,727	62,700	61,800
Deputy Mayor's allowance	15,682	15,600	15,448
Telecommunications allowance	43,166	45,500	45,501
	<u>415,280</u>	<u>430,600</u>	<u>425,593</u>



**CITY OF NEDLANDS**  
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**33. RELATED PARTY TRANSACTIONS**

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

	2017 \$
The total of remuneration paid to KMP of the City of Nedlands during the year are as follows:	
Short-term employee benefits	1,229,804
Post-employment benefits	120,884
Other long-term benefits	53,616
Termination benefits	0
	1,404,304

**Short-term employee benefits**

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 32.

**Post-employment benefits**

These amounts are the current-year's estimated cost of providing for the City of Nedlands'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).

**Related Parties**

The City of Nedlands's main related parties are as follows:

*i. Key management personnel*

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

*ii. Entities subject to significant influence by the City of Nedlands*

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

**CITY OF NEDLANDS**  
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**33. RELATED PARTY TRANSACTIONS (Continued)**

**Transactions with related parties**

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

The following transactions occurred with related parties:

	<b>2017</b>
	<b>\$</b>
<b>Associated companies/individuals:</b>	
Sale of goods and services	0
Purchase of goods and services	0
<b>Joint venture entities:</b>	
Distributions received from joint venture entities	0
<b>Amounts outstanding from related parties:</b>	
Trade and other receivables	0
Loans to associated entities	0
Loans to key management personnel	0
<b>Amounts payable to related parties:</b>	
Trade and other payables	0
Loans from associated entities	0

Note: Transitional provisions contained within AASB 2015-6 do not require comparative related party disclosures to be presented in the period of initial application. As a consequence, only disclosures in relation to the current year have been presented.

**34. MAJOR LAND TRANSACTIONS**

The City of Nedlands did not participate in any major land transactions during the 2016/17 financial year

**35. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

The City of Nedlands did not participate in any trading undertaking or major trading undertakings during the 2016/17 financial year.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**36. FINANCIAL RISK MANAGEMENT**

The City of Nedlands's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk. The City of Nedlands'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 of Nedlands 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 of Nedlands held the following financial instruments at balance date:*

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
<b>Financial assets</b>				
Cash and cash equivalents	11,020,622	13,205,796	11,020,622	13,210,301
Receivables	1,881,416	1,694,905	1,881,416	1,618,479
	<u>12,902,038</u>	<u>14,900,701</u>	<u>12,902,038</u>	<u>14,828,780</u>
<b>Financial liabilities</b>				
Payables	2,734,254	2,312,850	2,734,254	2,371,847
Borrowings	6,248,017	7,187,827	4,897,893	6,666,310
	<u>8,982,271</u>	<u>9,500,677</u>	<u>7,632,147</u>	<u>9,038,157</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.
- Financial assets at fair value through profit and loss, available for sale financial assets - based on quoted market prices at the reporting date or independent valuation.



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**36. FINANCIAL RISK MANAGEMENT (Continued)**

**(a) Cash and Cash Equivalents**

**Financial assets at fair value through profit and loss**

**Available-for-sale financial assets**

**Held-to-maturity investments**

The City of Nedlands's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio with the assistance of independent advisers (where applicable). Council has an investment policy and the policy is subject to review by Council. An Investment Report is provided to Council on a monthly basis setting out the make-up and performance of the portfolio.

The major risk associated with investments is price risk - the risk that the capital value of investments may fluctuate due to changes in market prices, whether these changes are caused by factors specific to individual financial instruments of their issuers or factors affecting similar instruments traded in a market.

Cash and investments are also subject to interest rate risk - the risk that movements in interest rates could affect returns.

Another risk associated with cash is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to the City of Nedlands.

The City of Nedlands manages these risks by diversifying its portfolio and only investing in investments authorised by *Local Government (Financial Management) Regulation 19C*. Council also seeks advice from independent advisers (where considered necessary) before placing any cash and investments.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Impact of a 1% <sup>(1)</sup> movement in interest rates on cash		
- Equity	110,206	132,058
- Statement of Comprehensive Income	110,206	132,058

**Notes:**

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

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
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**36. FINANCIAL RISK MANAGEMENT (Continued)**

**(b) Receivables**

The City of Nedlands'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 of Nedlands 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 of Nedlands to recover these debts as a secured charge over the land – that is, the land can be sold to recover the debt. The City of Nedlands 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 of Nedlands 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 of Nedlands's credit risk at balance date was:

	<b>2017</b>	<b>2016</b>
Percentage of rates and annual charges		
- Current	51%	47%
- Overdue	49%	53%
Percentage of other receivables		
- Current	47%	59%
- Overdue	53%	41%

CITY OF NEDLANDS  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
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36. FINANCIAL RISK MANAGEMENT (Continued)  
 (c) Payables  
 Borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City of Nedlands 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 of Nedlands's Payables and Borrowings are set out in the Liquidity Sensitivity Table below:

	<u>2017</u>	<u>2016</u>			
	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
Payables	2,734,254	0	0	2,734,254	2,734,254
Borrowings	1,230,330	4,168,181	1,730,537	7,129,048	6,248,017
	<u>3,964,584</u>	<u>4,168,181</u>	<u>1,730,537</u>	<u>9,863,302</u>	<u>8,982,271</u>
Payables	2,312,850	0	0	2,312,850	2,312,850
Borrowings	1,230,330	4,672,383	2,456,666	8,359,379	7,187,827
	<u>3,543,180</u>	<u>4,672,383</u>	<u>2,456,666</u>	<u>10,672,229</u>	<u>9,500,677</u>



CITY OF NEDLANDS  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2017

36. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables  
 Borrowings (continued)

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City of Nedlands 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:

	<1 year	>1<2 years	>2<3 years	>3<4 years	>4<5 years	>5 years	Total	Weighted Average Effective Interest Rate %
	\$	\$	\$	\$	\$	\$	\$	
<b>Year ended 30 June 2017</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debtentures	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%		
<b>Year ended 30 June 2016</b>								
<b>Borrowings</b>								
<b>Fixed rate</b>								
Debtentures	0	0	229,543	0	1,145,626	5,812,654	7,187,823	16.30%
Weighted average Effective interest rate			8.45%		16.23%	16.62%		

**CITY OF NEDLANDS  
SUPPLEMENTARY RATIO INFORMATION  
FOR THE YEAR ENDED 30TH JUNE 2017**

**37. EVENTS AFTER THE REPORTING PERIOD**

There have been no material events after the reporting period which would affect the financial report of the City of Nedlands for the year ended 30 June 2017 or which would require separate disclosure.

**38. RATIO INFORMATION**

The following information relates to those ratios which only require attestation they have been checked and are supported by verifiable information. It does not form part of the audited financial report.

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Asset consumption ratio	67%	59%	60%
Asset renewal funding ratio	88%	86%	85%

The above ratios are calculated as follows:

Asset consumption ratio	$\frac{\text{depreciated replacement costs of assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planning capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$

## INDEPENDENT AUDITOR'S REPORT

### TO: THE 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 2017, 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 accompanying financial report of the **City of Nedlands** is in accordance with the *Local Government Act 1995* (as amended), including:

- (a) giving a true and fair view of the financial position of the **City of Nedlands** as at 30 June 2017 and of its financial performance for the year then ended; and
- (b) complying with the Australian Accounting Standards (including Australian Accounting Interpretations) and the *Local Government (Financial Management) Regulations 1996* (as amended).

#### Report on Other Legal and Regulatory Requirements

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

- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or financial management practices of the Council.
- (b) There are no other matters indicating non-compliance with Part 6 of the *Local Government Act 1995* (as amended), the *Local Government (Financial Management) Regulations 1996* (as amended) or applicable financial controls of any other written law noted during the course of our audit.
- (c) In relation to the asset consumption ratio and asset renewal funding ratio (presented at **Note 38** of the annual financial report) we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
  - (i) reasonably calculated; and
  - (ii) based on verifiable information.
- (d) All necessary information and explanations were obtained by us.
- (e) All audit procedures were satisfactorily completed in conducting our audit.





## INDEPENDENT AUDITOR'S REPORT (Cont'd)

### **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.

### **Information Other than the Financial Report and Auditor's Report Thereon**

The management is responsible for the other information. The other information comprises the information included in the Council's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of the Management for the Financial Report**

Management is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the *Local Government Act 1995* (as amended) and the *Local Government (Financial Management) Regulations 1996* (as amended) and for such internal controls as management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

### **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:



## INDEPENDENT AUDITOR'S REPORT (Cont'd)

- 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.

### 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 2017 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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**MACRI PARTNERS**  
**CERTIFIED PRACTISING ACCOUNTANTS**  
**SUITE 2, 137 BURSWOOD ROAD**  
**BURSWOOD WA 6100**

  
\_\_\_\_\_

**A MACRI**  
**PARTNER**

**PERTH**

**DATED THIS 26<sup>TH</sup> DAY OF OCTOBER 2017.**







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