

MINUTES

Special Council Meeting

Monday, 11 March 2024

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.



Information

Special Council Meetings are run in accordance with the City of Nedlands Standing Orders Local Law. If you have any questions in relation to items on the agenda, procedural matters, public question time, addressing Council or attending meetings please contact the Executive Officer on 9273 3500 or council@nedlands.wa.gov.au

Public Question Time

Public question time at a Special Council Meeting is available for members of the public to ask a question about items on the agenda. Questions asked by members of the public are not to be accompanied by any statement reflecting adversely upon any Council Member or Employee.

Questions should be submitted as early as possible via the online form available on the City's website: [Public question time | City of Nedlands](#)

Questions may be taken on notice to allow adequate time to prepare a response and all answers will be published in the minutes of the meeting.

Addresses by Members of the Public

Members of the public wishing to address Council in relation to an item on the agenda must complete the online registration form available on the City's website: [Public Address Registration Form | City of Nedlands](#)

The Presiding Member will determine the order of speakers to address the Council and the number of speakers is to be limited to 2 in support and 2 against any particular item on a Special Council Meeting Agenda. The Public address session will be restricted to 15 minutes unless the Council, by resolution decides otherwise.

Disclaimer

Members of the public who attend Council Meetings Agenda Forum 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.

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material.



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1. Declaration of Opening

The Presiding Member declared the meeting open at 6.00pm and acknowledged the Whadjuk Nyoongar people, Traditional Custodians of the land on which we meet, and paid respect to Elders past, present and emerging. The Presiding Member drew attention to the disclaimer on page 2 and advised the meeting was being livestreamed and recorded.

2. Present and Apologies and Leave of Absence (Previously Approved)

Councillors	Mayor F E M Argyle (Presiding Member)	
	Councillor L J McManus (until 7.05pm)	Hollywood Ward
	Councillor B Brackenridge	Melvista Ward
	Councillor R A Coghlan	Melvista Ward
	Councillor H Amiry	Coastal Ward
	Councillor K A Smyth	Coastal Ward
	Councillor F J O Bennett (until 7.05pm)	Dalkeith Ward
	Councillor N R Youngman (until 7.05pm)	Dalkeith Ward

Staff	Mr T G Free	Acting Chief Executive Officer
	Mr M R Cole	Director Corporate Services
	Mr M K MacPherson	Director Technical Services
	Mr R A Winslow	Acting Director Planning & Development
	Mrs N M Ceric	Executive Officer
	Ms L J Kania	Coordinator Governance & Risk

Public There were 1 members of the public present and 6 online.

Press The Post Newspaper representative.

Leave of Absence (Previously Approved)	Councillor B G Hodsdon	Hollywood Ward
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Apologies Nil.



1. Public Question Time

Public questions submitted were read at this point.

Nil.

2. Address by Members of the Public

Addresses by members of the public who had completed Public Address Registration Forms were made at this point.

3. Disclosures of Financial Interest

The Presiding Member reminded Council Members 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 Interest Affecting Impartiality

The Presiding Member reminded Council Members 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. Declaration by Members That They Have Not Given Due Consideration to Papers

Members who had not read the business papers to make declarations at this point.

Councillor Smyth advised her concern about the legibility issues in the financial statements where the grey colour over grey text was hard to read. If the same enlargement and enhancements as last year could be done prior to the final copy being added to the website and the minutes.

Councillor Youngman advised he had just arrived back from holiday last night and had not had time to read everything in the agenda.



6. Divisional Reports

6.1 CPS16.03.24 – Annual Report 2022/23

Meeting & Date	Special Council Meeting – 11 March 2024
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil.
Report Author	Michael Cole – Director Corporate Services
CEO	Tony Free – Acting Chief Executive Officer
Attachments	1. Annual Report 2022/23

Regulation 11(da) - *

Moved – Councillor Bennett
Seconded – Councillor McManus

That the Recommendation be adopted.
(Printed below for ease of reference)

Amendment

Moved - Councillor Smyth
Seconded - Councillor Coghlan

That any minor corrections received from Council Members by Wednesday 13 March to be included in the final version prior to printing.

Suspension of Standing Orders

Moved - Councillor Coghlan
Seconded - Councillor Amiry

That Standing Order No. 9.5 be suspended for the purpose of allowing Council Members to speak more than once.

CARRIED 6/2
(Against: Crs. McManus & Youngman)

The AMENDMENT was PUT and was

CARRIED 7/1
(Against: Mayor Argyle)



The Substantive Motion was PUT and was

**CARRIED 5/3
(Against: Mayor Argyle Crs. Coghlan & Amiry)**

Council Resolution

That Council accepts the Annual Report, including the Annual Financial Statements for the year ending 30 June 2023 with minor corrections received from Council Members by Wednesday 13 March to be included in the final version prior to printing.

Recommendation

That Council accepts the Annual Report, including the Annual Financial Statements for the year ending 30 June 2023.

Purpose

The purpose of this report is to present the Annual Report for the financial year 2022/23.

The Annual Report, including the Annual Financial Statements for the year ending 30 June 2023 will be presented to the Annual Meeting of Electors scheduled to be held on Monday 29 April 2024, commencing at 6.00pm.

Voting Requirement

Absolute Majority.

Background

Local Governments must prepare an Annual Report for each financial year. The Annual Report is to contain the following –

- a report from the Mayor,
- a report from the Chief Executive Officer,
- an overview of the plan for the future of the district including major initiatives that are proposed to commence or continue in the next financial year,
- the annual Financial Report,
- Auditor's Report prepared under section 7.9(1) or 7.12AD(1) for the financial year, and
- such other information as prescribed.

Section 5.54 of the Act requires the annual report for a financial year to be accepted by the local government no later than 31 December after that financial year, however, if the auditor's report is not available in time for the annual report for a financial year to be



accepted by 31 December, the annual report is to be accepted no later than two months after the auditor's report becomes available.

As reported to the Audit and Risk Committee on 19 February 2024, the 2022/23 Annual Financial Statements were unable to be finalised in time for the audit to be completed by 31 December 2023.

The Office of the Auditor General have issued a Disclaimer of Opinion in relation to the Annual Financial Report for the year ended 30 June 2023. A separate report to Council has been prepared to address this matter.

Discussion

The Annual Report and the 2022/23 Annual Financial Statements provide an overview of the activities of the City. The City has prepared the Annual Report in accordance with section 5.53 of the *Local Government Act 1995*.

Consultation

In accordance with section 5.55 of the *Local Government Act 1995*, the CEO is to give local public notice of the availability of the Annual Report as soon as practicable after the report has been accepted by the local government.

The Annual Report and the Audited Financial Statements for the year ending 30 June 2023 have been considered by the Audit and Risk Committee at its meeting on 19 February 2024. The Annual Report will be presented to the Annual Meeting of Electors scheduled to be held on Monday 2 April 2024 commencing at 6.00pm.

Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

Vision	Sustainable and responsible for a bright future
Pillar	Performance
Outcome	11. Effective leadership and governance. 12. A happy, well-informed and engaged community.



Budget/Financial Implications

The cost associated with the graphic design of the Annual Report and the giving of local public notice, can be met from the City's operational budget.

Legislative and Policy Implications

[Section 5.53 of the *Local Government Act 1995*](#) requires a Local Government to prepare an Annual Report for each financial year.

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.

Decision Implications

Should Council endorse the recommendation:

1. The CEO will give local public notice of the availability of the Annual Report as soon as practicable.
2. The Annual Meeting of Electors will be convened.
3. The Annual Report will be presented at the Annual Meeting of Electors.

If Council does not endorse the recommendation, the City will be in breach of its above statutory obligations.

Conclusion

Council's acceptance of the Annual Report for the City of Nedlands for the year ended 30 June 2023 comprising the Annual Report and Financial Report is recommended.

Further Information

Nil.

Annual Report

2022–2023



City of Nedlands





Welcome to the 2022–23 Annual Report

The City of Nedlands is proud to present our Annual Report for the financial year ending 30 June 2023.

The report outlines the City's financial and operational performance for the year against the Strategic Community Plan.

The *Local Government Act 1995* requires local governments to adopt an Annual Report by 31 December each year or within two months of the Auditor General's report on the City's financial statement being available. The City of Nedlands meets this requirement by producing a detailed report annually.

Our Annual Report provides an opportunity for us to update our key stakeholders, including residents and ratepayers, on our performance delivering services and projects to the community the past year.

ACKNOWLEDGEMENT OF COUNTRY

The City of Nedlands acknowledges the traditional custodians of this land, the Whadjuk people of the Noongar Nation, and pays respect to the Elders both past and present.

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Message from the Mayor



As we gather to review the achievements and progress of our beloved City over the past financial year, I am filled with pride and gratitude for the collaborative efforts that have made these accomplishments possible.

Our commitment to representing and safeguarding the interests of our community is unwavering. The City of Nedlands proudly became the only Local Government to endorse the United Nations Sustainable Development Goals, demonstrating our dedication to a sustainable and prosperous future.

The introduction of FOGO has positioned us as a statewide leader, achieving an impressive deferral rate of over 64%. By joining the Western Metropolitan Regional Council as an affiliate member, we've not only increased resident patronage fourfold but have also saved our community a substantial amount through the avoidance of gate fees.

Public Open Space Developer Contributions have been activated, harnessing decades-old state laws to create new parks amid record infill.

Our commitment to a liveable, world-leading environment is evident in the planting of 545 new street trees, 15,000 local provenance seedlings and the 600 trees I personally donated. With a focus on urban tree protection, our council leads the state in implementing measures that will contribute to the preservation of the urban tree canopy.

The approval of the dormant Woolworths site and unanimous support for a Stirling Highway underpass reflect our dedication to creating a walkable city for our community.

Financial stewardship has been a top priority, resulting in the restructuring of the City's finances. This not only ensures manageable rates but also builds our reserves for the future. We take pride in being the Local Government with the lowest rate rises in the state over the last three years, a testament to our understanding of the community's priorities.

Supporting our community's well-being extends to sporting and cultural endeavours. The completion of the \$2.6 million Swanbourne Surf Club upgrade underscores our commitment to providing state-of-the-art facilities.

Collaboration with UWA for cutting-edge sporting facilities at the UWA Sports Park reflects our dedication to nurturing the next generation of athletes. Our continued support for the Tresillian Arts Centre ensures a vibrant space for emerging and established artists.

These achievements are a testament to the collaborative efforts of the council and administration. Despite challenges, we are making significant headway, and the achievements themselves speak volumes.



Our commitment to representing and safeguarding the interests of our community is unwavering. The City of Nedlands proudly became the only Local Government to endorse the United Nations Sustainable Development Goals, demonstrating our dedication to a sustainable and prosperous future.

I firmly believe the City of Nedlands is a city of opportunities for all its people. While we celebrate our successes and the hard work of everyone involved, there is still more to be done. I am optimistic about the future accomplishments the new council and administration can achieve for the continued benefit of our community.

Thank you for your unwavering support and dedication to making the City of Nedlands a thriving and inclusive place for all.

Yours faithfully,

Fiona Argyle
Mayor, City of Nedlands

Message from the CEO

As we reflect on the accomplishments of the past year, I appreciate the dedication and hard work that has contributed to our successes in 2022-2023.

The achievements we celebrate are a testament to the collective effort of our entire team, and I am honoured to share the progress we have made.

Our commitment to efficiency was reflected in the reviewed and endorsed Governance Framework Policy. This policy ensures precision and adherence to guidelines during our Council meeting decision making process.

The completion of the MARKYT® Community Scorecard 2023 and its subsequent acceptance by Council, forms the bedrock of informed strategic planning. The high level of engagement provided valuable insights that will shape the future of the City in delivering services that align with the needs of our community.

The successful endorsement of the ERP 'OneCouncil' Project Status Report and Stage 2 Delivery Timeframe, by the Audit and Risk Committee and Council, highlights our dedication to excellence. Quarterly project status reports have enhanced transparency, contributing to the effectiveness of our operations.

Our commitment to investigating the City's ability to sustainably deliver the underground power program is evident in the endorsed Business Case for remaining project stages. The implementation of the Community Consultation Plan reflects our dedication to hearing from our community and delivering within our budget.

The successful implementation of the FOGO waste management program, coupled with community information sessions, showcases our commitment to sustainable environmental practices. The engagement in the program not only reduced waste, but helped to foster a meaningful connection with our community.

The development and endorsement of the Stirling Highway Precinct Strategy, along with progress in reviewing the Strategic Community Plan, are notable achievements led by our dedication to planning and community consultation. These strategies will guide the future development and direction of our City.

The development of the Council Plan, coupled with the finalised and endorsed Long Term Financial Plan marks significant achievements. These provide clear direction for the City of Nedlands ensuring fiscal responsibility, sustainability and long-term stability.



The commencement of the Land Asset Optimisation Strategy and completion and endorsement of the Forward Works Plan for asset management reflect our commitment to continuous improvement.

I want to express my gratitude to each member of the City of Nedlands community for your engagement, support and passion. Thank you to our Council Members, staff and everyone who has worked on these projects. Together, we have achieved significant milestones, and I am optimistic about the continued success for the future.

Bill Parker
CEO, City of Nedlands

“
The development and endorsement of the Stirling Highway Precinct Strategy, along with progress in reviewing the Strategic Community Plan, are notable achievements led by our dedication to planning and community consultation.

About our City of Nedlands

Our History

On 1 July 1959 Nedlands was declared a City by the Governor, Sir Charles Gairdner after years of petitioning by the Nedlands Road Board.

According to Council minutes from 2 July 1959, 300 ratepayers packed into Dalkeith Civic Hall to hear the proclamation. John Charles Smith became the first Mayor and would go on to dedicate 43 years of his life to the local government of Nedlands.

Stretching from the Indian Ocean to the Swan River, the City of Nedlands was populated by professionals and business owners whose leisure time was spent pursuing sporting endeavors. Playing fields along the foreshore and throughout the City were created to satisfy the athletic appetite of residents.

Nedlands Today

At the end of the 2022-23 financial year the City of Nedlands local government area was characterised by four Wards: The Coastal Ward, Hollywood Ward, Melvista Ward and Dalkeith Ward. Three councillors represented each Ward, taking in the suburbs of Nedlands, Dalkeith, Mt Claremont, Swanbourne, Karrakatta, and parts of Floreat and Shenton Park.

22,132 people called the City home during the 2021 Census with nearly half the working population identifying as Professionals.

Over 50% of residents are couples with children. The State Government-driven urban dwelling infill target for the City of Nedlands is 4,400 new dwellings by 2050. Since July 2018, 437 dwellings have received a building permit which contribute to this target, including 44 this year.

Fast facts



22,132 people called the City home during the 2021 Census.



22,132
People



8,369
Dwellings



5,950
Families

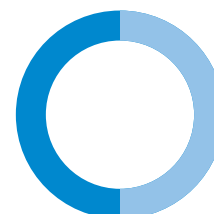
2 

Average number of cars per household

1.9 

Average number of children per family

Female
50.7%



Male
49.3%

43 **Median age**



\$3,500

Median monthly mortgage repayments

\$3,226

Median weekly household income

\$520

Median weekly household rent



39.9%

Both parents born overseas



Top languages spoken other than English

Mandarin, Cantonese, Italian, French and Indonesian

Community Services Facilities

Libraries: 2

Childcare Facilities: 1

Population Projections

2050: 31,000–34,000

(Estimate – based on State Government-driven urban dwelling infill target of 4,400 new dwellings by 2050).

Dwellings Projections

By 2050, an additional 4,400 new dwellings – State Government-driven urban dwelling infill target.



**Our city will be an
environmentally
sensitive, beautiful
and inclusive place.**

Community's Vision

Nedlands 2028 Strategic Community Plan

The City of Nedlands

Community Vision is a diverse community where people can live through the different ages and stages of their lives.

We will have easy access to community 'hubs' where a mix of parks, shops, community and sporting facilities will bring people together, strengthening local relationships.

Our city will be an environmentally sensitive, beautiful and inclusive place.

Our gardens, streets, parks and bushlands will be clean, green and tree-lined and we will live sustainably within the natural environment.

We will enjoy great transport systems and people will have access to local facilities through efficient cycling and walking facilities.

We will be an active, safe, inclusive community enjoying a high standard of local services and facilities.

We will live in a beautiful place.

Values and Aspirations



We are strong in culture, arts, sport and recreation. We have protected amenity, respect our history and have strong community leadership.



Healthy and Safe

Our City has clean, safe neighbourhoods where public health is protected and promoted.



High Standard of Services

We have local services delivered to a high standard that take the needs of our diverse community into account.



Great Natural and Built Environment

We protect our enhanced, engaging community spaces, heritage, the natural environment and our biodiversity through well-planned and managed development.



Great Governance and Civic Leadership

We value our Council's quality decision-making, effective and innovative leadership, transparency, accountability, equity, integrity and wise stewardship of the community's assets and resources. We have an involved community and collaborate with others, valuing respectful debate and deliberation.



Reflects Identities

We value our precinct character and charm. Our neighbourhoods are family-friendly with a strong sense of place.



Easy to Get Around

We strive for our City to be easy to get around by preferred mode of travel, whether by car, public transport, cycle or foot.



Great for Business

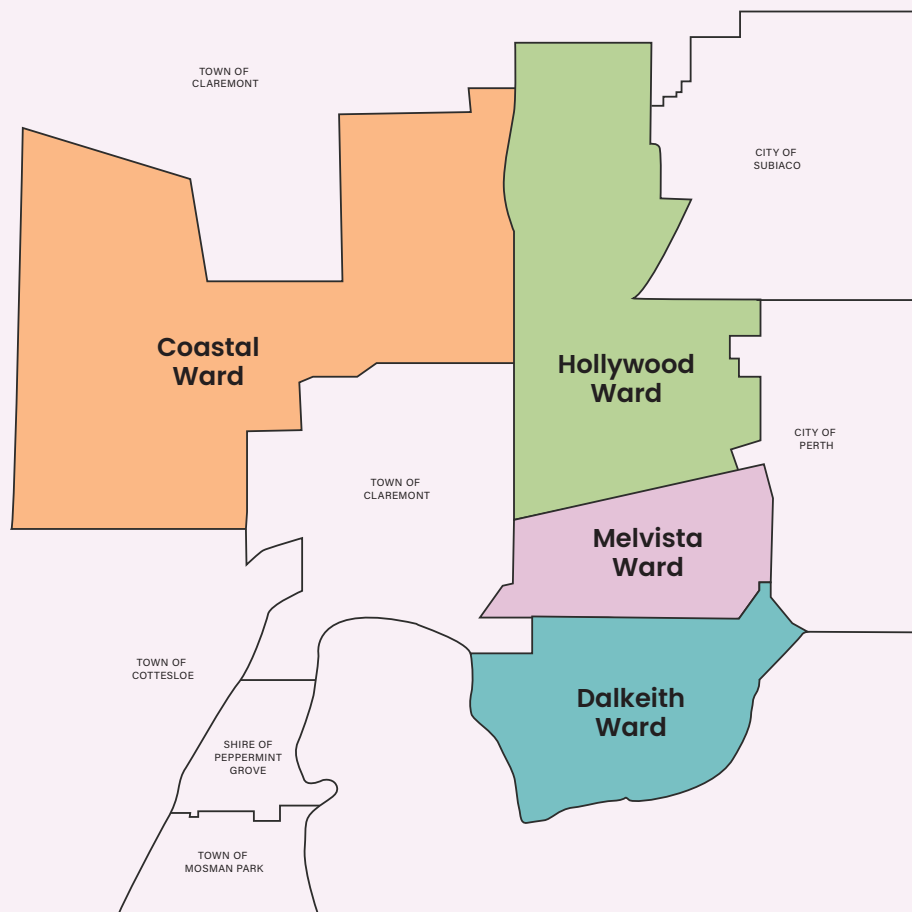
Our City has a strong economic base with renowned Centres of Excellence and is attractive to entrepreneurs and start-ups.



Great Communities

We enjoy places, events and facilities that bring people together. We are inclusive, connected and caring and we support volunteers. We are strong in culture, arts, sport and recreation. We have protected amenity, respect our history and have strong community leadership.

Our Council



About Council and the Wards

The City of Nedlands Council comprises of 12 Council Members and a Mayor.

Throughout the 2022-23 financial year three Council Members represented each of the four Wards:

- Coastal Ward
- Hollywood Ward
- Melvista Ward
- Dalkeith Ward

The Mayor is elected to represent the entire electorate.

Council Members

The City of Nedlands from 1 July 2022 to 30 June 2023.



Fiona Argyle
Mayor

Elected (Mayor) June 2021-2023

Committees and Working Groups

- Audit & Risk Committee
- Chief Executive Officer Performance Review Committee
- Workforce Plan Implementation Committee
- Public Art Committee
- Foreshore Management Steering Committee
- Integrated Transport Strategy Committee

External Committees and Panels

- Western Suburbs Regional Organisation of Council (WESROC)

Coastal Ward



Leo McManus
Deputy Mayor

Elected 2011-2023

Committees and Working Groups

- Audit & Risk Committee
- Chief Executive Officer Performance Review Committee (Deputy)
- Workforce Plan Implementation Committee (Deputy)
- Public Art Committee (Deputy)
- Foreshore Management Steering Committee (Deputy)
- Integrated Transport Strategy Committee (Deputy)

External Committees and Panels

- Western Suburbs Regional Organisation of Council (WESROC) (Deputy)



Hengameh Amiry
Councillor

Elected 2021-2025

Committees and Working Groups

- Audit & Risk Committee (Deputy)
- Chief Executive Officer Performance Review Committee
- Workforce Plan Implementation Committee
- Public Art Committee (Deputy)
- Foreshore Management Steering Committee (Deputy)
- Integrated Transport Strategy Committee (Deputy)

External Committees and Panels

- Western Suburbs Regional Organisation of Council (WESROC) (Deputy)



Kerry Smyth
Councillor

Elected 2013-2025

Committees and Working Groups

- Chief Executive Officer Performance Review Committee (Deputy)
- Workforce Plan Implementation Committee (Deputy)
- Public Art Committee
- Foreshore Management Steering Committee
- Integrated Transport Strategy Committee

External Committees and Panels

- WALGA Central Metropolitan Zone
- Development Assessment Panel (Alternate Member)
- Lake Claremont Advisory Committee (Delegate)
- Metropolitan Regional Road Group West Sub Group – (Deputy Delegate)

Dalkeith Ward



Andrew Mangano
Councillor

Elected 2017-2023

Committees and Working Groups

- Audit & Risk Committee
- Workforce Plan Implementation Committee
- Integrated Transport Strategy Committee (Deputy)



Noel Youngman
Councillor

Elected 2020-2025

Committees and Working Groups

- Chief Executive Officer Performance Review Committee
- Public Art Committee
- Foreshore Management Steering Committee (Deputy)



Fergus Bennett
Councillor

Elected 2019-2023

Committees and Working Groups

- Audit & Risk Committee (Deputy)
- Chief Executive Officer Performance Review Committee (Deputy)
- Workforce Plan Implementation Committee (Deputy)
- Public Art Committee (Deputy)
- Foreshore Management Steering Committee
- Integrated Transport Strategy Committee

External Committees and Panels

- WALGA Central Metropolitan Zone (Deputy Delegate)
- Development Assessment Panel
- Lake Claremont Advisory Committee (Deputy Delegate)
- Metropolitan Regional Road Group West Sub Group

Melvista Ward



Rebecca Coghlan
Councillor

Elected 2019-2023

Committees and Working Groups

- Chief Executive Officer Performance Review Committee
- Public Art Committee (Deputy)
- Foreshore Management Steering Committee (Deputy)
- Integrated Transport Strategy Committee (Deputy)

External Committees and Panels

- WALGA Central Metropolitan Zone (Deputy Delegate)
- Development Assessment Panel (Alternate Member)



Rajah Senathirajah
Councillor

Elected 2019-2023

Committees and Working Groups

- Chief Executive Officer Performance Review Committee
- Public Art Committee (Deputy)
- Foreshore Management Steering Committee (Deputy)
- Integrated Transport Strategy Committee (Deputy)

External Committees and Panels

- WALGA Central Metropolitan Zone (Deputy Delegate)



Blane Brackenridge
Councillor

Elected 2021-2025

Committees and Working Groups

- Audit & Risk Committee (Delegate)
- Workforce Plan Implementation Committee (Deputy)
- Public Art Committee
- Foreshore Management Steering Committee
- Integrated Transport Strategy Committee

Hollywood Ward



Oliver Basson
Councillor

Elected 16 September 2023

Committees and Working Groups

- Foreshore Management Steering Committee
- Integrated Transport Strategy Committee



Ben Hodsdon
Councillor

Elected 2003-2025

Committees and Working Groups

- Audit & Risk Committee (Deputy)
- Chief Executive Officer Performance Review Committee (Deputy)
- Workforce Plan Implementation Committee
- Public Art Committee
- Foreshore Management Steering Committee
- Integrated Transport Strategy Committee



Olinka Combes
Councillor

Elected 2021-2025

Committees and Working Groups

- Audit & Risk Committee
- Chief Executive Officer Performance Review Committee
- Workforce Plan Implementation Committee (Deputy)
- Public Art Committee (Deputy)
- Integrated Transport Strategy Committee (Deputy)



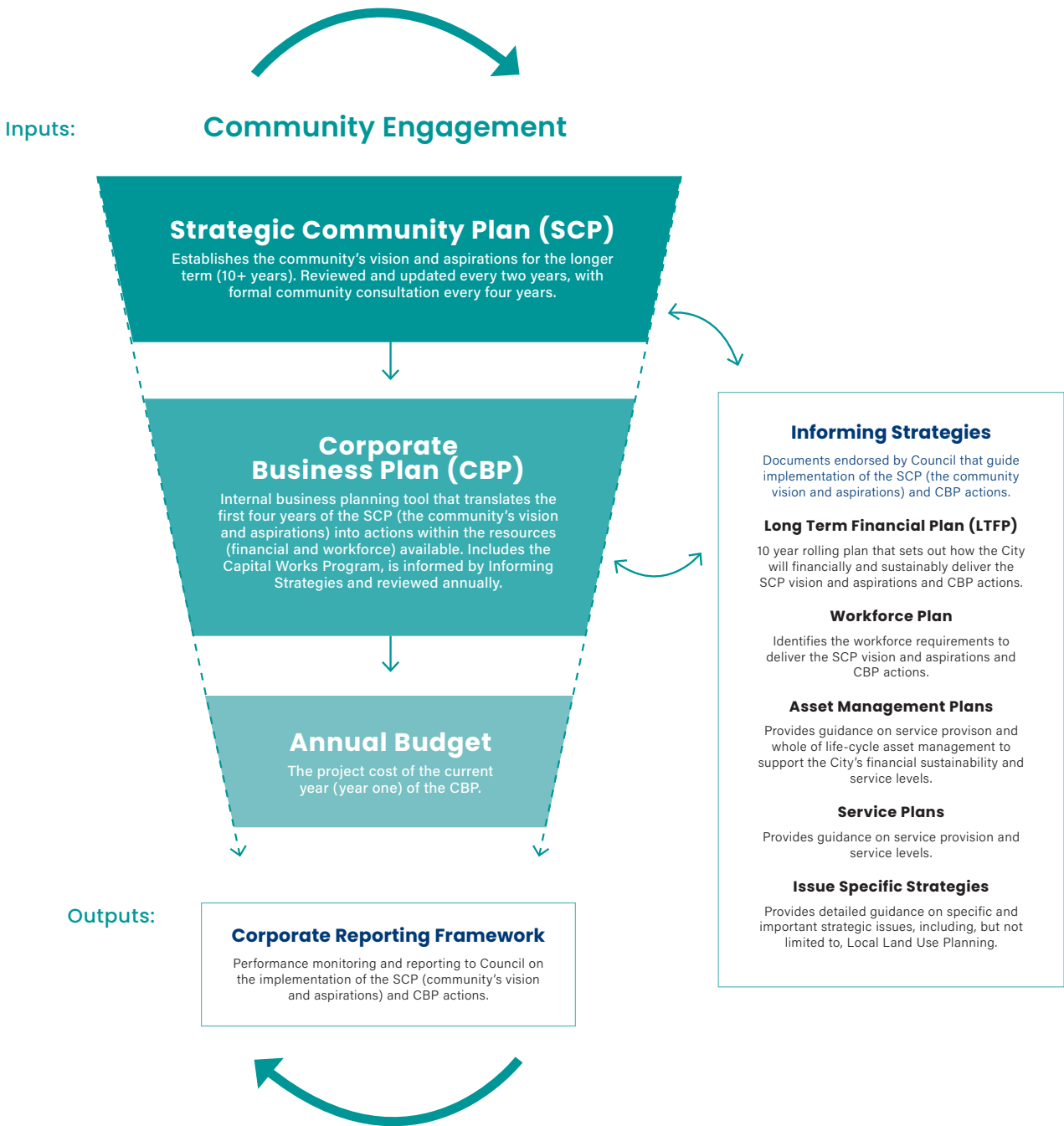
Local Government Elections and Resignations

An Extraordinary Election was held on 16 September 2022. Councillor Basson was elected to the Hollywood Ward. Councillor Basson resigned during the 2022-23 financial year.

Strategy and Governance

Integrated Planning and Performance Framework

The City of Nedlands operates through an Integrated Planning and Reporting Framework. This framework provides local governments a mechanism for translating and resourcing the community vision and aspirations within the Strategic Community Plan, into the operational actions within the Corporate Business Plan, Service Plans and reporting progress on delivering these actions to the community.





This policy sets out the Council's decision-making process including meeting structures and cycle, to provide for better transparency, efficiency, participation and statutory compliance.

Decision-Making

The City of Nedlands Governance Framework Policy was adopted in December 2021, effective on 1 January 2022. This policy sets out the Council's decision-making process including meeting structures and cycle, to provide for better transparency, efficiency, participation and statutory compliance.

The policy's key objectives aim to ensure:

- Council Members are engaged in the development of strategy and policy from initiation to adoption.
- Council Members are provided with accurate, relevant and timely information by the Chief Executive Officer (CEO) to inform quality decision-making.
- Community members can participate in the decision-making process and have access to information used to inform Council decision.

A copy of the Governance Framework, detailing the Council decision making process as shown on page 23, can be accessed on the City of Nedlands website.

Council Decision Making Meeting Process

1 First Tuesday of the month	Concept Forum Closed to public 5.30pm - 7.30pm	To discuss <ul style="list-style-type: none"> • Complex matters • Review and performance measurement of strategies • Other matters supported by 3+ Cllrs
Agenda, briefing and discussion papers added to Cllr portal by COB Friday before 1st Tuesday of month.		
2 Second Tuesday of the month	Agenda Forum Open to public 6pm start	Opportunity for Council Members to ask questions and seek information on items to be considered at the forthcoming Ordinary Council Meeting Members of the public may make presentations or ask questions on items contained within the agenda
Agenda added to Cllr portal and City's website by COB Thursday before Agenda forum.		
3 Third Tuesday of the month	Concept Forum Closed to public 5.30pm - 7.30pm	To discuss <ul style="list-style-type: none"> • Complex matters • Review and performance measurement of strategies • Other matters supported by 3+ Cllrs
Agenda added to Cllr portal and City's website by COB Thursday before Agenda forum.		
4 Fourth Tuesday of the month	Ordinary Council Meeting Open to public 6pm start	Council Members to consider items on the agenda comprising of officer's reports and recommendations Members of the public may make presentations or ask questions on items contained within the agenda
Agenda added to Cllr portal and City's website by 2pm Friday before OCM		

* December OCM is held on 3rd Tuesday of month | No OCM in January | No OCM in October of ordinary election year

Risk Management

Risk management is an integral part of good management practice. It is also an essential element of sound corporate governance. Strategic and operational risks such as those associated with health and safety, financial, customer, social/cultural heritage, reputation, environment, as well as legal and compliance are all considered by leadership when making decisions or providing services and projects to the community.

The City is committed to maturing the risk management function to enable more robust corporate planning, decision-making and continuous business improvement in corporate performance. To assist with embedding risk management principles within the organisation, the City has drafted a Council Risk Management Policy, and Risk Management Framework. It is expected that these will be brought to Council in the 2023-24 financial year.

Audit

Internal Audit

Internal Audit services at the City of Nedlands are provided by external consultant Moore Australia (WA) Pty Ltd, supplying an independent, objective review and advisory service to provide assurance that the City's financial and operational controls are operating in an efficient, effective and ethical manner.

Internal audits undertaken in 2022-23:

- Risk Management July 2022
- Review Effectiveness of Audit and Risk Committee August 2022
- Financial Management Review January 2023
- Audit Regulation 17 report January 2023
- Asset Management February 2023
- Conflict of Interest February 2023
- Workforce Management March 2023
- Post ERP Implementation June 2023
- Planning Approval Processes June 2023

Risk management is an integral part of good management practice.

The City has in place an Internal Audit Plan designed to ensure that the activities of an internal audit are focused on key risk areas that may impact the City. This plan meets emerging business requirements and provides assurance that business processes and existing controls are operating as intended.

Audit and Risk Committee

The Audit and Risk Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities regarding risk management, internal control, legislative compliance, and internal and external audit reporting, in accordance with Part 7 of the *Local Government Act 1995* and Regulation 16 of the *Local Government (Audit) Regulations 1995*.

The Audit and Risk Committee consists of six members, five Councillors including the Mayor and one independent member (vacant as at 30 June 2022). The nature of independence with regards to the independent member is a person with no operating responsibilities with the City.

The Audit and Risk Committee met on seven occasions during 2022-23 financial year:

- 29 August 2022
- 17 October 2022
- 21 November 2022
- 20 February 2023
- 7 March 2023
- 20 April 2023
- 22 May 2023

Matters considered by the Audit Committee during 2022-23 included:

- Nine Internal Audit Reports - Moore Australia (WA) Pty Ltd (as listed above)
- Annual Financial Report Audit year ending 30 June 2022
- 2022 Compliance Audit Return
- External Audit Plan year ending 30 June 2023
- ERP One Council Project status
- Audit Log reports

External Audit

The Office of the Auditor General (OAG) completed their Annual financial report for the year ending 30 June 2023, and they will issue the Audit Opinion in December 2023.



Our Organisation

About the City of Nedlands Organisation

The Chief Executive Officer (CEO) is responsible for the management of the City of Nedlands organisation. It is the CEO's role to provide overall strategic direction, leadership and coordination of day-to-day operations. Along with the Directors and staff, the CEO acts on Council decisions by developing and implementing the Council's resolutions.

Organisation Values

Accountability

We conduct our business and all our services in an open, transparent and financially responsible manner.

Partnership

We work together for the benefits of the community.

Fairness

We provide consistent, fair and unbiased treatment for the whole the community.

Executive Management Team

Supporting the CEO is the Executive Management Team (EMT) below:



Office of the Chief Executive

Bill Parker

Chief Executive Officer

Appointment

2 August 2021 (appointed as interim CEO)

4 July 2022 (permanent appointment)

The Office of the Chief Executive develops and implements strategic plans that enable the organisation to deliver the community's vision and aspirations. It is responsible for Council Member liaison, Strategic Planning and Projects, Governance and Legal, Risk Management, Human Resources, Communications and Engagement. It is also responsible for Community Development and Community Service Centre services.



Corporate Services Directorate

Michael Cole

Director Corporate Services

Appointment

14 March 2022 (permanent appointment)

The Corporate Services Directorate is responsible for all corporate matters and provides services to internal teams. This includes General Financial Services, Land and Property, Information, Communication and Technology (ICT) Services as well as Information and Record Management. It is also responsible for Customer Services, which facilitates both internal and external community interactions.



Planning and Development Directorate

Tony Free

Director Planning and Development

Appointment

19 January 2021 (appointed as interim director)

20 January 2022 (permanent appointment)

The Planning and Development Directorate performs research and creates the plans required to deliver a liveable, prosperous, sustainable city. It is responsible for Strategic and Statutory Planning, Building Services and Environmental Health, Environmental Conservation, Sustainability and Ranger Services.



Technical Services Directorate

Matthew Macpherson

Director Technical Services

Appointment

3 January 2023 (permanent appointment)

The Technical Services Directorate designs, constructs, manages and maintains infrastructure, buildings, fleet assets and the City of Nedlands' public spaces. It is responsible for City Projects, Civil Maintenance, Building Maintenance, Asset Management, Transport and Development, Fleet Management, Parks Maintenance and Arboriculture.

Andrew Melville

(Acting) Director Technical Services

5 July 2021 – 2 October 2022

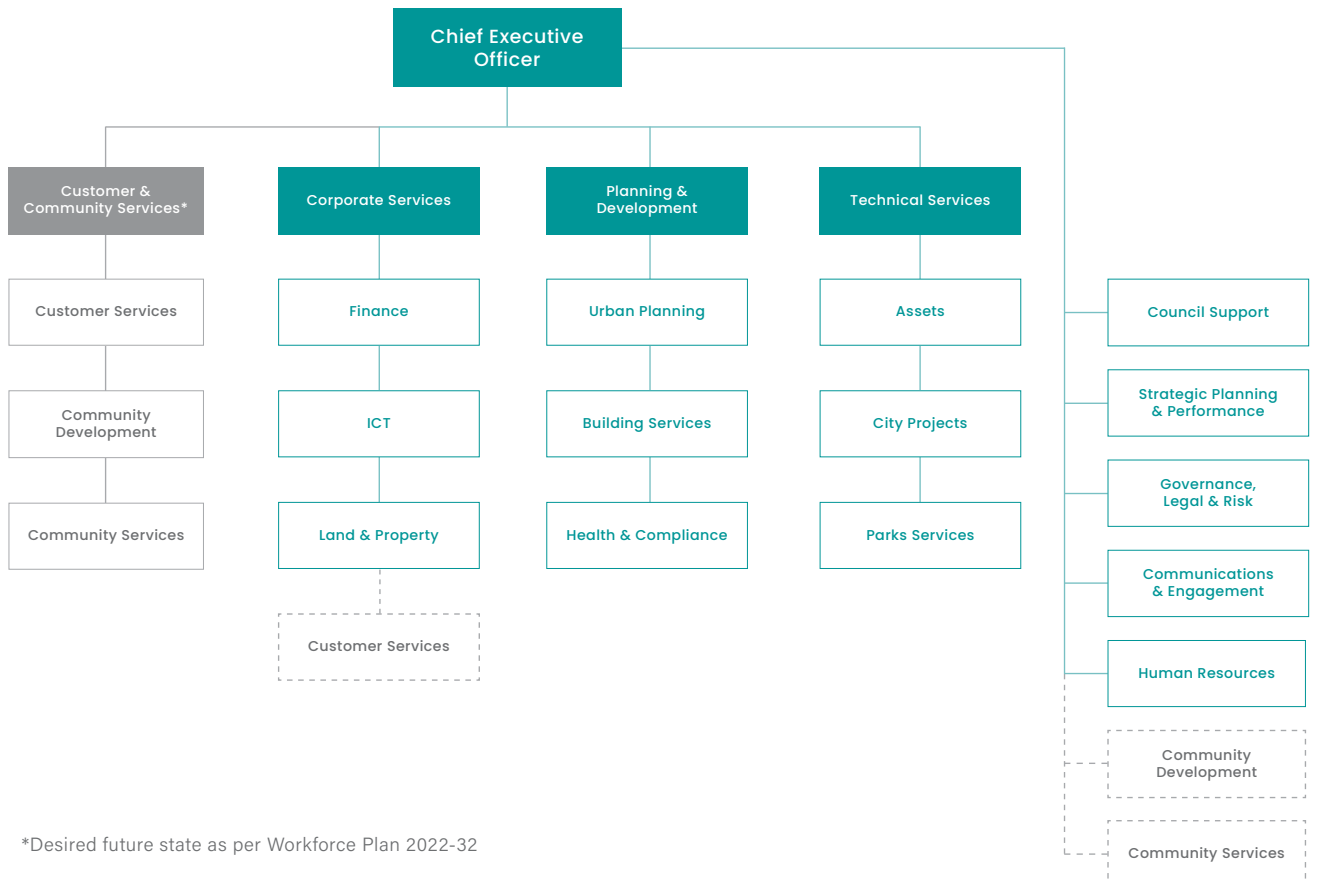
Daniel Kennedy-Stiff

(Acting) Director Technical Service

3 October 2022 – 2 January 2023

Organisational Structure

Detailed below is the Organisational Structure by Directorate and Business Units.



In June 2022, the City of Nedlands introduced a Service Planning approach into the Integrated Planning and Performance Framework. This further breaks down the Organisational Structure into 3 layers – Directorate – Business Unit – Service Area. It is at the Service Area level in which this Annual Report details the City of Nedlands annual performance (see section 'Delivering to our Community').

Workforce

Employee Numbers

The total number of employees on the payroll system as of 3 June 2023 was:

Full Time Equivalent (FTE)

Establishment (BUDGETED FTE) **169**

Headcount

131 Full Time employees **28** Part Time employees **27** Casual employees

Employee Demographics (%)

Female employees
55%

Male employees
45%

Female employees in management
27%

Male employees in management
73%

First Nations People
0%

Employees with disability
2%

Employees from culturally diverse backgrounds
22%

Employees by age (%)

Under 25 **4%**

25-34 **32%**

35-44 **24%**

45-54 **23%**

55-64 **13%**

65 and over **4%**

Please note: Percentages above are rounded up.



Delivering to our community

Strategic Pillars

In this Annual Report, Service Area Performance is reported by the strategic pillars – People, Planet, Place, Prosperity and Performance - which provide the foundation of the Strategic Community Plan.

A summary is provided below (by Business Unit and Service Area) to help with understanding this strategic grouping approach.

People

Customer Services

- Customer Services

Community Services

- Childcare Services
- Library Services
- Positive Ageing
- Nedlands Community Care (NCC)

Community Development

- Community Development
- Community Programs & Events
- Sport and Recreation
- Volunteer Services
- Youth Development

Planet

Health & Compliance

- Environment Health
- Environmental Conservation and Sustainability

Parks Services

- Arboriculture

Assets

- Waste Services

Place

Urban Planning

- Urban Planning – Strategic
- Urban Planning – Statutory

Building Services

- Building Services

Health & Compliance

- Ranger Services (Parking)

Assets

- Asset Management
- Transport and Development

City Projects and Programs

- City Projects
- Civil Maintenance
- Building Maintenance

Parks Services

- Parks Maintenance

Prosperity

Community Services

- Library Services

Community Development

- Tresillian Arts Centre

Land & Property

- Land and Property

Performance

Council Support

- Members of Council

Governance, Legal & Risk

- Governance and Risk

Strategic Planning & Performance

- Strategic Planning and Projects

Communications & Engagement

- Corporate Communications

Human Resources

- Human Resources and Health and Safety

Information & Communication Technology

- Information Technology
- Information and Knowledge Management
- OneCouncil Project

Finance

- General Financial Services

Assets

- Fleet



Service Area Performance

The sections on the following pages detail the City of Nedlands performance delivering services and projects to the community in the 2022-23 reporting period.



People

KEY FACTS

32,000+ calls answered
by Customer Service staff

21,000+ customer
requests resolved by
Customer Service staff

7000+ venue
bookings serviced

57 children attend Point
Resolution Childcare Centre

55 City of Nedlands residents
welcomed as Australian Citizens

Nedlands Community Care's
oldest client was **102** in January
2023 and still living at home
and enjoying the services

The Affinity Club had **286**
members as of June 2023

143 volunteers gave their
valued time and skills to
assist the City of Nedlands

7,269 hours were contributed
by volunteers working in
council- provided services

CITY OF NEDLANDS COMMUNITY SERVICES

The City of Nedlands takes pride in its commitment to providing essential services and facilities to our community. Our Community Service Centres, encompassing Nedlands Community Care, Nedlands and Mt Claremont libraries, the Positive Ageing Program, and Point Resolution Childcare, have consistently garnered high levels of satisfaction from our service users.

Library Services Excellence

In the MARKYT® Community Scorecard 2023 the standout performer was our library services, with overwhelming positive feedback from our community. With libraries in both Mt Claremont and Nedlands, we offer double the opportunity for our residents to access the extensive resources libraries provide. This not only enriches lives but also fosters a culture of continuous learning and literacy within our community.

Enhanced Support for Families and Children

One of the most significant achievements in the past year was our services and facilities for children and families, which have seen remarkable improvements.

Our Point Resolution Childcare service has played a pivotal role in this success. This service's commitment to providing a safe and nurturing environment for children has been recognised and appreciated by our community, making it an invaluable resource for our families.



Empowering Our Seniors

Nedlands Community Care has been instrumental in supporting our senior residents. Through in-home assistance and a wide range of engaging activities at the Waratah Club centre, we have ensured that our elderly community members receive the care and social interaction they need. The excursions facilitated by the Nedlands Community Care buses are a lifeline for many Waratah Club members, offering them vital opportunities for social engagement.

The City of Nedlands remains dedicated to enhancing the quality of life for our residents. We are committed to providing services and facilities that not only meet the needs of our community but also strive for excellence and continuous improvement. Our focus on libraries, family support, and senior care is a testament to our commitment to creating a vibrant, inclusive, and supportive community.

KEY ACHIEVEMENTS

Community Services

Childcare Services

- Point Resolution Childcare Centre (PRCC) achieved a 100% satisfaction rate in the annual parent survey.
- In a collaborative partnership with Bunnings, the children at the centre designed three garden beds which were then created with the assistance of a Bunnings community team. To reflect the children's awareness, knowledge and understanding of the Aboriginal and Torres Strait Islander perspectives, Bush Tucker plants were also planted in the garden.
- PRCC's Food Safety Program was rated as 'Exceeding' program expectations.
- PRCC worked alongside St Hildas's and Methodist Ladies College to assist students in completing required community service/work experience hours.
- An incursion was provided at the Centre through the Association for the Welfare of Children in Hospital WA Branch program. The Hospital Inclusion Program is designed to prepare young healthy children for possible hospitalisation or visits to the doctor or dentist.
- There were seven special events at the Centre where family members were able to attend.

Positive Ageing

- Seniors participating in the Positive Ageing Program created 88 Trauma Teddies for the Red Cross.
- The Waratah Walkers seniors walking group celebrated 14 years of walking.
- The Positive Ageing Team worked with exercise professionals at UWA to provide workshops encouraging seniors to exercise and improve their health.
- 18 different weekly activities were available for people aged 55+.
- 6 information sessions were held with a 95% average satisfaction rating.

Nedlands Community Care

- Nedlands Community Care provided home care services to 220 clients within the City of Nedlands.
- The Waratah Club participated with our senior clients to visit surrounding Perth areas to prevent social isolation.

EXPRESSING GRATITUDE

A Tribute to Nedlands Community Care

For over four decades, the City of Nedlands has been unwavering in its mission to support our senior community members in the pursuit of independent living. Located at 97 Waratah Avenue, Dalkeith, Nedlands Community Care has been a beacon of hope and assistance to countless seniors since 1982. Despite evolving operational landscapes and changes in government funding over the years, our commitment to enabling our seniors to age in place, within the comfort of their homes, has remained steadfast.

Over the years, NCC, as it has been affectionately known, has extended vital support to eligible seniors through the Commonwealth Home Support Program (CHSP). This program has been the cornerstone of our efforts to enhance the lives of our cherished senior citizens.



In a significant decision taken at the Council Meeting in February 2023, after careful consideration, the Council has resolved to discontinue the provision of Federal Government-funded CHSP services at NCC, effective from 31 December 2023. While this decision marks the end of an era, it also signifies a new beginning.

The commitment of the City of Nedlands to serve and support our seniors remains as strong as ever. With a deep-rooted belief in the importance of providing holistic care and opportunities for engagement, the Council has unanimously endorsed the expansion of the Positive Ageing Program. This expansion is aimed at delivering an array of services and activities tailored to keep our seniors active, engaged, and connected.

The Positive Ageing Program's expansion represents our continued dedication to the well-being of our senior community members. While NCC as we know it will undergo a transformation, our promise to empower our seniors and enhance their quality of life remains unwavering. We are excited to embark on this new journey, fostering an environment where our seniors can thrive and remain an integral part of our vibrant community.

The City of Nedlands extends its heartfelt gratitude to NCC for its long-standing service and its invaluable contributions to our seniors' well-being. We look forward to embracing the future with renewed enthusiasm and a commitment to the positive ageing of our cherished seniors.

CELEBRATING PUBLIC ART

“Safe Guard” by Denise Pepper and Matthew McVeigh

The City of Nedlands proudly introduced the public artwork, “Safe Guard,” situated in Dot Bennett Park. This striking creation stands as a heartfelt tribute to the unwavering dedication of frontline health workers who valiantly safeguarded our community during the challenging times of the COVID-19 pandemic. “Safe Guard” is the collaborative masterpiece of esteemed Western Australian artists, Denise Pepper and Matthew McVeigh.

Strategically positioned in close proximity to the health precinct, “Safe Guard” serves as a beacon of gratitude and recognition for those who stood on the front lines

During the evening hours, “Safe Guard” comes to life with internal lighting that illuminates the artwork, casting a warm and inviting glow over the surroundings.

Initiated by the City's Public Art Committee, “Safe Guard” stands as a testament to the City's commitment to the arts and to commemorating the resilience and dedication of our frontline heroes. It marks the 19th addition to the City's ever-growing public art collection.

Artist's statement

In the words of the artists, “Safe Guard” is an embodiment of gratitude and respect for frontline health workers. Health workers risk their lives, while helping to save the lives of others, but too often this dedication goes unrecognised. At this poignant time in history their contribution has been more dedicated and more recognisable.



Safe Guard Public Artwork at Dot Bennett Park February 2023.

Community Development

Community Development

- On 20 February 2023, the City launched the commissioned artwork 'Safe Guard', a tribute to Health Workers.
- 3 Citizenship Ceremonies were held in October 2022 and January and May 2023. 55 people attended in total and received their citizenship.

Community Programs and Events

- A Remembrance Day Ceremony was held in partnership with the Nedlands RSL Sub-Branch on 11 November 2022 at the Perth War Cemetery. 300 community members attended.
- Summer Concerts were held across February 2023 at Lawler Park, Mason Gardens, Allen Park and Dot Bennett Park. 2,000 community members attended.
- 350 community members attended the 2023 Anzac Day Ceremony. This event was a partnership with the Nedlands RSL Sub-Branch.

Sport and Recreation

- The City of Nedlands boasts seven sporting complexes hosting a diverse range of 23 sporting codes. These facilities serve as vibrant hubs for the community, offering widespread access to various sporting activities.

- | | | |
|-------------------|------------------|---------------------|
| • 3 cricket clubs | • 3 tennis clubs | • 1 lifesaving club |
| • 2 rugby clubs | • 2 yacht clubs | • 1 futsal court |
| • 3 AFL clubs | • 2 golf courses | • 1 sand volleyball |
| • 2 hockey clubs | • 2 bowls clubs | |
| • 2 soccer clubs | • 1 croquet club | |

Facilities are also used for archery, gridiron and ultimate frisbee.

- The City of Nedlands proudly boasts the western suburbs' most extensive sporting infrastructure. Providing the community with access to sport fosters community engagement, and promotes health and well-being across all ages and abilities, serving as the bedrock of our community's vitality.

Volunteer Services

- The City's Volunteer Service has continued to attract and retain excellent volunteers.
- Each volunteer generously contributes over 4 hours per month, resulting in a staggering total of more than 7,269 volunteer hours.
- Volunteers have been integral enabling the City to extend and enhance its services beyond those provided by staff.
- The City's Volunteer Service was successful in attaining a National Volunteer Week Grant 2023 from Volunteering WA and funded by Lotterywest. The grant was used to provide a small gift of appreciation to each volunteer. A letter of recognition from the Mayor and Chief Executive Officer was also given to the volunteers.
- The City hosted an Annual Volunteer Appreciation celebration. All volunteers who contributed throughout the year were invited to the celebration, which involved formal thankyou speeches from the Mayor and Chief Executive Officer.

Youth Development

- FlipShore was held in March 2023 at Paul Hasluck Reserve. This was a new event that attracted keen skateboarders and BMX riders across the City to partake in a skateboarding and BMX workshop. 100 community members attended.
- The Youth Grants program supports the YouthCare Chaplaincy services, and individuals seeking funding to attend local, national and international programs in the areas of sport and community.
- The City supported Nedlands and Hollywood Primary Schools Swimming Pools through its pool subsidy program, allowing the wider community to access the school's facility.
- The Emerge: Youth Art Awards 2022 showcased a record-breaking number of young artists aged 12-25 years. There were 126 entries of outstanding paintings, prints, photography and sculptures, with the winners sharing a \$2,250 prize pool.



CELEBRATING OUR INVALUABLE VOLUNTEERS

Our volunteers are the heartbeat of our community, and their dedication is nothing short of exceptional. They play a pivotal role in extending and enriching the services provided by our staff. On average, each volunteer generously contributed over 4 hours per month, resulting in a staggering total of more than 7,269 volunteer hours.

The Australian Bureau of Statistics, in their 2020-21 report, values the work of an average volunteer at \$46.62 per hour. This highlights the incredible impact our volunteers have on our community. In the 2022-23 financial year, the 7,269 hours of volunteering within Council-provided services equate to a donated benefit of over \$338,880 to the City. This financial value underscores the significant contribution our volunteers make, not only to our organisation but to the broader community as well.



Beyond the economic aspect, our Volunteer Service program provides numerous benefits to our dedicated volunteers themselves. In our 2023 Volunteers Annual Satisfaction Survey, our volunteers expressed their high regard for the following benefits:

- building new friendships
- enhancing community connections
- meeting community needs
- gaining valuable experience, and
- boosting self-confidence.

We extend our heartfelt gratitude to every one of our dedicated volunteers for their unwavering commitment, their investment of time and energy, and their tireless efforts.

Planet

KEY FACTS

The City has **25,000** trees in streets, parks and reserves

The City's public realm trees store approximately **4000** tons of carbon

10,568 tonnes of domestic waste collected

4,000 plants sold in the Annual Native Plant Subsidy Scheme

Planted approximately **17,000** local provenance seedlings across bushland and greenways

Managed approximately **63** hectares of bushland for biodiversity conservation

431 health inspections conducted

20 new food businesses registered

Waste diverted from landfill:

- **2,148** tonnes of recyclables
 - **4,023** tonnes of FOGO waste
 - **19** tonnes of household Hazardous waste
 - **13** tonnes of e-waste and mattresses
-

KEY ACHIEVEMENTS

Health and Compliance

Environmental Health

- Protected community from environmental health related illnesses and diseases through ongoing compliance inspections.
- Continued to lead Western Suburbs Regional Organisation of Councils local governments on coordinated mosquito management including monitoring and public messaging.
- Proactively ensured asbestos compliance and collaborated with WorkSafe to address non-compliance concerns raised from local residents.

Environment Conservation and Sustainability

- Worked in collaboration with Hollywood Primary School on its Bush School Program, improving students' local knowledge of culture and the environment.
- Worked in collaboration with Dalkeith Primary School for Schools Tree Day at Point Resolution Reserve.
- Provided erosion control at Mt Claremont Oval Bushland and Allen Park.
- Successful completion of the development of a rehabilitation concept plan for a greenway development project at foreshore Reserve 28307 in Dalkeith.
- The City of Nedlands became a signatory to the United Nations Sustainable Development Goals on 27 September 2022.
- 17,000 local provenance seedlings were planted across bushland and greenways to help protect and enhance the natural environment.

SUSTAINABLE DEVELOPMENT GOALS



Sustainability is at the forefront of the City of Nedlands' operations.

At its meeting held on 27 September 2022, the Council approved the City to become a signatory to the United Nations Sustainable Development Goals. This means that the City of Nedlands has committed to implementing the Sustainable Development Goal's aspirational (strategic) intent locally by:

- Strategic integration with the Integrated Planning and Reporting Framework
- Proactive communications of the City of Nedlands' commitment to sustainability and delivering of sustainable development outcomes, and
- Continuous improvement and maturation of the City of Nedlands Corporate Reporting Framework to include and enhance localised sustainability targets, indicators and reporting.

What are the Sustainable Development Goals?

At a historical United Nations (UN) Summit held in 2015, world leaders adopted the 17 Sustainable Development Goals, which form a universal sustainability framework within the 2030 Agenda for Sustainable Development. These goals officially came into force globally on 1 January 2016. The aspirational focus of the Sustainable Development Goals is to provide a holistic approach to creating a sustainable future for our planet, communities, families, and economies. This includes eradicating absolute poverty, achieving economic growth, meeting social needs (such as education, health, social protection, and job opportunities), and addressing climate change and environmental protection issues.

What are they important?

The City of Nedlands is committed to assisting in providing a sustainable future for its community. The Sustainable Development Goals aspirational (strategic) intent is being integrated into the Integrated Planning and Reporting Framework which includes the major review of the Strategic Community Plan and Corporate Business Plan and development of the Council Plan. From ensuring financial sustainability of the services and projects delivered to the community, to environmental sustainability, protecting and nurturing the natural environment, greening the City and being proactive with environmentally friendly waste management practices, sustainability is at the forefront of the operations.

Park Services

Arboriculture

- Planted 545 new street trees, resulting in a net increase of 396 trees.
- Reviewed the approved species list to remove trees at a heightened risk of Polyphagous Shot Hole Borer infestation.
- Continued the maintenance of the 25,000 public realm trees.
- The City's canopy coverage is currently estimated at 20%.
- 46% of the City's total urban forest canopy is in the public realm, in only 36% of the area.



GREENING THE CITY AND PROTECTING THE NATURAL ENVIRONMENT

A key element of the City's efforts to support and protect the natural environment is tree planting and environmental conservation programs.

An established tree canopy in the urban environment provides proven economic, environmental, psychological and physical benefits and is one of the most economic and effective methods by which local governments can address climate change adaptation and mitigation.

In the 2022-23 financial year, the City planted 545 new street trees, resulting in a net increase of 396 public realm trees. Additionally, the City planted 17,000 local provenance seedlings in its environmental conservation reserves across bushland and greenways to help protect and enhance the natural environment.

5,300 local provenance species were planted along Swanbourne's coastline to increase habitat and improve ecological corridors. This significant project was made possible thanks to grant funding and a partnership with the Swanbourne Coastal Alliance.

Revegetation and landscaping works were carried out in the Marlow area, including the replacement of roses across four beds at the Peace Memorial Rose Garden. These efforts are part of the City's ongoing winter planting maintenance program, ensuring the continued healthy condition of landscaping throughout the City.

The City's focus on the Urban Forest and Environmental Conservation Reserves over the last 10 years has led to the City of Nedlands currently having one of the highest urban canopy in Perth, standing at 20% based on 2020 figures. As a comparison the less successful Perth metropolitan suburbs have less than 10% canopy cover.

The City continued to work closely with the Department of Primary Industries and Regional Development (DPIRD) to manage the Polyphagous Shot Hole Borer (PSHB) infestation. This involved a number of tree removals and treatments in both the private and public realm. The approved street tree species list was reviewed and updated in line with recommendations from DPIRD subject matter experts to remove species most at risk of PSHB, ensuring future resilience of the City's trees to this damaging pest.

The City successfully achieved the 2018-23 Urban Forest Strategy target of a 10% increase in potential urban canopy in the public realm. This accomplishment was made despite the impacts of the COVID-19 pandemic and the substantial loss of trees due to the PSHB outbreak, and it stands as a testament to the ongoing support of Council, community and the dedication of City staff.

'Streetscape, trees and verges' were identified as strengths and continued priorities in the MARKYT® Community Scorecard 2023. Growing and supporting the urban forest remains a key strategic focus for the City. The City is currently preparing to review the Urban Forest Strategy, with a major update proposed for the 2023-24 financial year. The new strategy will emphasise finding ways to encourage the support and growth of the Council, the community, and the dedication of City staff.

Valuing and protecting mature trees

The Council has proposed significant changes to the local planning framework aimed at conserving established trees. Upon approval by the Western Australian Planning Commission, landowners will need to seek permission before removing trees on private land which will contribute to the preservation of the urban tree canopy.



Assets

Waste Services

- Successful implementation of the Food Organics, Garden Organics (FOGO) kerbside 3- bin collection has achieved a diversion rate of over 64%, a remarkable improvement from the previous rate of 48-49% prior to its implementation.
- More than 80% of residents are using the standard bin service (120L rubbish bin), contributing to reduced waste generation.
- The City's overall waste generation decreased by 7% compared to the previous year, totalling 11,333 tonnes.
- The City is a recognised leader in waste management and source separation within the state, with an impressive track record of achieving a high diversion rate, offering competitive waste charges, and consistently attaining high levels of customer satisfaction.
- The waste team delivered a Waste Education Program for students at local primary schools.
- The City diverted 1,200 tonnes of concrete and 5,500 tonnes of asphalt from landfill by re-using these materials in other roadworks and maintenance projects.

SUSTAINABLE WASTE MANAGEMENT

The City aims to achieve the State Government's target of diverting 65% of waste from landfill by 2030.

In November 2022, The City of Nedlands proudly launched its Food Organics Garden Organics Program (FOGO). Over 8,000 households enthusiastically embraced the program, showing their commitment to reducing landfill and championing sustainability.

The communication and engagement campaign included activations at key community events, such as the Mt Claremont Markets and the City's Summer Concert Series. Social media and local press were used to create broader awareness.

The high adoption rate within the first six months made Nedlands one of the leaders in the state. The City of Nedlands is proud of this sustainability milestone and thank our community members for their wholehearted participation.

The FOGO program has been highly successful in achieving multiple positive outcomes. It has not only had a substantial impact on environmental sustainability by diverting on average 150 tonnes of food waste per month from landfill, sustainability but has also fostered community engagement and brought economic advantages to the state.

The volume of the recycling bin has increased due to improved source separation, thereby reducing the contents of the waste bin, which is collected fortnightly.

The high material recovery rate of 64% is evidence that residents have adapted well to the three-bin FOGO service.

Our approach is to implement effective environmental management practices that consider the most cost-effective outcomes for ratepayers while also diverting the maximum percentage of waste away from landfill.

//

It has not only had a substantial impact on environmental sustainability by diverting on average 150 tonnes of food waste per month from landfill, sustainability but has also fostered community engagement and brought economic advantages to the state.



Give it a FOGO



Recyclables

- ✓ Aluminium, steel cans
- ✓ Glass bottles & jars
- ✓ Plastic bottles & containers
- ✓ Cardboard (flattened)
- ✓ Paper (not shredded)

FOGO

- ✓ Food scraps
- ✓ Garden waste
- ✓ Pizza boxes
- ✓ Tissues & cardboard
- ✓ Compostable liners



General waste

- Or take to a REDcycle bin
- ✓ Soft plastics





Place

KEY FACTS

Replaced approximately **5,500** tons of asphalt road surfaces

Over **100** Traffic Management Plans were reviewed, authorised, and implemented

Over **60** Vehicle Crossover approvals reviewed and approved

The City has **69** parks including over 25 Hectares of active sports fields

The City used **671,928** Kilolitres of irrigation groundwater over the year (6.9% below budget)

386 monthly horticultural maintenance programs were completed across the City's Parks Reserves and public realm

199 new dwellings approved in the City, with 134 of these located within "infill" areas

36 reviews of larger proposals undertaken by the City's Design Review Panel

442 building applications granted

1,126 pool inspections conducted

Issued **4,144** infringement notices

KEY ACHIEVEMENTS

Urban Planning

Urban Planning – Strategic

- Council adopted the Stirling Highway Strategy and associated scheme amendment in May 2023.
- Council adopted the Precinct Local Planning Policies for Broadway and, Hollywood/Hampden in March 2023 and the residential areas behind the Stirling Highway corridor in April 2023.
- Detailed work was undertaken on development of the Public Open Space Strategy.
- Scheme Amendment 13 was initiated, focusing on height, vehicle access, trees and overshadowing for properties fronting Stirling Highway.

Urban Planning – Statutory

- Reviewed the City's Design Review Panel process.
This helped improve the quality of proposals submitted.
- Implemented new setback and other deemed-to-comply and acceptable outcome requirements in the Broadway, Stirling Highway and Hollywood / Hampden infill areas.



Building Services

Building Services

- All building applications were issued within statutory timeframes.
- 56% of properties inspected for pool compliance were compliant at first visit.
- 241 verge use permits were granted and tracked.
- Shared services collaboratively provided pool inspection programs for the Town of Claremont and Shire of Peppermint Grove, conducting 394 pool compliance inspections.
- Shared services collaboratively provided building application assessment for the Shire of Peppermint Grove, Town of Cottesloe, Shire of Waroona and the Shire of Boddington, assessing 235 building applications.

Health and Compliance

Ranger Services

- Implemented licence plate recognition technology.
- Unplanned bushfires occurred at Shenton Bushland on 26 February and 5 May 2023. The City's Environmental Health, Environmental Conservation and Ranger Services worked closely with the Department of Fire and Emergency Services (DFES) ensuring public safety and usability of the bushland.
- 3,026 dogs and 777 cats were registered with the City.
- Investigated 13 alleged dog attack incidents.
- 270 infringement notice appeals received and reviewed.

Assets

Asset Management

- Council accepted the City's first Asset Management Plans for buildings, drainage, footpaths, parks, and roads, which provided greater understanding of the City's financial position and are informing the City's new Long-Term Financial Plan.
- \$1,079,590 grant funding secured for City roads and infrastructure.
- Completed revaluation on City infrastructure (roads, footpaths, drainage) and public open space assets.
- Ongoing asset management provided, of City's public infrastructure.

City of Nedlands Assets

The City maintains an approximately \$500 million diverse assets portfolio including, but not limited to, buildings, drainage, public open spaces, paths, and roads.



City Buildings

(incl. leased buildings)

95 Buildings



Urban Trees

24,225 trees



Car Parks

33 off-street car parks



Drainage

- Pits: 4,724 pits
- Pipes: 71.5km



Roads

- Network: 155km
- Laneways: 13.5km (Top surface and unsealed components)



Footpath Networks

- 155.37km (total)**
- Footpaths: 144.02km
 - Shared Paths: 11.35km



Parks

- Recreation: 211.17Ha
- Natural Areas: 31.72Ha
- Playgrounds: 38
- BBQ: 19

Transport and Development

- The City successfully secured:
 - \$300,000 in Federal Government funding to address the crash history along Vincent Street in Dalkeith.
 - Support from Main Roads WA to implement a 40km/h speed zone for the Waratah Avenue shopping precinct between Alexander Road and Adelma Road.
 - Support from Main Roads WA to implement a 40km/h area speed zone for the new Montario Quarter development in Shenton Park.
- Completed all community engagement for the Integrated Transport Strategy and prepared final report for Council endorsement.

MAJOR PROJECTS COMPLETED IN 2022-23

Smyth Road
rehabilitation

\$2.29 million

Swanbourne
Surf Club

\$2.54 million

Nedlands Infant Health
Centre Roof Renewal

\$137,280

Drainage upgrade works
at various locations

\$299,459

Draft Foreshore
Management Plan

**75% complete with
expected completion
in February 2024.**

City Projects and Programs

City Projects

- Reduced capital works construction time frames from 20 to 8 days per 100 metres.
- Recycled approximately 2,640 tonnes of concrete.
- Successfully delivered the Swanbourne Nedlands Surf Club renovation and extension – improving female change rooms and increasing Club participation.
- Recycled approximately 3,000 tonnes of asphalt.

Civil Maintenance

- Upgraded 14 crossovers to prevent stormwater on roads from entering private properties and replaced 16 grated lids with combination lids and installed 17 additional soak wells at strategic locations to mitigate flood risks.
- Ongoing flood mitigation works have resulted in a reduction of flooding instances across the City.
- Received high levels of positive customer feedback.

Building Maintenance

- Ensured the City's Building portfolio was maintained to a high standard at all times.
- Responded to 900 internal building maintenance requests throughout the year.
- Received a consistently excellent level of positive feedback on the services delivered.

SUCCESSFUL COMPLETION OF SWANBOURNE NEDLANDS SURF CLUB FACILITY UPGRADE

The substantial upgrade and extension of the Swanbourne Nedlands Surf Club facilities, valued at \$2.6 million, was successfully completed. This project included the establishment of dedicated change room and toilet facilities for females, the creation of a new storage area, and the development of a modern gym and training facility.

This was made possible through generous support and funding contributions from various key stakeholders, including Lotterywest, the State and Federal governments and the Swanbourne Nedlands Surf Life Saving Club. This collaborative effort was instrumental in its success.

The improvements to the Surf Club facilities have had a profound impact, benefiting all members. These enhancements allow the Surf Club to continue to provide a vital community service, exemplifying the commitment of the City of Nedlands to the well-being of its residents.



Mayor Argyle, Dr Katrina Stratton MLA and Surf Club President Kate Hutchinson



Parks Services

Parks Maintenance

- Proactive management of irrigation demands allowed the City to maintain groundwater consumption at 49,622 kilolitres below allocation.
- A review of service provision and staffing levels under the Workforce Plan resulted in an 21% reduction in maintenance programs to provide economic savings.
- Revegetation and landscaping of the Marlows, and replacement roses for 4 beds at the Peace Memorial Rose Garden.
- Renovation of over 25 hectares of active playing fields undertaken in the two weeks available for sports club changeover periods.



Prosperity

KEY FACTS

79,073 visits to libraries

332,476 library transactions (issues, renewals, returns and reservations)

13,878 family history database searches

2,432 hours of public PC usage within the libraries

56,811 eAudiobook circulations

32,168 eBook circulations

1,515 eMovies streamed

3,500 people in the community attended courses at Tresillian Arts Centre

9 Art Exhibitions showcasing 132 established and emerging WA artists

60 agreements managed by the City:

- 13 commercial
- 5 residential
- 12 management licences, and
- 30 community/sporting groups leases

75 parcels of land owned in freehold and used for civic purposes

KEY ACHIEVEMENTS

Community Services

Library Services

- 958 new library members registered.
- Bookclub sets borrowed 166 times.
- 6,075 attendees at 778 events at the libraries.
- 24,400 enquiries answered at the libraries.
- Demand for digital services increased by 13% in the use of eAudiobooks, eBooks, eMagazines and eMovies.
- There was an increase in the usage of the public PCs by 263 hours.

Community Development

Tresillian Art Centre

- The Tresillian Arts Centre received:
 - 94% customer satisfaction rate.
 - 20% increase in social media following.
 - 20% increase in art sales.
- 270 term-based courses in art, language, craft and wellbeing were delivered, a total of 2,200 classes.
- 65 school holiday workshops for children, aged 5 -16 years were held as part of the Tresillian Arts Centre School Holiday Program. There was a 30% increase in attendance in the program from last year, which provided the opportunity for 500 young adults to learn a new skill from a professional artist.
- 7 artist studios leased to professional artists and 1 studio leased to an arts collective.
- New café operator opened Tyrell's Café in May 2023.

TRESILLIAN ARTS CENTRE

The Tresillian Arts Centre program of courses continues to grow to meet community demand, with more courses offered in ceramics and children and youth arts.

The centre welcomed 14 new West Australian artists for group and solo exhibitions in 2022-23. These new artists benefited from the opportunity to exhibit new bodies of work and engage with a new audience. Attendance at the exhibition opening events and artwork sales increased by 25% and 20%, respectively, from the previous year.

The centre celebrated International Women's Day on 8 March 2023, with a lecture delivered by Emeritus Professor Richard Read on the significant Australian artist Clarice Beckett. Professor Read continues to delight the community with his extensive knowledge of art history and social commentary, delivering lectures each term on relevant artists and arts movements.





Land and Property

Land and Property

- Review of the Use of Council Facilities for Community Purposes policy completed.
- New leases for ADHD WA, St John Ambulance Event Training and Leo Heney established.
- Review of facility utilisation completed.
- Review of the Land Assets Strategy commenced.



Performance

KEY FACTS

Total operating revenue
2022-23 - **\$40,374,761**

Total rateable properties
2022-23 - **9,204** properties

Total rates income
2022-23 - **\$25,639,183**

2500+ Information Technology
support requests serviced

Circa **180,000** records classified

76 community members participated
in the FUTYR® Community Workshops,
assisting in the development of the
City of Nedlands new Council Plan

The City's Fleet consists of:

- 11 trucks
- 18 utilities
- 2 tractors
- 3 loaders
- 2 out front mowers, and
- 29 cars and buses.

1,686 community members participated
in the MARKYT® Community Scorecard

KEY ACHIEVEMENTS

Governance, Legal and Risk / Council Support

Governance and Risk / Members of Council

- Completion of the mandated Ward and Representation Review in February 2023. As part of the State Government's reform package for local government, all local governments in 2022 were required to consider their Ward and Representation structures. Impacted local governments were required to reduce Councillor representation numbers in response to proposed amendments to the *Local Government Act 1995* (s. 2.17A) that would set maximum limits on Councillor numbers based on the population of a district. At its 13 February 2023 Special Council meeting, Council resolved to:
 - Retain its ward structure.
 - Amend its ward boundary between the Hollywood and Coastal Ward to ensure representational equity (elector to councillor ratio) across the wards within the district. This meant that residents in the area bounded by Camelia Avenue to the North, Lantana Avenue to the West, Brockway Road to the East and Alfred Road to the South, (formerly in the Coastal Ward) were now electors in the Hollywood Ward.
 - The Coastal Districts Ward was renamed Coastal Ward.
 - The number of Councillors was reduced from 12 to 8 effective at the 2023 Ordinary Local Government elections.
 - The number of Council offices per ward was reduced from 3 to 2, effective at the 2023 Ordinary Local Government Elections.
- On 30 June 2023, the Local Government (Nedlands – Change to Wards) Order 2023 was published in the Government Gazette (GG 20 June 2023 p 2,425 – 2,427).



Strategic Planning and Performance

Strategic Planning and Projects

- Significant progress made with the continuous enhancement of the City's Integrated Planning Framework including:
 - Commencement of major review of the Strategic Community Plan and Corporate Business Plan.
 - Development and Council adoption of Informing Strategies and Plans including the Long-Term Financial Plan (February 2023) and Asset Management Plans (March 2023), which are integrated with the Annual Budget, Workforce Plan and Service Plans.
 - Annual Service Planning successfully administered.
- Conducted the MARKYT® Community Scorecard 2023 in March and April 2023, as part of the major review of the Strategic Community Plan and Corporate Business Plan. The last time the community was surveyed was in 2016 with only 435 community members participating. In 2023, 1,686 community members responded and 91,364-word count of ideas and suggestions were received.
- The MARKYT® Community Scorecard 2023 provided an opportunity to identify contemporary community priorities, information which is being used to inform the development of City of Nedlands new Council Plan (the updated and combined Strategic Community Plan and Corporate Business Plan) due to be finalised in late 2023. The Council Plan, which will supersede the City of Nedlands Strategic Community Plan 2018, will shape the delivery of services and projects to the community.
- Top 5 community priorities identified in the MARKYT® Community Scorecard 2023:
 - Responsible Growth and Development
 - Planning and Building Approvals
 - Streetscape, Trees and Verges
 - Activation of Town Centres / Local Shopping Areas
 - Sustainable Practices / Climate Change

INTEGRATED PLANNING AND REPORTING FRAMEWORK

The Integrated Planning and Reporting Framework provides the foundation for the City's operations, assisting the City with the translation of the community's priorities into financially sustainable services and projects.

Throughout 2022-23 the City prioritised continuous improvement and maturation of the Integrated Planning and Reporting Framework, building upon the work that began in 2021-22 prompted by an Organisational Review (June 2022). The Organisational Review identified the majority of the City's Integrated Planning and Reporting Framework components were either outdated or non-existent, flagging non-compliance with the *Local Government Act 1995* requirements.

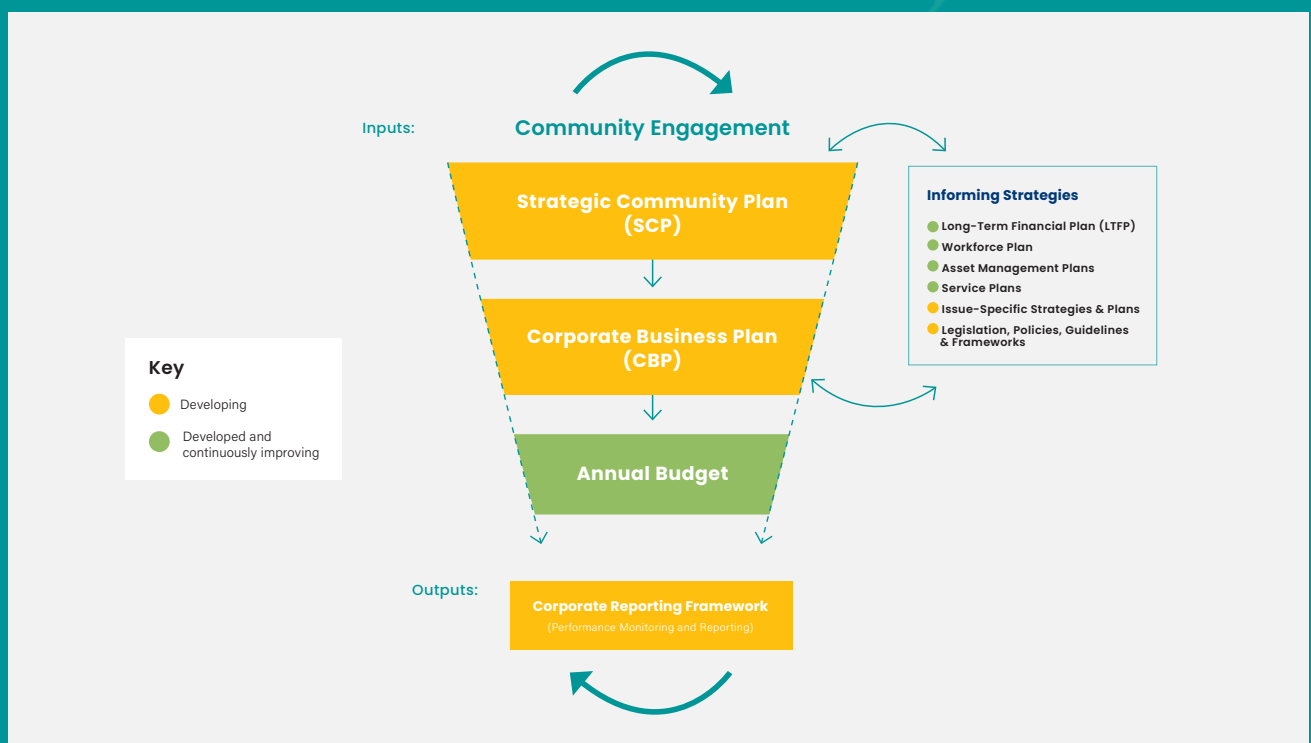
In 2021-22, the City developed and began implementing its first Workforce

Plan and a Service Planning approach. Simultaneously, significant progress was made in developing Asset Management Plans and the Long-Term Financial Plan.

In 2022-23, these plans were finalised and adopted by Council. In December 2022, the City then commenced a major review of the Strategic Community Plan and Corporate Business Plan.

The below infographic shows the status of the Integrated Planning and Reporting Framework at the end of the 2022-23 reporting period.

The City is committed to continue its improvement journey with the Integrated Planning and Reporting Framework in 2024-24 to ensure best practice and sustainable delivery of services and projects to the community.



DEVELOPING THE COUNCIL PLAN

In December 2022, the City appointed CATALYSE® to assist with facilitating a major review of the Strategic Community Plan and Corporate Business Plan. This process included extensive community consultation to identify and test contemporary community priorities, and development of the City's new Council Plan, a combined Strategic Community Plan and Corporate Business Plan, fully integrated with newly developed Integrated Planning and Reporting Framework.

Between December 2022 and February 2023, a desktop review of the City's Integrated Planning and Reporting Framework and other key documents and studies was conducted to form the basis of the Council Plan. Further development was made through extensive community consultation processes including the MARKYT® Community Scorecard in March and April 2023, and Community Workshops with Council, the Administration and community members in June 2023.

The Draft Council Plan is planned to be available for final community feedback in September and October 2023, and Council adoption in November 2023.

Why a Council Plan?

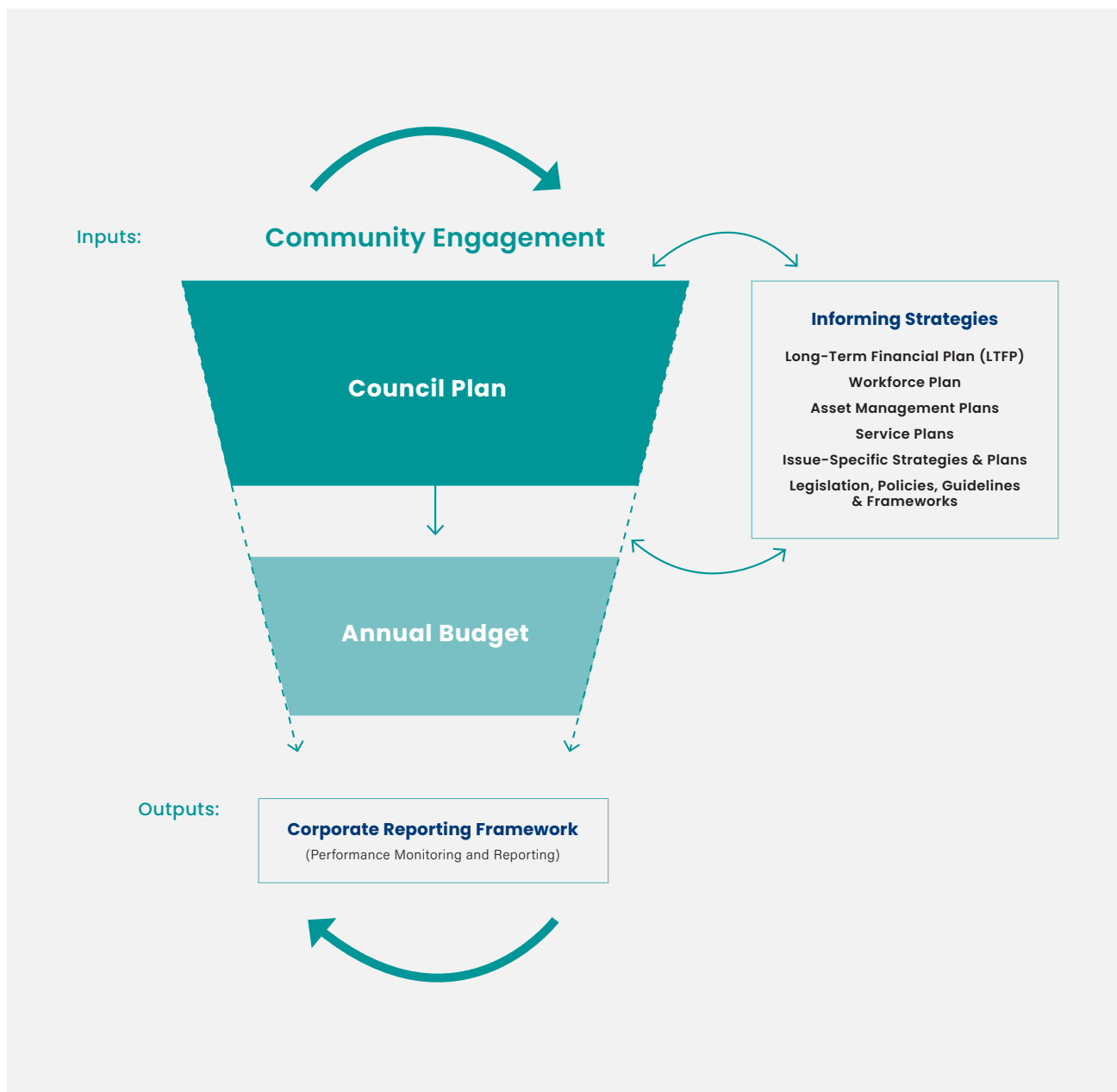
The Council Plan approach aligns with local government reform recommendations to simplify Integrated Planning and Reporting Framework for the community and local governments and address the inherit overlap and duplication that often occurs between the two plans.

Why's the Council Plan important?

The Strategic Community Plan is the strategic foundation for local governments' Integrated Planning and Reporting Framework as it details the community's vision and priorities for the local area. The Corporate Business Plan, with guidance from informing strategies and plans including, but not limited to the Long-Term Financial Plan, Workforce Plan and Asset Management Plans, translates the community's vision and priorities into the services and projects local governments provide to the community. The Council Plan combines both Strategic Community Plan and Corporate Business Plan intents into a single document, providing a clear, collaborative and accessible vision and delivery program for the Nedlands community, Council and Administration.



The Council Plan combines both Strategic Community Plan and Corporate Business Plan intents into a single document, providing a clear, collaborative and accessible vision.



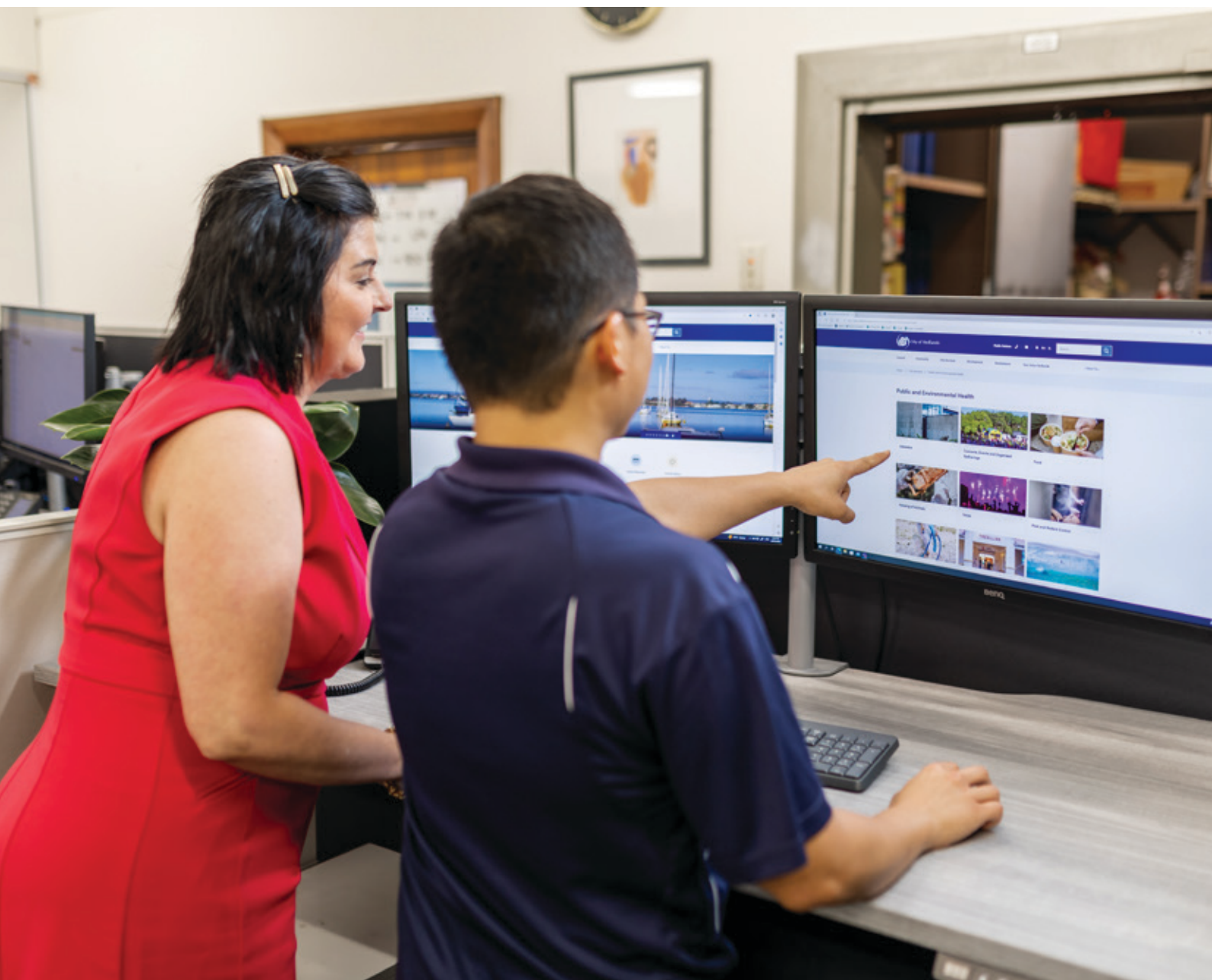
Why wasn't the Council Plan developed first?

Theoretically, a Strategic Community Plan should be developed first as it provides the strategic foundation for local governments' Integrated Planning and Reporting Framework. At the City however, given the findings of the Organisational Review (June 2022), the Council and the Executive Management Team prioritised development of the Long-Term Financial Plan, Workforce Plan and Asset Management Plans, to understand the current state of operations and to establish ongoing financial sustainability of the City's service and project delivery. Prioritising these Informing strategies and plans has been critical in the development of a contemporary and robust Council Plan.

Communications and Engagement

Corporate Communications

- In November 2022 the City's FOGO service commenced. A targeted communications campaign educated the City's 8,372 households on the value of the three-bin service. The campaign activities included a comprehensive digital and print media campaign, community education forums and an activation at Mt Claremont Farmers Markets.
- In October 2022 the City sought community feedback on Scheme Amendment No.12 to the City of Nedlands Local Planning Scheme No. 3 (the Scheme) proposes to insert a new clause requiring development approval to be obtained prior to the removal, destruction or damage of trees meeting certain criteria from Residential lots with a coding of R20 or lower. The community consultation campaign was the highest performing project in 2022-23 receiving 775 submissions, 91.5% supportive of the proposal is currently with the State Government.



Human Resources

Human Resources / Health and Safety

- Implemented Human Resource Management and Recruitment modules as part of the Enterprise Resource Planning OneCount Project. This replaced the previous systems for employee record capture, recruitment and reporting and is integrated with finance and payroll modules.
- Developed the Equal Opportunity and Diversity Plan in accordance with the *Equal Opportunity Management Act 1984*, which required all government entities to develop a Plan and lodge it with the Public Sector Commission. The Plan, including milestones and initiatives, is aimed at: creating a skilled workforce that reflects the diversity of the City's community and workforce and continuous improvement in service delivery.
- Established Bargaining Committees - comprising of City management, unions and employee representatives to negotiate replacement inside and outside workforce agreements- in-line with changed local government coverage from Federal to State.
- Reviewed the Workplace Health and Safety Management Plan and Key Result Areas.
- Developed a framework to ensure continuous improvement in Workplace Health and Safety.
- Workers' compensation claims were significantly lower with preventative practices leading to lower lost time injury costs.

Information and Communication Technology

Information Technology

- Zero outstanding Information Technology Audit and Risk Committee items.
- Zero known cyber security breaches in 2022-23.
- 2500+ Information Technology support requests serviced by the Information Technology Team.

Information and Knowledge Management

- Circa 180,000 records classified by the Information and Knowledge Management Team.
- 14 Freedom of Information requests received and serviced.
- 5 police requests received and serviced.
- Automated the Record Management classification in the Records Management system.

OneCouncil Project

- Enterprise Resource Planning OneCouncil Project continues to enhance the City's strategic focus on overall efficiency, transparency, and service delivery. In 2022-23, progress was made as follows:
 - 9 modules implemented and embedded into service delivery including financial management, supply chain management, payroll, customer request management, enterprise content management, enterprise budgeting, e-recruitment, asset lifecycle management and DXP meetings.
 - 15 modules underway which include all revenue and compliance functions
- Significant business improvements made in 2022-23 as a result of the OneCouncil Project include:
 - Decommissioning of systems previously used for business operations.
 - Improved data capture and reporting of payroll-related information.
 - Improved project reporting, tracking, and transparency in project management.
 - Enhanced technology governance has provided critical support for the OneCouncil Project implementation and the Project Team.

Finance

General Financial Services

- Transitioned the Asset Management system as part of the Enterprise Resource Planning OneCouncil Project.
- Long-Term Financial Plan adopted by Council in March 2023.
- Completed Underground Power community consultation to assist with the development of a Business Case for the project.

Assets

Fleet

- Developed the Fleet Asset Management Plan in conjunction with Uniqco Fleet Data Analytics in May 2023.
- Reviewed light fleet operations and its mechanical workshop operations.
- Purchased the first Hybrid vehicle, as recommended in the light fleet review as an initial step towards electrification and the mandated Net Zero target.
- Commenced the reduction of light plant that require two stroke petrol by purchasing several commercial grade battery powered units.



Chief Executive Officer Key Performance Areas 2022–23

At its meeting held on 22 November 2022, Council adopted the following Chief Executive Officer Key Result Areas. Delivery status as of June 2023 detailed below.

1. Governance

Key Result Area	Key Performance Indicator	Status
Improve efficacy and efficiency of Council Meeting Agenda Forum	<ul style="list-style-type: none"> Governance Framework Policy reviewed, presented and endorsed by Council and updated on the website. 	Completed
	<ul style="list-style-type: none"> Council Member satisfaction with timeliness of Council Meeting Agenda Forums, post review of the Governance Framework Policy. 	Scheduled
Increase transparency in policy, process and communication to build the community's trust and confidence.	<ul style="list-style-type: none"> The review of business areas of concern/ priority, as identified in the Audit Plan for the next 12 months, includes auditing against related policies, processes and procedures and updating where required. 	In progress
	<ul style="list-style-type: none"> Community Engagement Policy reviewed, presented and endorsed by Council. 	On hold
	<ul style="list-style-type: none"> Council Report template for Statutory Planning items modified to include a section on the provision of the information relevant to make an informed decision. 	Completed
	<ul style="list-style-type: none"> Weekly Chief Executive Officer (CEO) Statutory Planning Update modified to indicate if all required planning information has been submitted with the application, when advertised. 	Completed
Risk Management Framework review.	<ul style="list-style-type: none"> Risk Management Framework, processes and procedures reviewed, presented and endorsed by the Audit and Risk Committee and Council. 	In progress
	<ul style="list-style-type: none"> Organisational Risk Register developed, and quarterly reporting provided to the Audit and Risk Committee and Council for oversight. 	In progress
A community engagement survey to inform the strategic planning and set the City of Nedlands benchmarks in service delivery.	<ul style="list-style-type: none"> Community Scorecard Survey delivered, and results presented and endorsed by Council as part of the Strategic Community Plan (SCP)/Corporate Business Plan (CBP) Major Review Process. 	Completed

2. Customer Service

Key Result Area	Key Performance Indicator	Status
Progress the Enterprise Resource Planning (ERP) 'One Council' Project.	• ERP/'OneCouncil' Project Status Report and Stage 2 Delivery Timeframe presented and endorsed by Audit & Risk Committee and Council.	Completed
	• Quarterly project status report provided to Audit & Risk Committee and Council.	Completed
Establish Levels of Service (LoS) for each service area.	• Levels of Service (LoS) for each Service Plan established and presented and endorsed by Council.	In progress
Improve customer request and complaints system.	• Customer requests and complaints responded to within the guidelines of the Customer Service Charter.	Ongoing

3. Project Management

Key Result Area	Key Performance Indicator	Status
Access the City of Nedlands ability to deliver the underground power program.	• Business Case for remaining project stages developed and presented and adopted by Council.	Completed
	• Community Consultation Plan developed and implemented.	Completed
	• Community Consultation Results and Project Delivery Timeframe presented and endorsed by Council.	In progress
Implement Food Organics, Garden Organics (FOGO) waste management in the city of Nedlands.	• Implement Food Organics, Garden Organics (FOGO) waste management implemented in the city of Nedlands.	Completed
	• Comprehensive community information sessions delivered.	Completed

4. Planning and Development

Key Result Area	Key Performance Indicator	Status
Develop a Foreshore Masterplan (FMP) for the development and management of Nedlands foreshore areas.	• Foreshore Masterplan (FMP) development Status Report on provided to Council.	In progress
	• Foreshore Masterplan (FMP) developed and presented and endorsed by Council.	In progress
Develop an Integrated Transport Strategy (ITS) for the City of Nedlands.	• Integrated Transport Strategy (ITS) developed and presented and endorsed by Council.	In progress
Develop a Public Open Space Strategy (POSS) to guide expenditure and cash-in-lieu public open space developer contributions.	• Public Open Space Strategy (POSS) developed and presented and endorsed by Council.	In progress
Develop a Stirling Highway Precinct Strategy for the Stirling Highway Precinct.	• Stirling Highway Precinct Strategy developed and presented and endorsed by Council.	Completed



5. Statutory

Key Result Area	Key Performance Indicator	Status
Develop a Strategic Community Plan (SCP) in consultation with the community and key stakeholders to give clear strategic direction for the City of Nedlands.	• Community Consultation Plan developed and presented and endorsed by Council.	Completed
	• Draft Strategic Community Plan (SCP) developed and presented and endorsed by Council for public comment.	In progress
	• Final Strategic Community Plan (SCP) developed and presented and endorsed by Council.	In progress
Develop a Corporate Business Plan (CBP) informed by the Strategic Community Plan (SCP) and the Service Delivery Review outcomes.	• Corporate Business Plan (CBP) developed and presented and endorsed by Council.	In progress
Finalised Long-Term Financial Plan (LTFP) to give clear financial direction to the City of Nedlands, with clear inputs from the SCP, CBP, AMPs, WFPs, projects and Budget Reviews, and including the ability for plausible scenario plans for Council's consideration.	• Long-Term Financial Plan (LTFP) finalised and presented and endorsed by Council.	Completed
Continuously improve, mature and implement the Asset Management Plans (AMPs) and related practices.	• Strategic Property Report on rationalisation of the City's assets and presented and endorsed by Council.	Not started
	• Forward Works Plan on basic to intermediate level improvement over three-years for all asset management classes, developed, and presented and endorsed by Council.	Not started
Continuously improve, mature and implement the Workforce Plan (WFP).	• Organisational Review Stage 2 completed, WFP updated, and presented and endorsed by Council.	In progress
	• Employee Attraction and Retention Strategy developed and presented and endorsed by the Executive Management Team.	In progress
	• Workforce Full-Time Equivalent' (FTE) dashboard analytics developed and reported to Council.	Completed

Statutory compliance

The following section details the City of Nedlands reporting of statutory compliance requirements for the 2022-23 reporting period.

Employee remuneration

There were 16 employees entitled to an annual cash salary of \$130,000 or more. A summary is provided below.

Annual cash salary	Number of employees
\$130,000 - \$139,999	1
\$140,000 - \$149,999	2
\$150,000 - \$159,999	5
\$160,000 - \$169,999	4
\$170,000 - \$179,999	0
\$180,000 - \$189,999	0
\$190,000 - \$199,999	0
\$200,000 - \$209,999	1
\$210,000 - \$219,999	0
\$220,000 - \$229,999	2
Above \$230,000	1

Note: The table above reports the annual cash component only and includes the CEO.

Remuneration and Allowances paid to the Local Government Standards Panel

\$6,120 was paid by the City in sitting fees to the Local Government Standards Panel when findings were made.

Payments Ordered by the Local Government Standards Panel

The amount ordered by the Local Government Standards Panel to the City was \$0.

CEO Remuneration

The CEO's remuneration package was \$300,000 (including salary, allowances, fees, emoluments, and benefits).

Council Member Attendance

Council Member	Council Meeting (11)	Special Council Meeting (5)	Council Meeting Agenda Forum (11)	Audit & Risk Committee (4)	Chief Executive Performance Review Committee (5)	Public Art Committee (1)	Workforce Plan Implementation Committee (1)	Integrated Transport Strategy Committee (1)	Foreshore Management Steering Committee (2)
	Council member attendance								
Mayor FEM Argyle	9	5	9	2	5	1	1	1	LOA
Cr LJ McManus (Deputy Mayor)	9	5	10	3	N/A	N/A	N/A	N/A	N/A
Cr H Amiry	10	4	10	1** & 1	5	N/A	1	**1	**1
Cr KA Smyth	11	4	11	**1	N/A	1	**1	1	2
Cr B Brackenridge	11	5	8	N/A	N/A	1		1	1
Cr R Senathirajah	11	5	11	4	N/A	N/A	N/A	N/A	N/A
Cr RA Coghlan	11	5	10	N/A	5	1	**1	**1	**1
Cr FJO Bennett	11	5	11	**1	**1	N/A	**1	1	2
Cr AW Mangano	11	4	11	4	**4	N/A	1	**1	**1
Cr NR Youngman	7	5	6	N/A	5	1	N/A	N/A	N/A
Cr OJ Basson (until 23 April 2023)	6	3	6	N/A	N/A	N/A	N/A	N/A	N/A
Cr O Combes	9	4	7	3	4	N/A	N/A	N/A	N/A
Cr BG Hodsdon	10	4	9	N/A	N/A	N/A	1	1	1

Council (1) = Number of meetings held

N/A = Council Member not required to attend

LOA = Leave of absence

****** = Observer

Council Member Information

It is not known how many Council Members identified as Aboriginal or Torres Strait Islander, or their age, gender, country of birth or linguistic background.

Modifications to Strategic Community Plan and Corporate Business Plan

The City's Strategic Community Plan, Nedlands 2018-28 was adopted by Council at its meeting held on 22 May 2018 and due for major review in 2022-23. The City does not have a valid Corporate Business Plan, as the Corporate Business Plan 2013-2017 was not reviewed or updated since its development. Major review of both plans commenced in December 2022.

Trading Undertakings

No trading undertakings were undertaken by the City.

Land Transactions

No land transactions were undertaken in by the City.

Council Member Fees, Expenses and Allowance

Council Member remuneration is reported in the Financial Statements under the 'Related Party Transaction Note'.

Capital Grants, Subsidies and Contributions

Capital grants, subsidies and contributions are reported in the Financial Statements under the 'Revenue and Expenses Note'.

Council Member Complaints

A summary of Council Member complaints is provided below:

- 15 Complaints recorded and referred to Standards Panel.
- 2 Complaints with findings of no breach by Standards Panel.
- 8 Complaints with findings of refusal by Standards Panel.
- 0 Complaints with findings of Breach by Standards Panel.
- 5 Complaints with an investigation still in Progress.

Records Keeping Statement

The City is committed to best practice record keeping and compliance in accordance with the *State Records Act 2000* and best practice standards. The City's current Record-Keeping Plan, RKP2023, was submitted to the State Records Office in March 2023 and awaiting approval later in 2023. In accordance with the *State Records Act 2000*, RKP2023, is due to be reviewed again (every 5 years) by the State Records Office by March 2028.

Evaluation of Information Management Systems

The City continuously reviews, adapts, and initiates new business processes and systems to improve capture, manage and store business intelligence across the organisation. The City has been utilising MS SharePoint365 - Electronic Documents and Records Management System (EDRMS) since 2016. RecordPoint365 was introduced in 2021 and continues to work alongside Sharepoint, to utilise its records classification, retention, and disposal features to comply with State Records Office legislative requirements.

Further, the City went live in 2021-22 with its Enterprise Resource Planning (ERP) system 'OneCouncil' which included an Enterprise Content Management (ECM) component allowing for better records management practices.

Overall innovative improvements to the systems will equip the City to adapt to Open by Design concept introduced by the Office of Information Commissioner to responsibly publish and release information to the public in the near future based on *Freedom of Information Act 1992*.

Information Management Training and Awareness

City's Information Management team runs various educational and refresher sessions throughout the year to re-educate staff on their local government records management responsibilities.

Record-keeping induction training is one of those that all new employees attend. All training and educational programs are regularly reviewed to comply with State Records Office and Office of Information Commission and to add value. Annual Freedom of Information workshop/information sessions is in place to educate City staff on Freedom of Information responsibilities.

Further an online records refresher training quiz is in place for staff to measure their records knowledge at their own pace. City's Information Management staff also undertake records keeping training on a regular basis, as well as attend monthly and quarterly local government records forums for networking, information, education, and knowledge sharing purposes.

Freedom of Information

A summary of the Freedom of Information processes undertaken is provided below:

- 14 valid Freedom of Information applications received.
- 3 internally reviewed and finalised
- 2 externally reviewed and decision pending
- 1 State Consultation
- 5 Police Inquiries
- 0 transferred to another agency
- 0 withdrawn by the applicant

National Competition Policy

The City has no local laws or policies that contain anti-competitive provisions.

Disability Access & Inclusion

The Disability, Access and Inclusion Plan (DAIP) 2018-19 – 2023-24 aims to improve accessibility and inclusiveness for people with a disability and their carers and families. The plan is a statutory requirement of the state government as outlined in the *Disability Services Act 1993*. The City has made a number of key achievements in this financial year.

The table below shows the outcome areas where strategies or initiatives were planned, as well as the strategies or initiatives completed during the financial year.

Outcome Areas	Number of Strategies/Initiatives			Comment
	Planned	Completed	Ongoing	
Services and Events	14	11	0	COVID-19 impacted on the delivery of some services.
Buildings and Facilities	4	4	0	
Information	5	5	0	
Services from Employees	0	0	NA	
Feedback and Complaints	0	0	NA	
Public Consultation	2	2	NA	
Employment	2	2	NA	

LOOKING AHEAD

Priorities for 2023–24

In the coming financial year, the City of Nedlands looks forward to the finalisation of major reviews of the Strategic Community Plan and Corporate Business Plan and adoption of the new Council Plan to guide service and project delivery to the community. The Council Plan is the most critical component of the City's Integrated Planning and Reporting Framework and ensure that service and project delivery aligns to the community's to priorities as identified in the MARKYT® Community Scorecard 2023:

- Responsible Growth and Development
- Planning and Building Approvals
- Streetscape, Trees and Verges
- Activation of Town Centres / Local Shopping Areas
- Sustainable Practices / Climate Change

Other key projects for 2023/24 include:

- Review the **Local Planning Framework** in collaboration with the community and State Government to agree on an approach for responsible and sustainable development that meets local community needs. When reviewing the framework consider Nedlands town centre, local community hubs, housing needs, appropriate sites for high-density dwellings, and green spaces.
- Progress **Scheme Amendment 13 - Stirling Highway** and related policies to introduce limits on building heights.
- Review and update the **Urban Forest Strategy**. This plan will include a major audit of trees on City managed lands (parks, verges, etc), the establishment of a tree asset register that is maintained regularly, and development of a plant pathogen management plan.
- Install **underground power** in Hollywood East, Nedlands West and Nedlands North precincts.
- Prepare an **Integrated Transport Strategy**, in consultation with the community and neighbouring councils to meet needs in relation to paths, cycleways, roads, parking, and public transport.
- Partner with the State Government and City of Perth to prepare a **UWA-QEII Precinct Plan**.
- Improve **water management practices** to achieve Gold Waterwise Status by 2025/26.





Financials

Understanding the Financial Statements

A guide to some of the terminology contained in the statutory financial statements.

Statement of Comprehensive Income by Nature or Type (Operating Statement/Statement of Profit and Loss)

The 'Statement of Comprehensive Income' demonstrates whether the City of Nedlands' operations were in operating surplus or deficit for the year. It shows the operating revenue and expenditure items grouped by local government program and by nature and type classification. The net result is calculated as Total Revenue less Total Expenditure. The 'Statement of Comprehensive Income' includes non-cash entries in our accounts to reflect the increase in value of community assets (buildings, roads, paths, land etc.) held by the City. A positive result does not necessarily mean that there are extra funds available for spending - nor does a negative result mean that there are insufficient funds, providing the shortfall is made up from other sources such as existing cash reserves or borrowings.

Statement of Financial Position (Balance Sheet)

The 'Statement of Financial Position' shows what the City owns (our Assets) and what it owes (Liabilities). 'Current Assets' are items that can be readily converted into cash within 12 months. Any other assets such as infrastructure, property and equipment are classified as 'Non-Current' as it would generally take longer than 12 months to convert them to cash. Liabilities that are expected to have to be paid within the next 12 months are classified as 'Current Liabilities' whilst all other liabilities are 'Non-Current'.

Statement of Changes in Equity

The 'Statement of Changes in Equity' shows how much our investment in community assets is worth. Our 'Net Worth' is calculated as Total Assets less Total Liabilities. Some of this 'Net Worth' is represented by 'Cash Backed Reserves' whilst the remainder (Retained Surplus from Prior Years and Asset Revaluation Surplus) is backed by other fixed assets rather than by cash.

Statement of Cash Flows

(Cash Flow Statement)

The 'Statement of Cash Flows' indicates how cash flows into the City and what the cash outflows are over the year. It indicates the City's ability to pay its debts, when they are due, and have money left for the future. Cash flows can occur through:

- Operating Activities (receipt of rates, fees, interest, operating grants or other revenue)
- Investing Activities (sale, purchase or construction of property, plant or equipment, capital grants), and
- Financing Activities (repayment of borrowings or proceeds of new loans)

Rate Setting Statement

The 'Rate Setting Statement' demonstrates how the City arrived at the amount of money required to be derived from Rates. In effect, it looks at the proposed expenditures then allows for funding from all sources other than rates. The remaining portion then represents the cash required to be raised from Rates. Each of these major financial statements will have cross references to the 'Notes to the Accounts' which provide more detail on how a particular number shown on the statements is made up.

Financial Statements 2022-23

CITY OF NEDLANDS
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

brought to account in the prior year because City did not obtain the control of the cloud based software. Instead the amount should be expensed.

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The City of Nedlands conducts the operations of a local government with the following community vision:

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

Principal place of business:
71 Stirling Highway
Nedlands WA 6009

**CITY OF NEDLANDS
FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

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

STATEMENT BY CEO

The accompanying financial report of the City of Nedlands has been prepared in compliance with the provisions of the *Local Government Act 1995* from proper accounts and records to present fairly the financial transactions for the reporting period ended 30 June 2023 and the financial position as at 30 June 2023.

At the date of signing this statement the particulars included in the financial report are not misleading or inaccurate.

Signed on the 26 day of February 2024



Chief Executive Officer

Tony Free

Name of A/Chief Executive Officer



CITY OF NEDLANDS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual Restated* \$
Revenue				
Rates	2(a),25	25,639,183	25,819,393	25,305,927
Grants, subsidies and contributions	2(a)	2,429,504	2,374,464	2,451,096
Fees and charges	2(a)	7,808,509	7,999,894	7,678,159
Service charges	2(a)	35,183	0	7,936
Interest revenue	2(a)	876,521	373,371	241,044
Other revenue	2(a)	1,034,831	326,560	246,812
brought to account in the prior year because City did not obtain Instead the amount should be expensed.		37,823,731	36,893,682	35,930,974
Expenses				
Employee costs	2(b)	(16,018,921)	(16,400,146)	(17,570,447)
Materials and contracts		(13,153,601)	(12,668,047)	(11,701,860)
Utility charges		(979,024)	(943,574)	(1,089,876)
Depreciation		(6,819,721)	(6,538,604)	(4,491,612)
Finance costs	2(b)	(72,410)	(77,770)	(114,275)
Insurance		(458,136)	(466,808)	(359,136)
Other expenditure	2(b)	(964,260)	(928,551)	(1,119,883)
		(38,466,073)	(38,023,500)	(36,447,089)
		(642,342)	(1,129,818)	(516,115)
Capital grants, subsidies and contributions	2(a)	2,454,615	3,669,804	1,393,561
Profit on asset disposals		35,724	0	17,938
Loss on asset disposals		(12,912)	(44,871)	(3,262)
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	7,372	0	7,993
		2,484,799	3,624,933	1,416,230
Net result for the period	24(b)	1,842,457	2,495,115	900,115
Other comprehensive income for the period				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	17	152,707,410	0	(44,771,065)
Total other comprehensive income for the period	17	152,707,410	0	(44,771,065)
Total comprehensive income for the period		154,549,867	2,495,115	(43,870,950)

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

* Refer to Note 29 for details regarding the restatement of prior period amounts.



CITY OF NEDLANDS
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	NOTE	2023 \$	2022 Restated* \$
CURRENT ASSETS			
Cash and cash equivalents	3	15,333,447	6,159,497
Trade and other receivables	5	2,397,742	1,812,104
Other financial assets	4(a)	17,597	12,118,917
Inventories	6	56,650	40,738
Other assets	7	532,602	44,747
TOTAL CURRENT ASSETS		18,338,038	20,176,003
NON-CURRENT ASSETS			
Trade and other receivables	City did not obtain the control of the cloud based software should	1,116,824	1,301,176
Other financial assets	4(b)	185,650	195,875
Property, plant and equipment	8	105,893,540	106,359,452
Infrastructure	9	247,962,310	92,586,196
Right-of-use assets	11(a)	53,138	84,318
TOTAL NON-CURRENT ASSETS		355,211,462	200,527,017
TOTAL ASSETS		373,549,500	220,703,020
CURRENT LIABILITIES			
Trade and other payables	12	5,041,432	5,061,932
Other liabilities	13	87,889	590,595
Lease liabilities	11(b)	53,100	65,506
Borrowings	14	647,117	1,136,520
Employee related provisions	15	2,961,935	2,886,568
Other provisions	16	0	56,211
TOTAL CURRENT LIABILITIES		8,791,473	9,797,332
NON-CURRENT LIABILITIES			
Lease liabilities	11(b)	107,644	142,099
Borrowings	14	925,356	1,572,473
Employee related provisions	15	359,357	364,244
Other provisions	16	78,905	89,974
TOTAL NON-CURRENT LIABILITIES		1,471,262	2,168,790
TOTAL LIABILITIES		10,262,735	11,966,122
NET ASSETS		363,286,765	208,736,898
EQUITY			
Retained surplus		87,506,875	85,287,166
Reserve accounts	28	7,885,892	8,263,144
Revaluation surplus	17	267,893,998	115,186,588
TOTAL EQUITY		363,286,765	208,736,898

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

* Refer to Note 29 for details regarding the restatement of prior period amounts.



CITY OF NEDLANDS
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	RETAINED SURPLUS Restated*	RESERVE ACCOUNTS	REVALUATION SURPLUS Restated*	TOTAL EQUITY Restated*
		\$	\$	\$	\$
Balance as at 1 July 2021		87,333,105	5,317,090	159,957,653	252,607,848
Correction of error		0	0	(1,150,000)	(1,150,000)
Restated balance at the beginning of the financial year		87,333,105	5,317,090	158,807,653	251,457,848
Comprehensive income for the period					
Net result for the period		900,115	0	0	900,115
		y did not Instead the amount should be expensed.			
Other comprehensive income for the period	17	0	0	(44,771,065)	(44,771,065)
Total comprehensive income for the period		900,115	0	(44,771,065)	(43,870,950)
Transfers from reserve accounts	28	1,491,532	(1,491,532)	0	0
Transfers to reserve accounts	28	(4,437,586)	4,437,586	0	0
Balance as at 30 June 2022		85,287,166	8,263,144	115,186,588	208,736,898
Comprehensive income for the period					
Net result for the period		1,842,457	0	0	1,842,457
Other comprehensive income for the period	17	0	0	152,707,410	152,707,410
Total comprehensive income for the period		1,842,457	0	152,707,410	154,549,867
Transfers from reserve accounts	28	3,088,220	(3,088,220)	0	0
Transfers to reserve accounts	28	(2,710,968)	2,710,968	0	0
Balance as at 30 June 2023		87,506,875	7,885,892	267,893,998	363,286,765
		0	0	0	0

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

* Refer to Note 29 for details regarding the restatement of prior period amounts.



CITY OF NEDLANDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual \$	2022 Actual Restated* \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates		25,387,474	25,483,046
Grants, subsidies and contributions		2,162,206	2,468,910
Fees and charges		7,809,199	7,681,985
Service charges		35,183	7,936
Interest revenue		876,521	241,044
Goods and services tax received		(2,294,495)	1,855,520
Other revenue	brought to	1,034,831	246,812
	Instead of	35,010,919	37,985,253
Payments			
Employee costs		(15,953,906)	(17,572,779)
Materials and contracts		(13,482,398)	(13,828,085)
Utility charges		(979,024)	(1,089,876)
Finance costs		(72,410)	(114,275)
Insurance paid		(458,136)	(359,136)
Goods and services tax paid		2,189,975	(1,704,621)
Other expenditure		(963,570)	(1,115,109)
		(29,719,469)	(35,783,881)
Net cash provided by operating activities	18(b)	5,291,450	2,201,372
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for purchase of property, plant & equipment	8(a)	(3,134,817)	(420,273)
Payments for construction of infrastructure	9(a)	(5,898,420)	(3,113,651)
Capital grants, subsidies and contributions		1,915,485	875,281
Proceeds for financial assets at amortised cost		12,101,784	(7,819,802)
Proceeds from financial assets at amortised cost - self supporting loans		17,133	16,683
Proceeds from sale of property, plant & equipment		86,199	62,593
Net cash provided by (used in) investing activities		5,087,364	(10,399,169)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	27(a)	(1,136,520)	(1,405,492)
Payments for principal portion of lease liabilities	27(b)	(68,344)	(64,560)
Net cash (used in) financing activities		(1,204,864)	(1,470,052)
Net increase (decrease) in cash held		9,173,950	(9,667,849)
Cash at beginning of year		6,159,497	15,827,346
Cash and cash equivalents at the end of the year	18(a)	15,333,447	6,159,497

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

* Refer to Note 29 for details regarding the restatement of prior period amounts.



CITY OF NEDLANDS
STATEMENT OF FINANCIAL ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 Actual \$	2023 Budget \$	2022 Actual Restated* \$
OPERATING ACTIVITIES				
Revenue from operating activities				
General rates	25	22,851,661	23,052,893	22,491,539
Rates excluding general rates	25	2,787,522	2,766,500	2,814,388
Grants, subsidies and contributions		2,429,504	2,374,464	2,451,096
Fees and charges		7,808,509	7,999,894	7,678,159
Service charges		35,183	0	7,936
Interest revenue		876,521	373,371	241,044
brought to account in the prior year because City did not obtain the control of the cloud based		1,034,831	326,560	246,812
Instead the amount should be expensed.		35,724	0	17,938
Fair value adjustments to financial assets at fair value through profit or loss	4(b)	7,372	0	7,993
		<u>37,866,827</u>	<u>36,893,682</u>	<u>35,956,905</u>
Expenditure from operating activities				
Employee costs		(16,018,921)	(16,400,146)	(17,570,447)
Materials and contracts		(13,153,601)	(12,668,047)	(11,701,860)
Utility charges		(979,024)	(943,574)	(1,089,876)
Depreciation		(6,819,721)	(6,538,604)	(4,491,612)
Finance costs		(72,410)	(77,770)	(114,275)
Insurance		(458,136)	(466,808)	(359,136)
Other expenditure		(964,260)	(928,551)	(1,119,883)
Loss on asset disposals		(12,912)	(44,871)	(3,262)
		<u>(38,478,985)</u>	<u>(38,068,371)</u>	<u>(36,450,351)</u>
Non-cash amounts excluded from operating activities	26(a)	6,957,933	6,583,475	4,925,361
Amount attributable to operating activities		<u>6,345,775</u>	<u>5,408,786</u>	<u>4,431,915</u>
INVESTING ACTIVITIES				
Inflows from investing activities				
Capital grants, subsidies and contributions		2,454,615	3,669,804	1,393,561
Proceeds from disposal of assets		86,199	96,700	62,593
Proceeds from financial assets at amortised cost - self supporting loans	27(a)	17,133	18,506	16,683
		<u>2,557,947</u>	<u>3,785,010</u>	<u>1,472,837</u>
Outflows from investing activities				
Purchase of property, plant and equipment	8(a)	(3,134,817)	(3,466,201)	(880,273)
Purchase and construction of infrastructure	9(a)	(5,898,420)	(7,769,390)	(3,113,651)
Payments for intangible assets		0	(1,834,198)	0
		<u>(9,033,237)</u>	<u>(13,069,789)</u>	<u>(3,993,924)</u>
Amount attributable to investing activities		<u>(6,475,290)</u>	<u>(9,284,779)</u>	<u>(2,521,087)</u>
FINANCING ACTIVITIES				
Inflows from financing activities				
Transfers from reserve accounts	28	3,088,220	3,771,605	1,491,532
		<u>3,088,220</u>	<u>3,771,605</u>	<u>1,491,532</u>
Outflows from financing activities				
Repayment of borrowings	27(a)	(1,136,520)	(1,109,194)	(1,405,492)
Payments for principal portion of lease liabilities	27(b)	(68,344)	(65,506)	(64,560)
Transfers to reserve accounts	28	(2,710,968)	(1,239,743)	(4,437,586)
		<u>(3,915,832)</u>	<u>(2,414,443)</u>	<u>(5,907,638)</u>
Amount attributable to financing activities		<u>(827,612)</u>	<u>1,357,162</u>	<u>(4,416,106)</u>
MOVEMENT IN SURPLUS OR DEFICIT				
Surplus or deficit at the start of the financial year	26(b)	3,300,420	2,518,831	5,805,698
Amount attributable to operating activities		6,345,775	5,408,786	4,431,915
Amount attributable to investing activities		(6,475,290)	(9,284,779)	(2,521,087)
Amount attributable to financing activities		(827,612)	1,357,162	(4,416,106)
Surplus or deficit after imposition of general rates	26(b)	<u>2,343,293</u>	<u>0</u>	<u>3,300,420</u>

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

* Refer to Note 29 for details regarding the restatement of prior period amounts.



CITY OF NEDLANDS
FOR THE YEAR ENDED 30 JUNE 2023
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CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

1. BASIS OF PREPARATION

The financial report of the City of Nedlands which is a Class 2 local government comprises general purpose financial statements which have been prepared in accordance with the *Local Government Act 1995* and accompanying regulations.

Local Government Act 1995 requirements

Section 6.4(2) of the *Local Government Act 1995* read with the *Local Government (Financial Management) Regulations 1996* prescribe that brought to account in the prior year because City did not obtain the control of the c Instead the amount should be expensed. with the *Local Government Act 1995*, the Australian Accounting Standards. The Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board were applied where no inconsistencies exist.

The *Local Government (Financial Management) Regulations 1996* specify that vested land is a right-of-use asset to be measured at cost, and is considered a zero cost concessionary lease. All right-of-use assets under zero cost concessionary leases are measured at zero cost rather than at fair value, except for vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 *Leases* which would have required the City to measure any vested improvements at zero cost.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial 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.

The local government reporting entity

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

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

Judgements and 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 balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimated fair value of certain financial assets
- impairment of financial assets
- estimation of fair values of land and buildings, and infrastructure.
- estimation uncertainties made in relation to lease accounting

Initial application of accounting standards

During the current year, the following new or revised Australian Accounting Standards and Interpretations were applied for the first time.

- AASB 2020-3 Amendments to Australian Accounting Standards - Annual Improvements 2018-2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-7a Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [general editorials]
- AASB 2022-3 Amendments to Australian Accounting Standards - Illustrative Examples for Not-for-Profit Entities accompanying AASB 15 Revenue from Contracts with Customers

These amendments have no material impact on the current annual financial report

New accounting standards for application in future years

The following new accounting standards will have application to local government in future years:

- AASB 2014-10 Amendments to Australian Accounting Standards - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- AASB 2020-1 Amendments to Australian Accounting Standards - Classification of Liabilities as Current or Non-current
- AASB 2021-2 Amendments to Australian Accounting Standards - Disclosure of Accounting Policies or Definition of Accounting Estimates
- This standard will result in a terminology change for significant accounting policies
- AASB 2021-7c Amendments to Australian Accounting Standards - Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections [deferred AASB 10 and AASB 128 amendments in AASB 2014-10 apply]
- AASB 2022-5 Amendments to Australian Accounting Standards - Lease Liability in a Sale and Leaseback
- AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants
- AASB 2022-7 Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards
- AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities

The amendment may result in changes to the fair value of non-financial assets. The impact is yet to be quantified.

Except as described above these amendments are not expected to have any material impact on the financial report on initial application.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES

(a) Revenue

Contracts with customers

Recognition of revenue is dependant on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Timing of revenue recognition
Grants, subsidies and contributions	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Output method based on project milestones and/or completion date matched to performance obligations
brought to account in the prior year because City did not obtain the control of the cloud based software.	Building, planning, development and animal management.	Single point in time	Full payment prior to issue	None	On payment of the licence, registration or approval
Fees and charges - waste management entry fees	Waste treatment, recycling and disposal service at disposal sites	Single point in time	Payment in advance at gate or on normal trading terms if credit provided	None	On entry to facility
Fees and charges - airport landing charges	Permission to use facilities and runway	Single point in time	Monthly in arrears	None	On landing/departure event
Fees and charges - sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	At point of sale
Other revenue - private works	Contracted private works	Single point in time	Monthly in arrears	None	At point of service

Consideration from contracts with customers is included in the transaction price.

Revenue Recognition

Revenue recognised during the year under each basis of recognition by nature of goods or services is provided in the table below:

For the year ended 30 June 2023

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	25,639,183	0	25,639,183
Grants, subsidies and contributions	2,429,504	0	0	0	2,429,504
Fees and charges	5,622,961	0	1,875,605	309,943	7,808,509
Service charges	0	0	0	35,183	35,183
Interest revenue	18,519	0	161,546	696,456	876,521
Other revenue	644,710	0	10,264	379,857	1,034,831
Capital grants, subsidies and contributions	0	2,454,615	0	0	2,454,615
Total	8,715,694	2,454,615	27,686,598	1,421,439	40,278,346

For the year ended 30 June 2022

Nature	Contracts with customers	Capital grant/contributions	Statutory Requirements	Other	Total
	\$	\$	\$	\$	\$
Rates	0	0	25,305,927	0	25,305,927
Grants, subsidies and contributions	1,141,753	0	0	1,309,343	2,451,096
Fees and charges	7,230,858	0	362,112	85,189	7,678,159
Service charges	0	0	0	7,936	7,936
Interest revenue	12,544	0	155,671	72,829	241,044
Other revenue	67,402	52,500	0	126,910	246,812
Capital grants, subsidies and contributions	0	1,393,561	0	0	1,393,561
Total	8,452,557	1,446,061	25,823,710	1,602,207	37,324,535

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Note	2023 Actual \$	2022 Actual \$
Interest revenue		
Financial assets at amortised cost - self supporting loans	300	1,793
Interest on reserve account funds	305,158	16,892
Trade and other receivables overdue payment	160,898	155,671
Other interest revenue	410,165	66,688
	876,521	241,044
The 2023 original budget estimate in relation to: Trade and other receivables overdue interest was \$48,776.		
Fees and charges relating to rates receivable Charges on instalment plan	84,720	80,160
The 2023 original budget estimate in relation to: Charges on instalment plan was \$81,200		

(b) Expenses

Auditors remuneration		
- Audit of the Annual Financial Report	59,775	114,175
- Other services – grant acquittals	152,857	29,593
	212,632	143,768
Employee Costs		
Employee benefit costs	16,018,921	17,570,447
Other employee costs		
	16,018,921	17,570,447
Finance costs		
Interest and financial charges paid/payable for lease liabilities and financial liabilities not at fair value through profit or loss	72,410	114,275
	72,410	114,275
Other expenditure		
Impairment losses on trade receivables	690	4,774
Sundry expenses	963,570	1,115,109
	964,260	1,119,883

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL
REPORT FOR THE YEAR ENDED 30 JUNE 2023

3. CASH AND CASH EQUIVALENTS

Note	2023 \$	2022 \$
Cash at bank and on hand	4,821,076	4,088,292
Term deposits	10,512,371	2,071,205
Total cash and cash equivalents	15,333,447	6,159,497
Held as		
- Unrestricted cash and cash equivalents	4,637,273	2,851,569
brought to account in the prior year because City did not obtain the control	10,696,174	3,307,928
Instead the amount should be expensed.	15,333,447	6,159,497

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

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

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

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours notice with no loss of interest.

Restricted financial assets

Restricted financial asset balances are not available for general use by the local government due to externally imposed restrictions. Restrictions are specified in an agreement, contract or legislation. This applies to reserve accounts, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement and for which no liability has been recognised.

4. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost

Other financial assets at amortised cost

Self supporting loans receivable
Term deposits

Held as

- Unrestricted other financial assets at amortised cost
- Restricted other financial assets at amortised cost

(b) Non-current assets

Financial assets at amortised cost
Financial assets at fair value through profit or loss

Financial assets at amortised cost

Self supporting loans receivable

Financial assets at fair value through profit or loss

Units in Local Government House Trust - opening balance
Movement attributable to fair value increment
Units in Local Government House Trust - closing balance

2023 \$	2022 \$
17,597	12,118,917
17,597	12,118,917
17,597	17,133
0	12,101,784
17,597	12,118,917
17,597	3,855,773
0	8,263,144
17,597	12,118,917
22,671	40,268
162,979	155,607
185,650	195,875
22,671	40,268
22,671	40,268
155,607	147,614
7,372	7,993
162,979	155,607

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 27(a) as self supporting loans. Fair value of financial assets at fair value through profit or loss is determined from the net asset value of the units held in the Trust at balance date as compiled by WALGA.

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

The City classifies financial assets at amortised cost if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cashflows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Fair values of financial assets at amortised cost are not materially different to their carrying amounts, since the interest receivable on those assets is either close to current market rates or the assets are of a short term nature. Non-current financial assets at amortised cost fair values are based on discounted cash flows using a current market rates. They are classified as level 2 fair values in the fair value hierarchy (see Note 23 (i)) due to the observable market rates).

Interest received is presented under cashflows from operating activities in the Statement of Cash Flows where it is earned from financial assets that are held for cash management purposes.

Financial assets at fair value through profit or loss

The City has elected to classify the following financial assets at fair value through profit or loss:

- debt investments which do not qualify for measurement at either amortised cost or fair value through other comprehensive income.
- equity investments which the City has elected to recognise as fair value gains and losses through profit or loss.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 22.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

5. TRADE AND OTHER RECEIVABLES

Current

Note	2023	2022
	\$	\$
Rates and statutory receivables	591,412	477,704
Trade receivables	1,364,659	1,018,132
GST receivable	316,378	211,858
Allowance for credit losses of trade receivables	(14,948)	(14,258)
Instead the amount should be expensed.	85,570	65,452
Lease receivable	54,671	53,216
	2,397,742	1,812,104

Non-current

Rates and statutory receivables	397,473	449,477
Underground power	385,463	463,140
Lease receivable	333,888	388,559
	1,116,824	1,301,176

SIGNIFICANT ACCOUNTING POLICIES

Rates and statutory receivables

Rates and statutory receivables are non-contractual receivables arising from statutory requirements and include amounts due from ratepayers for unpaid rates and service charges and other statutory charges or fines.

Rates and statutory receivables are recognised when the taxable event has occurred and can be measured reliably.

Trade receivables

Trade receivables are amounts receivable from contractual arrangements with customers for goods sold, services performed or grants or contributions with sufficiently specific performance obligations or for the construction of recognisable non financial assets as part of the ordinary course of business.

Other receivables

Other receivables are amounts receivable from contractual arrangements with third parties other than contracts with customers and amounts received as grants for the construction of recognisable non financial assets.

Measurement

Trade and other receivables are recognised initially at the amount of the transaction price, unless they contain a significant financing component, and are to be recognised at fair value.

Classification and subsequent measurement

Receivables which are generally due for settlement within 30 days except rates receivables which are expected to be collected within 12 months are classified as current assets. All other receivables such as, deferred pensioner rates receivable after the end of the reporting period are classified as non-current assets.

Trade and other receivables are held with the objective to collect the contractual cashflows and therefore the City measures them subsequently at amortised cost using the effective interest rate method.

Due to the short term nature of current receivables, their carrying amount is considered to be the same as their fair value. Non-current receivables are indexed to inflation, any difference between the face value and fair value is considered immaterial.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 22.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

6. INVENTORIES

Note	2023	2022
	\$	\$
Current		
Fuel and materials	56,650	40,738
	56,650	40,738
The following movements in inventories occurred during the year:		
Balance at beginning of year	40,738	34,191
Inventories expensed during the year	(145,483)	(136,271)
Additions to inventory	161,395	142,818
Balance at end of year	56,650	40,738

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

7. OTHER ASSETS

	2023	2022
	\$	\$
Other assets - current		
Prepayments	354,848	40,021
Accrued income	177,754	4,726
brought to account in the prior year because City did not obtain the c	532,602	44,747

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Contract assets

Contract assets primarily relate to the City's right to consideration for work completed but not billed at the end of the period.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

8. PROPERTY, PLANT AND EQUIPMENT

(a) Movements in Balances

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

	Land Restated*	Buildings - non- specialised	Buildings - specialised	Vested Improvements	Total land and buildings Restated*	Furniture and equipment	Plant and equipment	Public Artworks	Total property, plant and equipment Restated*
	\$	\$	\$	\$		\$	\$	\$	\$
Balance at 1 July 2021 brought to account in the prior year because City did Instead the amount should be expensed.	1,909,200	1,175,226	30,888,317	4,863,609	38,836,352	546,003	2,278,851	182,161	41,843,367
	0	0	252,471	0	252,471	627,802	0	0	880,273
Disposals	0	0	0	0	0	0	(47,917)	0	(47,917)
Revaluation increments / (decrements) transferred to revaluation surplus	53,712,900	382,760	7,707,060	2,027,516	63,830,236	0	0	1,095,771	64,926,007
Depreciation	0	(47,986)	(828,179)	(14,395)	(890,560)	(119,165)	(222,917)	(9,636)	(1,242,278)
Balance at 30 June 2022	55,622,100	1,510,000	38,019,669	6,876,730	102,028,499	1,054,640	2,008,017	1,268,296	106,359,452
Comprises:									
Gross balance amount at 30 June 2022	55,622,100	3,344,000	60,818,456	11,892,100	131,676,656	2,355,321	4,254,887	1,291,318	139,578,182
Accumulated depreciation at 30 June 2022	0	(1,834,000)	(22,798,787)	(5,015,370)	(29,648,157)	(1,300,681)	(2,246,870)	(23,022)	(33,218,730)
Balance at 30 June 2022	55,622,100	1,510,000	38,019,669	6,876,730	102,028,499	1,054,640	2,008,017	1,268,296	106,359,452
Additions	0	0	2,889,985	0	2,889,985	12,294	232,538	0	3,134,817
Disposals	0				0		(63,387)		(63,387)
Depreciation	0	(220,522)	(2,000,081)	(358,164)	(2,578,767)	(204,475)	(744,778)	(9,322)	(3,537,342)
Balance at 30 June 2023	55,622,100	1,289,478	38,909,573	6,518,566	102,339,717	862,459	1,432,390	1,258,974	105,893,540
Comprises:									
Gross balance amount at 30 June 2023	55,622,100	3,344,000	63,708,441	11,892,100	134,566,641	2,367,623	4,337,893	1,291,736	142,563,893
Accumulated depreciation at 30 June 2023	0	(2,054,522)	(24,798,868)	(5,373,534)	(32,226,924)	(1,505,164)	(2,905,503)	(32,762)	(36,670,353)
Balance at 30 June 2023	55,622,100	1,289,478	38,909,573	6,518,566	102,339,717	862,459	1,432,390	1,258,974	105,893,540

* Refer to Note 29 for details regarding the restatement of prior period amounts.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

8. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Land and buildings					
Land Restated*	2	Market approach using recent observed market data for similar	Independent registered valuer	June 2022	Sales evidence of similar assets
Land Restated*	3	Cost approach	Independent registered valuer	June 2022	Improvements to land using current condition (level 2), residential values, and remaining useful life assessments (level 3)
brought to account in the prior					
Instead the amount should be expe	2	Market approach using recent observed market data for similar	Independent registered valuer	June 2022	Sales evidence of similar assets
Buildings - specialised	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2022	Construction costs and current condition (level 2) residential values, and remaining useful life assessments (level 3)
Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the basis of these assumptions were varied they have the potential to result in a significantly higher or lower fair value measurement.					
During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.					
(ii) Cost					
Furniture and equipment		Cost approach	Cost		Purchase cost
Plant and equipment		Cost approach	Cost		Purchase cost
Public Artworks	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2022	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs

Following a change to the *Local Government (Financial Management) Regulations 1996* section 17A, furniture, plant, and equipment are to be measured under the cost. Revaluations carried out previously were not reversed as it was deemed fair value approximated cost at the date of change.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

9. INFRASTRUCTURE

(a) Movements in Balances

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

	Infrastructure - roads	Other infrastructure - drainage	Other infrastructure - footpaths	Other infrastructure - parks	Other infrastructure - street furniture	Other infrastructure - work in progress	Total Infrastructur
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2021	49,609,410	14,152,378	11,919,071	14,688,890	2,272,867	0	92,642,616
Brought to account in the prior year because City did not Instead the amount should be expensed.	1,961,503	371,859	77,455	274,500	428,334	0	3,113,651
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	28,728	0	0	28,728
Depreciation	(1,337,522)	(422,153)	(433,894)	(842,689)	(162,541)	0	(3,198,799)
Balance at 30 June 2022	50,233,391	14,102,084	11,562,632	14,149,429	2,538,660	0	92,586,196
Comprises:							
Gross balance at 30 June 2022	86,144,215	29,620,804	21,419,121	23,521,626	4,340,015	0	165,045,781
Accumulated depreciation at 30 June 2022	(35,910,824)	(15,518,720)	(9,856,489)	(9,372,197)	(1,801,355)	0	(72,459,585)
Balance at 30 June 2022	50,233,391	14,102,084	11,562,632	14,149,429	2,538,660	0	92,586,196
Additions	2,759,464	321,324	59,172	280,589		2,477,871	5,898,420
Revaluation increments / (decrements) transferred to revaluation surplus	116,355,173	19,367,675	6,727,518	8,389,445	1,867,599	0	152,707,410
Depreciation	(1,542,203)	(374,036)	(436,820)	(858,635)	(18,022)	0	(3,229,716)
Transfers	159,638				(159,638)	0	0
Balance at 30 June 2023	167,965,463	33,417,047	17,912,502	21,960,828	4,228,599	2,477,871	247,962,310
Comprises:							
Gross balance at 30 June 2023	210,615,262	49,918,227	32,919,463	28,417,970	5,690,016	2,477,871	330,038,809
Accumulated depreciation at 30 June 2023	(42,649,799)	(16,501,180)	(15,006,961)	(6,457,142)	(1,461,417)	0	(82,076,499)
Balance at 30 June 2023	167,965,463	33,417,047	17,912,502	21,960,828	4,228,599	2,477,871	247,962,310

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

9. INFRASTRUCTURE (Continued)

(b) Carrying Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
(i) Fair Value					
Infrastructure - roads	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2023	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - drainage	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2023	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs
brought to account in the prior year because the amount should be expensed	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2023	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - parks	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2023	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs
Other infrastructure - street furniture	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2023	Construction costs and current condition (level 2) residual values and remaining useful life assessments (level 3) inputs

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

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

10. FIXED ASSETS (Continued)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement for assets held at cost

Plant and equipment including furniture and equipment is brought to account in the prior year because City did not obtain the control of it. Instead the amount should be expensed.

is initially recognised at fair value. Assets held at cost are depreciated and assessed for indicators of impairment annually.

Initial recognition and measurement between mandatory revaluation dates for assets held at fair value

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

Upon initial recognition, cost is determined as the amount paid (or other consideration given) to acquire the assets, plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the City includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

Individual assets that are land, buildings, and infrastructure acquired between scheduled revaluation dates of the asset class in accordance with the City's revaluation policy, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next revaluation date consistent with *Financial Management Regulation 17A(4)*.

Revaluation

The fair value of land, buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the City.

At the end of each period, the carrying amount for each asset class is reviewed and, where appropriate, the fair value is updated to reflect current market conditions consistent with *Financial Management Regulation 17A(2)* which requires land, buildings, infrastructure and vested improvements to be shown at fair value.

Revaluation (continued)

For land, buildings and infrastructure increases in the carrying amount arising on revaluation of asset classes are credited to a revaluation surplus in equity.

Decreases that offset previous increases of the same class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Subsequent increases are then recognised in profit or loss to the extent they reverse a net revaluation decrease previously recognised in profit or loss for the same class of asset.

Depreciation

The depreciable amount of all property, plant and equipment and infrastructure, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

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

Depreciation on revaluation

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

- (i) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset.
- (ii) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within depreciation in the Statement of Comprehensive Income and in Note 10(a).

Impairment

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 or losses on disposal

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 30 JUNE 2023

10. FIXED ASSETS

(a) Depreciation

Depreciation rates

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

Asset Class	Useful life
Buildings	
- Structure	100 - 140 years
brought to account in the prior year because City did not obtain the control of the	30 - 50 years
Instead the amount should be expensed.	50 - 100 years
- Roof Cladding	50 - 120 years
Furniture and equipment	4 - 10 years
Plant and equipment	5 - 15 years
Roads	
- Pavement	20 - 210 years
- Sub Grade	Not depreciated
- Top Surface	35 - 50 years
Footpaths	25 - 50 years
Stormwater	
- Pipes	60 - 80 years
- Pits	60 - 80 years
- Plant	30 - 80 years
Right of use (plant and equipment)	Based on the remaining lease
Transport	
- Bus Shelters	30 years
- Roundabouts	20 - 80 years
- Street Lights	10 - 50 years
Parks	10 - 100 years
Parks Reticulation	25 - 50 years

Revision of useful lives of plant and equipment

(b) Temporarily Idle or retired from use assets

The carrying value of assets held by the City which are temporarily idle or retired from active use and not classified as held for sale are shown in the table below.

	2023	2022
	\$	\$
Plant and equipment	183,975	268,086
	183,975	268,086

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

11. LEASES

(a) Right-of-Use Assets

Movement in the balance of each class of right-of-use asset between the beginning and the end of the current financial year.

Note	Right-of-use assets - photocopier \$	Right-of-use assets Total \$
Balance at 1 July 2021	134,853	134,853
Depreciation	(50,535)	(50,535)
Balance at 30 June 2022	84,318	84,318
Gross balance amount at 30 June 2022	262,997	262,997
Accumulated depreciation at 30 June 2022	(178,679)	(178,679)
Balance at 30 June 2022	84,318	84,318
Additions	21,483	21,483
Depreciation	(52,663)	(52,663)
Balance at 30 June 2023	53,138	53,138
Gross balance amount at 30 June 2023	284,480	284,480
Accumulated depreciation at 30 June 2023	(231,342)	(231,342)
Balance at 30 June 2023	53,138	53,138

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where the City is the lessee:

	2023 Actual \$	2022 Actual \$
Depreciation on right-of-use assets	(52,663)	(50,535)
Finance charge on lease liabilities	(4,889)	(4,714)
Total amount recognised in the statement of comprehensive income	(57,552)	(55,249)
Total cash outflow from leases	(73,233)	(69,274)
(b) Lease Liabilities		
Current	53,100	65,506
Non-current	107,644	142,099
	27(b)	160,744
		207,606

Secured liabilities and assets pledged as security

Lease liabilities are effectively secured, as the rights to the leased assets recognised in the financial statements revert to the lessor in the event of default.

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the City assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Details of individual lease liabilities required by regulations are provided at Note 27(b).

Right-of-use assets - measurement

Right-of-use assets are measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not recognised in the Statement of Financial Position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 10 under revaluation for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shorter. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the City anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

11. LEASES (Continued)

(c) Lessor - Property, Plant and Equipment Subject to Lease

The table below represents a maturity analysis of the undiscounted lease payments to be received after the reporting date.

Less than 1 year

1 to 2 years

2 to 3 years

3 to 4 years

4 to 5 years

> 5 years

2023 Actual	2022 Actual
\$	\$
56,165	54,671
57,701	56,165
59,278	57,701
60,899	59,278
62,563	60,899
37,282	99,845
333,888	388,559

SIGNIFICANT ACCOUNTING POLICIES

The City as Lessor

Upon entering into each contract as a lessor, the City assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

When a contract is determined to include lease and non-lease components, the City applies AASB 15 *Revenue from Contracts with Customers* to allocate the consideration under the contract to each component.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

12. TRADE AND OTHER PAYABLES

Current

Sundry creditors
 Prepaid rates
 Accrued payroll liabilities
 Bonds and deposits held
 Accrued interest on borrowings
 Underground power refund
 brought to account in the prior year because City did not
 obtain the control of the cloud based software.
 Instead the amount should be expensed.

2023	2022
\$	\$
2,187,346	1,933,313
111,097	301,102
0	5,465
2,722,393	2,748,189
18,342	24,826
0	49,037
2,254	0
5,041,432	5,061,932

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

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

Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises income for the prepaid rates that have not been refunded.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

13. OTHER LIABILITIES

Current

Contract liabilities
Capital grant/contributions liabilities

Reconciliation of changes in contract liabilities

Opening balance
Additions
Revenue from contracts with customers included as a contract liability at the start of the period

The City expects to satisfy the performance obligations, from contracts with customers unsatisfied at the end of the reporting period, within the next 12 months.

Reconciliation of changes in capital grant/contribution liabilities

Opening balance
Additions

Expected satisfaction of capital grant/contribution liabilities

Less than 1 year

1 to 2 years
2 to 3 years
3 to 4 years
4 to 5 years
> 5 years

	2023	2022
	\$	\$
Contract liabilities	0	30,856
Capital grant/contributions liabilities	87,889	559,739
	87,889	590,595
Opening balance	30,856	
Additions	0	30,856
Revenue from contracts with customers included as a contract liability at the start of the period	(30,856)	
	0	30,856
Opening balance	559,739	
Additions	(471,850)	559,739
	87,889	559,739
Less than 1 year	87,889	559,739
1 to 2 years		
2 to 3 years		
3 to 4 years		
4 to 5 years		
> 5 years	0	
	87,889	559,739

Performance obligations in relation to capital grant/contribution liabilities are satisfied as project milestones are met or completion of construction or acquisition of the asset.

SIGNIFICANT ACCOUNTING POLICIES

Contract liabilities

Contract liabilities represent the City's obligation to transfer goods or services to a customer for which the City has received consideration from the customer.

Contract liabilities represent obligations which are not yet satisfied. Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

Capital grant/contribution liabilities

Capital grant/contribution liabilities represent the City's obligations to construct recognisable non-financial assets to identified specifications to be controlled by the City which are yet to be satisfied. Capital grant/contribution liabilities are recognised as income when the obligations in the contract are satisfied.

Fair values for non-current capital grant/contribution liabilities, not expected to be extinguished within 12 months, are based on discounted cash flows of expected cashflows to satisfy the obligations using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

14. BORROWINGS

	Note	2023			2022		
		Current	Non-current	Total	Current	Non-current	Total
Secured		\$	\$	\$	\$	\$	\$
Bank loans		647,117	925,356	1,572,473	1,136,520	1,572,473	2,708,993
Total secured borrowings	27(a)	647,117	925,356	1,572,473	1,136,520	1,572,473	2,708,993

brought to account in the prior year because City did not obtain the control of the cloud based software.

Instead the amount should be expensed.

Secured liabilities and assets pledged as security

Debentures, bank overdrafts and bank loans are secured by a floating charge over the assets of the City of Nedlands.

The City of Nedlands has complied with the financial covenants of its borrowing facilities during the 2023 and 2022 years.

SIGNIFICANT ACCOUNTING POLICIES

Borrowing costs

The City has elected to recognise borrowing costs as an expense when incurred regardless of how the borrowings are applied.

Fair values of borrowings are not materially different to their carrying amounts, since the interest payable on those borrowings is either close to current market rates or the borrowings are of a short term nature. Borrowings fair values are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy (see Note 23(i)) due to the unobservable inputs, including own credit risk.

Risk

Details of individual borrowings required by regulations are provided at Note 27(a).

Information regarding exposure to risk can be found at Note 22.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

	2023	2022
	\$	\$
Current provisions		
Employee benefit provisions		
Annual leave	1,342,262	1,431,075
Long service leave	1,619,673	1,455,493
Total current employee related provisions	2,961,935	2,886,568
Non-current provisions		
Employee benefit provisions		
Long service leave	359,357	364,244
Total non-current employee related provisions	359,357	364,244
Total employee related provisions	3,321,292	3,250,812

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave and associated on costs for services rendered up to the reporting date and recorded as an expense during the period the services are delivered.

Annual leave liabilities are classified as current, as there is no unconditional right to defer settlement for at least 12 months after the end of the reporting period. Assessments indicate that actual settlement of the liabilities is expected to occur as follows:

Note	2023	2022
	\$	\$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	2,192,053	2,145,536
More than 12 months from reporting date	1,129,239	1,105,276
	3,321,292	3,250,812

SIGNIFICANT ACCOUNTING POLICIES

Employee benefits

The City's obligations for employees' annual leave, long service leave and other employee leave entitlements are recognised as employee related provisions in the Statement of Financial Position.

Short-term employee benefits

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

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

Other long-term employee benefits

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

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

16. OTHER PROVISIONS

	Make good provisions	Underground power deferred income	Provision for [describe]	Provision for [describe]	Provision for [describe]	Provision for [describe]	Total
	\$	\$	\$	\$	\$	\$	\$
Opening balance at 1 July 2022							
Current provisions	0	56,211	0	0	0	0	56,211
Non-current provisions	0	89,974	0	0	0	0	89,974
	0	146,185	0	0	0	0	146,185
brought to account in the prior year because	0	(67,280)	0	0	0	0	(67,280)
Balance at 30 June 2023	0	78,905	0	0	0	0	78,905
Comprises							
Non-current	0	78,905	0	0	0	0	78,905
	0	78,905	0	0	0	0	78,905

Other provisions

Amounts which are expected to be paid out within 12 months of the reporting date are classified as current. Exact timing of payment of non-current obligations is unable to be reliably estimated as it is dependent on factors beyond the control of the local government.

Provisions

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

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

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

17. REVALUATION SURPLUS

	2023 Opening Balance	Total Movement on Revaluation	2023 Closing Balance	2022 Opening Balance	Total Movement on Revaluation Restated*	2022 Closing Balance Restated*
	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	38,729,518	0	38,729,518	94,742,418	(56,012,900)	38,729,518
Revaluation surplus - Buildings - non-specialised	523,144	0	523,144	140,384	382,760	523,144
Revaluation surplus - Buildings - specialised	30,711,380	0	30,711,380	23,004,320	7,707,060	30,711,380
Instead the amount should be expensed.	732,800	0	732,800	732,800	0	732,800
Revaluation surplus - Vested Improvements	2,027,516	0	2,027,516	0	2,027,516	2,027,516
Revaluation surplus - Public Artworks	1,095,771	0	1,095,771	0	1,095,771	1,095,771
Revaluation surplus - Infrastructure - roads	28,141,668	116,355,173	144,496,841	28,141,668	0	28,141,668
Revaluation surplus - Other infrastructure - drainage	8,401,646	19,367,675	27,769,321	8,401,646	0	8,401,646
Revaluation surplus - Other infrastructure - footpaths	3,998,893	6,727,518	10,726,411	3,998,893	0	3,998,893
Revaluation surplus - Other infrastructure - parks	28,728	8,389,445	8,418,173	0	28,728	28,728
Revaluation surplus - Other infrastructure - street furniture	795,524	1,867,599	2,663,123	795,524	0	795,524
	115,186,588	152,707,410	267,893,998	159,957,653	(44,771,065)	115,186,588

* Refer to Note 29 for details regarding the restatement of prior period amounts.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

18. 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:

	Note	2023 Actual \$	2022 Actual \$
brought to account in the prior year because City did not obtain the control of the cloud based software. Instead the amount should be expensed.	3	15,333,447	6,159,497

Restrictions

The following classes of financial assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents	3	10,696,174	3,307,928
- Financial assets at amortised cost	4	0	8,263,144
		10,696,174	11,571,072

The restricted financial assets are a result of the following specific purposes to which the assets may be used:

Restricted reserve accounts	28	7,885,892	8,263,144
Retentions, and bonds and deposits held	12	2,722,393	2,748,189
Grants for transfers of recognised non financial assets	13	87,889	559,739
Total restricted financial assets		10,696,174	11,571,072

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

Net result		1,842,457	900,115
Non-cash items:			
Adjustments to fair value of financial assets at fair value through profit or loss		(7,372)	(7,993)
Depreciation/amortisation		6,819,721	4,491,612
(Profit)/loss on sale of asset		(22,812)	(14,676)
Changes in assets and liabilities:			
(Increase)/decrease in trade and other receivables		(401,286)	285,014
(Increase)/decrease in other assets		(487,855)	17,035
(Increase)/decrease in inventories		(15,912)	(6,547)
Increase/(decrease) in trade and other payables		(20,500)	(2,511,336)
Increase/(decrease) in employee related provisions		70,480	410,853
Increase/(decrease) in other provisions		(67,280)	(55,846)
Increase/(decrease) in other liabilities		(502,706)	28,422
Capital grants, subsidies and contributions		(1,915,485)	(1,335,281)
Net cash provided by/(used in) operating activities		5,291,450	2,201,372

(c) Undrawn Borrowing Facilities

Credit Standby Arrangements

Credit card limit	76,000	76,000
Credit card balance at balance date	(1,904)	(4,956)
Total amount of credit unused	74,096	71,044

Loan facilities

Loan facilities - current	647,117	1,136,520
Loan facilities - non-current	925,356	1,572,473
Total facilities in use at balance date	1,572,473	2,708,993

CITY OF NEDLANDS
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FOR THE YEAR ENDED 30 JUNE 2023

19. CONTINGENT LIABILITIES

Under the Contaminated Sites Act 2003, the City is required to report known and suspected contaminated sites to the Department of Water and Environmental Protection (DWER).

In accordance with the Act, DWER classifies these sites on the basis of the risk to human health, the environment and environmental values.

Where sites are classified as “contaminated – remediation required” or “possibly contaminated – investigation required”, the City may have a liability in respect of investigation or remediation expenses.

The City has identified Swanbourne Reserve as possibly contaminated. Until the City conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with DWER on the need and criteria for remediation, the City is unable to estimate the potential costs and timing of outflows associated with remediation of this site.

20. CAPITAL COMMITMENTS

Contracted for:

- capital expenditure projects
- plant & equipment purchases

Payable:

- not later than one year

2023	2022
\$	\$
1,189,908	3,404,614
221,083	112,511
1,410,991	3,517,125
1,410,991	3,517,125

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

21. RELATED PARTY TRANSACTIONS

(a) Elected Member Remuneration

Fees, expenses and allowances to be paid or reimbursed to elected council members.

Note	2023 Actual \$	2023 Budget \$	2022 Actual \$
Mayor's annual allowance	64,938	64,938	63,354
Mayor's meeting attendance fees	31,928	31,928	31,149
Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Mayor's travel and accommodation expenses	50	50	50
	100,416	100,416	98,053
Deputy Mayor's annual allowance	16,300	16,235	15,838
Deputy Mayor's meeting attendance fees	23,811	23,811	23,230
Deputy Mayor's annual allowance for ICT expenses	3,500	3,500	3,500
Deputy Mayor's travel and accommodation expenses	50	50	50
	43,661	43,596	42,618
All other council member's meeting attendance fees	254,933	261,921	248,786
All other council member's child care expenses		0	1,190
All other council member's All other council member expenses		0	26
All other council member's annual allowance for ICT expenses	38,186	38,500	37,484
All other council member's travel and accommodation expenses	544	550	505
	293,663	300,971	287,991
21(b)	437,740	444,983	428,662

(b) Key Management Personnel (KMP) Compensation

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

Short-term employee benefits	2,759,748	2,464,635
Post-employment benefits	305,166	266,460
Employee - other long-term benefits	69,138	54,117
Employee - termination benefits	64,179	76,322
Council member costs	437,740	428,662
21(a)	3,635,971	3,290,196

Short-term employee benefits

These amounts include all salary, annual leave, sick leave, and fringe benefits awarded to KMP except for details in respect to fees and benefits paid to council members which may be separately found in the table above.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service leave entitlements 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).

Council member costs

These amounts represent payments of member fees, expenses, allowances and reimbursements during the year.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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21. RELATED PARTY TRANSACTIONS

Transactions with related parties

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

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

In addition to KMP compensation above the following transactions occurred with related parties:

	2023 Actual \$	2022 Actual \$
Payment of council member costs (Refer to Note 21(a))	437,740	428,662

Related Parties

The City's main related parties are as follows:

i. Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council member, are considered key management personnel and are detailed in Notes 21(a) and 21(b)

ii. Other Related Parties

Any entity that is controlled by or over which KMP, or close family members of KMP, have authority and responsibility for planning, directing and controlling the activity of the entity, directly or indirectly, are considered related parties in relation to the City.

iii. Entities subject to significant influence by the City

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

CITY OF NEDLANDS
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FOR THE YEAR ENDED 30 JUNE 2023

22. FINANCIAL RISK MANAGEMENT

This note explains the City's exposure to financial risks and how these risks could affect the City's future financial performance.

Risk	Exposure arising from	Measurement	Management
Market risk - interest rates	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and debt investments	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy

brought to account in the prior year because Borrowings and other liabilities Rolling cash flow Availability of committed credit lines
Instead the amount should be expensed.

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

Financial risk management is carried out by the finance department under policies approved by the council. The finance department identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

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

Excess cash and cash equivalents are invested in fixed interest rate term deposits which do not expose the City to cash flow interest rate risk. Cash and cash equivalents required for working capital are held in variable interest rate accounts and non-interest bearing accounts. Carrying amounts of cash and cash equivalents at the 30 June and the weighted average interest rate across all cash and cash equivalents, term deposits, and Treasury bonds held disclosed as financial assets at amortised cost are reflected in the table below.

	Weighted Average Interest Rate	Carrying Amounts	Fixed Interest Rate	Variable Interest Rate	Non Interest Bearing
	%	\$	\$	\$	\$
2023					
Cash and cash equivalents	1.95%	15,333,447	10,512,371	4,821,076	0
Financial assets at amortised cost - term deposits	0.00%	0	0	0	0
2022					
Cash and cash equivalents	0.21%	6,159,497	2,071,205	4,088,292	0
Financial assets at amortised cost - term deposits	1.11%	12,101,784	12,101,784	0	0

Sensitivity

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

	2023	2022
	\$	\$
Impact of a 1% movement in interest rates on profit or loss and equity*	48,211	40,883

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 27(a).

CITY OF NEDLANDS
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FOR THE YEAR ENDED 30 JUNE 2023

22. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other Receivables

The City's major trade and other receivables comprise contractual non-statutory user fees and charges, grants, contributions and reimbursements. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies.

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

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

The expected loss rates are based on the payment profiles of trade and other receivables over a period of 36 months before 1 July 2022 or 1 July 2023 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of users to settle the receivables.

The loss allowance as at 30 June 2023 and 30 June 2022 was determined as follows for trade and other receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2023					
Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	4.56%	
Gross carrying amount	0	0	0	327,845	327,845
Loss allowance	0	0	0	14,948	14,948

30 June 2022

Trade receivables					
Expected credit loss	0.00%	0.00%	0.00%	4.37%	
Gross carrying amount	0	0	0	326,280	326,280
Loss allowance	0	0	0	14,258	14,258

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

(b) Credit risk

The loss allowances for trade, other receivables and contract assets as at 30 June reconcile to the opening loss allowances as follows:

	Trade receivables		Other receivables		Contract Assets	
	2023 Actual	2022 Actual	2023 Actual	2022 Actual	2023 Actual	2022 Actual
Opening loss allowance as at 1 July	\$ 14,258	\$ 10,432	\$ 0	\$ 0	\$ 0	\$ 0
Increase in loss allowance recognised in profit or loss during the year	690	4,774	0	0	0	0
Receivables written off during the year as uncollectible	0	(948)	0	0	0	0
Unused amount reversed	0	0	0	0	0	0
Closing loss allowance at 30 June	14,948	14,258	0	0	0	0

Trade, other receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the City, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on rates and statutory receivables, trade, other receivables and contract assets are presented as net impairment losses within other expenditure. Subsequent recoveries of amounts previously written off are credited against the same line item.

Contract Assets

The City's contract assets represent work completed, which have not been invoiced at year end. This is due to the City not having met all the performance obligations in the contract which give an unconditional right to receive consideration. The City applies the simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all contract assets. To measure the expected credit losses, contract assets have been grouped based on shared credit risk characteristics and the days past due. Contract assets have substantially the same risk characteristics as the trade receivables for the same types of contracts. The City has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

22. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 18(c).

brought to account in the prior year because City did not obtain the control of the cloud based software. Instead the amount should be expensed.
of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2023					
Trade and other payables	4,876,700	0	0	4,876,700	5,041,432
Borrowings	691,145	968,184	0	1,659,329	1,572,473
Lease liabilities	57,375	89,836	28,308	175,519	160,744
	5,625,220	1,058,020	28,308	6,711,548	6,774,649
2022					
Trade and other payables	5,061,932	0	0	5,061,932	5,061,932
Borrowings	1,521,957	2,663,207	206,645	4,391,809	2,708,993
Lease liabilities	69,274	105,786	46,189	221,249	207,606
	6,653,163	2,768,993	252,834	9,674,990	7,978,531

23. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position. brought to account in the prior year because City did not obtain the control of the cloud b. Instead the amount should be expensed. flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

b) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Interest revenue

Interest revenue is calculated by applying the effective interest rate to the gross carrying amount of a financial asset measured at amortised cost except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

i) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

j) Impairment of assets

In accordance with Australian Accounting Standards the City'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 *Property, Plant and Equipment*) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

24. FUNCTION AND ACTIVITY

(a) Service objectives and descriptions

City operations as disclosed in this financial report encompass the following service orientated functions and activities.

Objective

Description

Governance

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

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

General purpose funding

To collect revenue to allow for the provision of services.

Rates, general purpose government grants and interest revenue.

Law, order, public safety

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

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

Health

To provide an operational framework for environmental and community health.

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

Education and welfare

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

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

Housing

To provide and maintain elderly residents housing.

Provision and maintenance of elderly residents housing.

Community amenities

To provide services required by the community.

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

Recreation and culture

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

Maintenance of public halls, civic centres, aquatic centre, beaches, recreation centres and various sporting facilities. Provision and maintenance of parks, gardens and playgrounds. Operation of library, museum and other cultural facilities.

Transport

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

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

Economic services

To help promote the City and its economic wellbeing.

Tourism and area promotion including the maintenance and operation of a caravan park. Provision of rural services including weed control, vermin control and standpipes. Building Control.

Other property and services

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

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

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

24. FUNCTION AND ACTIVITY (Continued)

(b) Income and expenses

	2023	2022
	Actual	Actual
	\$	Restated*
	\$	\$
Income excluding grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	15,517	443,105
General purpose funding	26,630,616	25,624,094
Law, order, public safety	410,504	325,750
Health	85,398	164,537
brought to account in the prior year because City did not obtain the contr	1,267,783	1,194,121
Community amenities	4,087,737	4,063,014
Recreation and culture	888,594	866,912
Transport	740,571	92,807
Economic services	883,587	658,542
Other property and services	427,017	72,927
	35,437,324	33,505,809
Grants, subsidies and contributions and capital grants, subsidies and contributions		
Governance	0	726
General purpose funding	1,187,632	1,083,957
Law, order, public safety	(708)	0
Health	283	0
Education and welfare	973,433	1,076,431
Community amenities	247,193	0
Recreation and culture	114,834	601,772
Transport	1,062,669	989,386
Economic services	65,173	61,401
Other property and services	1,233,609	30,984
	4,884,118	3,844,657
Total Income	40,321,442	37,350,466
Expenses		
Governance	(2,592,779)	(2,585,777)
General purpose funding	(704,574)	(491,667)
Law, order, public safety	(1,091,290)	(952,772)
Health	(922,183)	(853,621)
Education and welfare	(4,115,003)	(2,694,946)
Community amenities	(6,166,286)	(7,000,948)
Recreation and culture	(11,789,749)	(9,310,798)
Transport	(5,494,772)	(4,150,104)
Economic services	(2,337,891)	(4,978,606)
Other property and services	(3,264,458)	(3,431,112)
Total expenses	(38,478,985)	(36,450,351)
Net result for the period	1,842,457	900,115
(c) Total Assets		
Governance	61,150,149	104,817,235
Health	546,512	0
Education and welfare	8,706,203	9,105,511
Community amenities	3,245,761	16,616,103
Recreation and culture	55,374,892	41,600,864
Transport	234,443,295	6,334,683
Other property and services	3,661,047	56,148,153
Unallocated	6,421,641	(13,919,529)
	373,549,500	220,703,020

* Refer to Note 29 for details regarding the restatement of prior period amounts.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

25. RATING INFORMATION

(a) General Rates

RATE TYPE				2022/23 Actual Rateable Value*	2022/23 Actual Rate Revenue	2022/23 Actual Interim Rates	2022/23 Actual Total Revenue	2022/23 Budget Rate Revenue	2022/23 Budget Interim Rate	2022/23 Budget Total Revenue	2021/22 Actual Total Revenue
Rate Description	Basis of valuation	Rate in \$	Number of Properties	\$	\$	\$	\$	\$	\$	\$	\$
Residential	Gross rental valuation	0.06557882	6,840	274,280,169	17,979,182	125,928	18,105,110	17,979,182	400,000	18,379,182	17,961,633
brought to account in the prior year	b Gross rental valuation	0.09268000	172	8,517,730	754,992	63,283	818,275	754,971	0	754,971	667,085
Instead the amount should be expen	Gross rental valuation	0.07313594	422	53,528,900	3,918,740	9,536	3,928,276	3,918,740	0	3,918,740	3,862,821
Total general rates			7,434	336,326,799	22,652,914	198,747	22,851,661	22,652,893	400,000	23,052,893	22,491,539
Minimum payment											
Minimum payment											
Residential	Gross rental valuation	1,484	1,472	29,599,380	2,184,448	(25,675)	2,158,773	2,184,448	0	2,184,448	2,193,421
brought to account in the prior year	b Gross rental valuation	1,950	162	4,220,550	315,900	46,697	362,597	315,900	0	315,900	344,852
Instead the amount should be expen	Gross rental valuation	1,957	136	2,600,270	266,152	0	266,152	266,152	0	266,152	276,115
Total minimum payments			1,770	36,420,200	2,766,500	21,022	2,787,522	2,766,500	0	2,766,500	2,814,388
Total general rates and minimum payments			9,204	372,746,999	25,419,414	219,769	25,639,183	25,419,393	400,000	25,819,393	25,305,927
Rate instalment interest							106,863			86,302	85,189
Rate overdue interest	Note 2(a)						54,034			58,776	70,482

The rate revenue was recognised from the rate record as soon as practicable after the City resolved to impose rates in the financial year as well as when the rate record was amended to ensure the information in the record was current and correct.

*Rateable Value at time of raising of rate.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL
REPORT FOR THE YEAR ENDED 30 JUNE 2023

26. DETERMINATION OF SURPLUS OR DEFICIT

		2022/23 2022/23 Budget 2022/23 Budget	2021/22 2021/22 Budget 2021/22 Budget
		(30 June 2023) (30 June 2023) Carried Carried Forward)	(30 June 2022) (30 June 2022) Carried Carried Forward)
	Note	\$	\$
(a) Non-cash amounts excluded from operating activities			
brought to account in the prior year because City did not obtain the control of the cloud based software. Instead the amount should be expensed. Financial Activity in accordance with <i>Financial Management Regulation 32</i> .			
Adjustments to operating activities			
Less: Profit on asset disposals		(35,724)	0
Less: Movement in liabilities associated with restricted cash		0	0
Less: Fair value adjustments to financial assets at fair value through profit or loss		(7,372)	0
Add: Loss on disposal of assets		12,912	44,871
Add: Depreciation	10(a)	6,819,721	6,538,604
Non-cash movements in non-current assets and liabilities:			
Pensioner deferred rates		52,004	0
Employee benefit provisions		(4,887)	0
Other provisions		(11,069)	0
Service charge receivable		77,677	0
Lease receivable (non-current)		54,671	0
Non-cash amounts excluded from operating activities		6,957,933	6,583,475
(b) Surplus or deficit after imposition of general rates			
The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.			
Adjustments to net current assets			
Less: Reserve accounts	28	(7,885,892)	(5,878,492)
Less: Financial assets at amortised cost - self supporting loans	4(a)	(17,597)	(14,940)
Restricted financial assets			(917,433)
Add: Current liabilities not expected to be cleared at end of year			0
- Current portion of borrowings	14	647,117	29,545
- Current portion of lease liabilities	11(b)	53,100	49,313
Total adjustments to net current assets		(7,203,272)	(6,732,007)
Net current assets used in the Statement of Financial Activity			
Total current assets		18,338,038	15,708,828
Less: Total current liabilities		(8,791,473)	(8,976,821)
Less: Total adjustments to net current assets		(7,203,272)	(6,732,007)
Surplus or deficit after imposition of general rates		2,343,293	0

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

27. BORROWING AND LEASE LIABILITIES

(a) Borrowings

Purpose	Note	Actual				Budget			
		Principal at	New Loans During	Principal Repayments	Principal at	New Loans During	Principal Repayments	Principal at	
		1 July 2021	2021-22	During 2021-22	30 June 2022	2022-23	During 2022-23	30 June 2023	
		\$	\$	\$	\$	\$	\$	\$	\$
Underground Power Project		1,180,514	0	(667,916)	512,598	0	(512,598)	0	512,598
Underground Power Project		513,717	0	(66,901)	446,816	0	(68,955)	377,861	446,816
Underground Power Project		75,031	0	(9,771)	65,260	0	(10,071)	55,189	65,261
brought to account in the prior year because C		53,286	0	(6,940)	46,346	0	(7,153)	39,193	46,346
Instead the amount should be expensed.		135,921	0	(135,921)	0	0	0	0	0
Buildings & Infrastructures		706,606	0	(169,380)	537,226	0	(174,138)	363,088	537,226
Buildings & Infrastructures		657,290	0	(138,225)	519,065	0	(142,589)	376,476	519,065
Buildings & Infrastructures		311,081	0	(65,419)	245,662	0	(67,484)	178,178	245,662
Road Infrastructures		416,277	0	(130,529)	285,748	0	(138,593)	147,155	285,748
Total		4,049,723	0	(1,391,002)	2,658,721	0	(1,121,580)	1,537,141	2,658,722
Self Supporting Loans									
Buildings & Infrastructures		64,762	0	(14,490)	50,272	0	(14,940)	35,332	50,272
Total Self Supporting Loans		64,762	0	(14,490)	50,272	0	(14,940)	35,332	50,272
Total Borrowings	14	4,114,485	0	(1,405,492)	2,708,993	0	(1,136,520)	1,572,473	2,708,994

Self supporting loans are financed by payments from third parties. These are shown in Note 4 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Borrowing Finance Cost Payments

Purpose	Note	Loan Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022
Underground Power Project		187	WATC*	2.64%	1/03/2023	(5,678)	(6,781)	(23,152)
Underground Power Project		188	WATC*	3.07%	31/08/2027	(11,954)	(13,717)	(14,060)
Underground Power Project		189	WATC*	3.07%	31/08/2027	(1,745)	(2,003)	(2,054)
brought to account in the prior year because C		190	WATC*	3.07%	31/08/2027	(1,240)	(1,423)	(1,458)
Buildings & Infrastructures		183	WATC*	2.80%	4/05/2025	(12,367)	(13,130)	(2,109)
Buildings & Infrastructures		184	WATC*	3.12%	19/10/2025	(13,645)	(14,537)	(17,146)
Buildings & Infrastructures		185	WATC*	3.12%	19/10/2025	(6,458)	(6,880)	(18,036)
Road Infrastructures Total		179	WATC*	6.04%	15/05/2024	(13,092)	(14,159)	(8,536)
						(66,179)	(72,630)	(107,768)
Self Supporting Loans Finance Cost Payments								
Buildings & Infrastructures		186	WATC*	3.07%	7/09/2025	(1,342)	(1,372)	(1,793)
Total Self Supporting Loans Finance Cost Payments						(1,342)	(1,372)	(1,793)
Total Finance Cost Payments						(67,521)	(74,002)	(109,561)

* WA Treasury Corporation

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

27. BORROWING AND LEASE LIABILITIES (Continued)

(b) Lease Liabilities

Purpose	Note	Actual							Budget			
		Principal at	New Leases	Principal	Principal at	New Leases	Principal	Principal at	Principal at	New Leases	Principal	Principal at
		1 July 2021	During 2021-22	Repayments During 2021-22	30 June 2022	During 2022-23	Repayments During 2022-23	30 June 2023	1 July 2022	During 2022-23	Repayments During 2022-23	30 June 2023
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land		137,163	0	(14,395)	122,768	0	(15,744)	107,024	122,768	0	(14,789)	107,979
Photocopier		135,003	0	(50,165)	84,838	0	(50,717)	34,121	84,838	0	(50,717)	34,121
Plotter Printer		0	0	0	0	21,483	(1,883)	19,600	0	0	0	0
Total Lease Liabilities	11(b)	272,166	0	(64,560)	207,606	21,483	(68,344)	160,745	207,606	0	(65,506)	142,100

Lease Finance Cost Payments

Purpose	Note	Lease Number	Institution	Interest Rate	Date final payment is due	Actual for year ending 30 June 2023	Budget for year ending 30 June 2023	Actual for year ending 30 June 2022	Lease Term
						\$	\$	\$	
Land		K855915	DPLH**	2.50%	14/01/2030	(3,292)	(3,092)	(3,486)	20 years plus 364 days
Photocopier		CUAPCS20	Kyocera	1.10%	28/02/2024	(631)	(676)	(1,228)	36 months
Plotter Printer		AGR-13122	Kyocera	6.60%	19/12/2027	(966)	0	0	60 months
Total Finance Cost Payments						(4,889)	(3,768)	(4,714)	

** Department of Planning, Lands, and Heritage

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

28. RESERVE ACCOUNTS

Restricted by legislation/agreement

(a) Cahs-in-lieu of Public Open Space

Restricted by council

	2023 Actual Opening Balance	2023 Actual Transfer to	2023 Actual Transfer (from)	2023 Actual Closing Balance	2023 Budget Opening Balance	2023 Budget Transfer to	2023 Budget Transfer (from)	2023 Budget Closing Balance	2022 Actual Opening Balance	2022 Actual Transfer to	2022 Actual Transfer (from)	2022 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Cahs-in-lieu of Public Open Space	0	110,500	0	110,500	0	0	0	0	0	0	0	0
	0	110,500	0	110,500	0	0	0	0	0	0	0	0
(n) Plant Replacement	284,528	127,145	(40,945)	370,728	284,544	695	(249,800)	35,439	34,681	249,847	0	284,528
(o) City Development	1,439,111	303,110	(750,538)	991,683	1,439,166	1,507	(1,363,811)	76,862	75,134	1,363,977	0	1,439,111
(p) North Street	136,636	4,191	0	140,827	136,868	2,737	0	139,605	136,321	315	0	136,636
(q) Welfare	826,605	23,289	(175,239)	674,655	827,286	16,546	0	843,832	696,217	145,388	(15,000)	826,605
(r) Services	12,590	4,298	0	16,888	12,794	256	0	13,050	212,226	364	(200,000)	12,590
(s) Insurance	65,457	7	0	65,464	65,452	1,309	0	66,761	65,389	68	0	65,457
(t) Underground Power	2,189,974	994,675	(598,777)	2,585,872	1,291,004	139,845	(255,000)	1,175,849	748,021	2,193,481	(751,528)	2,189,974
(u) Waste Management	1,290,573	97,201	(220,000)	1,167,774	563,328	11,267	(532,867)	41,728	1,187,683	102,890	0	1,290,573
(v) Building Replacement	562,932	367,463	(347,874)	582,521	135,429	2,709	0	138,138	473,271	89,661	0	562,932
(w) City development - Swanbourne	135,378	4,847	(9,393)	130,832	73,227	1,465	(40,000)	34,692	134,937	441	0	135,378
(x) Public Art	73,213	3,337	(30,841)	45,709	243,276	1,100	(188,279)	56,097	97,873	340	(25,000)	73,213
(y) Business System	243,141	151,410	(297,000)	97,551	413,452	8,269	0	421,721	553,575	189,566	(500,000)	243,141
(z) All Ability Play Space	413,557	13,798	0	427,355	589,682	11,794	(395,000)	206,476	314,326	99,231	0	413,557
(l) Major projects	589,449	364,193	(615,000)	338,642	2,191,096	954,599	(598,777)	2,546,918	587,432	2,017	0	589,449
(l) Lawler Park Infrastructure Reserve	0	0	0	0	4	0	0	4	4	0	(4)	0
(j) Point Resolution Childcare Centre	0	141,504	(2,613)	138,891	143,746	85,645	(148,071)	81,320	0	0	0	0
	8,263,144	2,600,468	(3,088,220)	7,775,392	8,410,354	1,239,743	(3,771,605)	5,878,492	5,317,090	4,437,586	(1,491,532)	8,263,144
	8,263,144	2,710,968	(3,088,220)	7,885,892	8,410,354	1,239,743	(3,771,605)	5,878,492	5,317,090	4,437,586	(1,491,532)	8,263,144

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserve accounts.

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

28. RESERVE ACCOUNTS (Continued)

In accordance with council resolutions or adopted budget 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 account Restricted by legislation/agreement	Purpose of the reserve account
(a) Cahs-in-lieu of Public Open Space Restricted by council	To fund Public Open Space
(n) Plant Replacement	To fund replacement of plant and equipment so the cost is spread over a number of years.
(o) City Development	To fund improvement and purchases of property, plant and equipment and infrastructure.
(p) North Street	To fund operational and capital costs of community and recreational facilities at Mt Claremont and Swanbourne, and infrastructure generally.
(q) Welfare	To fund the operational and capital costs to welfare services.
(r) Services	To fund purchase of property, purchase of land and for parking areas, expense of streets, depots, town planning schemes, valuation and legal costs, items of works of an urgent nature such as drainage.
(s) Insurance	To fund any excess that may arise from having a performance based workers compensation premium.
(t) Underground Power	To fund replacement of rubbish bin stock so that the cost is spread over a number of years.
(u) Waste Management	To fund the upgrade and/or replacement of council buildings.
(v) Building Replacement	To fund capital works in the Swanbourne area associated with the Swanbourne Masterplan. Set-up with proceeds of the insurance claim arising from the fire of council property in Swanbourne.
(w) City development - Swanbourne	To fund works of art in the City of Nedlands.
(x) Public Art	To fund councils business system.
(y) Business System	To fund the annual operating and maintenance cost of the All Abilities Play Space.
(z) All Ability Play Space	To fund underground power projects.
(f) Major projects	To fund capital works from proceeds from sale of major assets.
(l) Lawler Park Infrastructure Reserve	To receive from the Hackett Civic Association to fund the specific requests of the Association within Lawler Park, the specific request are for covered seating, an item of exercise equipment and a plaque acknowledging the donation.
(j) Point Resolution Childcare Centre	To fund PRCC

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

29. CORRECTION OF PRIOR PERIOD ERRORS

During the year the City identified a land asset that was valued as part of the 2021-22 revaluation that was sold in a prior year. 75 Doonan Road (Lot 18) Nedlands was valued at \$1,150,000 and has since been removed from the City's asset book through the land revaluation surplus.

During the prior year an Intangible Asset was recognised for the cloud based software that was implemented as part of the major ERP project, at a cost of \$973,400.
Applying AASB 138 regarding Intangible Assets now requires derecognition of the Intangible Asset brought to account in the prior year because City did not obtain the control of the cloud based software. Instead the amount should be expensed.

Statement of Financial Position (Extract)	30 June 2022	Increase/ (Decrease)	30 June 2022 (Restated)
	\$	\$	\$
Property, plant and equipment	107,509,452	(1,150,000)	106,359,452
Intangible assets	973,400	(973,400)	0
Net assets	210,860,298	(2,123,400)	208,736,898
Retained surplus	86,260,566	(973,400)	85,287,166
Revaluation surplus	116,336,588	(1,150,000)	115,186,588
Total equity	210,860,298	(2,123,400)	208,736,898

Statement of Comprehensive Income (Extract)	2022	Increase/ (Decrease)	2022 (Restated)
	\$	\$	\$
<i>By Nature or Type</i>			
Employee Costs	(17,195,294)	375,153	(17,570,447)
Materials and Contracts	(11,103,613)	598,247	(11,701,860)
<i>By program</i>			
Expenses			
Governance	(1,612,377)	973,400	(2,585,777)
Net result for the period	1,873,515	(973,400)	900,115
Changes in asset revaluation surplus	(43,621,065)	1,150,000	(44,771,065)
Total comprehensive income for the period	(41,747,550)	2,123,400	(43,870,950)



Auditor General

INDEPENDENT AUDITOR'S REPORT 2023 City of Nedlands

To the Council of the City of Nedlands

Disclaimer of Opinion

I am required by section 7.7 of the Local Government Act 1995 to audit the annual financial report of the City of Nedlands (City) which comprises:

- the Statement of Financial Position as at 30 June 2023, and the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and Statement of Financial Activity for the year then ended
- Notes comprising a summary of significant accounting policies and other explanatory information.

I do not express an opinion on the accompanying financial report of the City. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

Basis for Disclaimer of Opinion

Financial report not supported with complete and accurate underlying records

I was unable to obtain sufficient appropriate audit evidence regarding the financial report as a whole as the financial report was submitted for audit purposes without complete and accurate underlying records. I was unable to audit the financial report by alternative means. Consequently, I am unable to determine whether any adjustments were necessary to the financial report as a whole for the year ended 30 June 2023.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the City is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the City's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the City.

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

Page 1 of 2

7th Floor Albert Facey House 469 Wellington Street Perth MAIL TO: Perth BC PO Box 8489 Perth WA 6849 TEL: 08 6557 7500

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. However, based on the matter described in the basis for disclaimer of opinion of the auditor's report, I was not able to obtain adequate and appropriate audit evidence to provide a basis for an audit opinion on the financial report.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

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 2023 included in the annual report on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the City to confirm the information contained in the website version.



Sandra Labuschagne
Deputy Auditor General
Delegate of the Auditor General for Western Australia
Perth, Western Australia
1 March 2024





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PO Box 9 Nedlands WA 6909
P: 9273 3500
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City of Nedlands



6.2 CPS17.03.24 Response to Audit Opinion on Annual Financial Statements for the year ended 30 June 2023

Meeting & Date	Special Council Meeting – 11 March 2023
Applicant	City of Nedlands
Employee Disclosure under section 5.70 Local Government Act 1995	Nil.
Report Author	Michael Cole - Director Corporate Services
CEO	Tony Free – Acting Chief Executive Officer
Attachments	Nil.

Moved – Councillor McManus

Seconded – Councillor Bennett

That the Recommendation be adopted with the inclusion of the following words in clause one “on a monthly basis until the 30 June 2024” after the words “via the Audit & Risk Committee;”

Lost 3/5

(Against: Mayor Argyle Crs. Brackenridge Coghlan Amiry & Smyth)

Councillors McManus, Youngman and Bennett retired from the meeting at 7.05pm.

Regulation 11(da) - Council did not support the Officers recommendation and instead endorsed the appointment of a consultant to review the findings identified in the OAGs’ Final Audit report, prepare a report on required actions and undertake a peer review of Administration’s proposal within three months.

Moved – Councillor Amiry

Seconded – Councillor Coghlan

Council Resolution

That Council:

- 1. pursuant to s5.45(2)(a) of the Local Government Act Authorises selected Independent Consultants to:**
 - a. Undertake a review of the Findings Identified in the OAG’s Final Audit report for the year ended 30 June 2023 (“Audit Issues”);**
 - b. Prepare a report and provide it to the Council within 3 months recommending the required actions to remediate the Audit Issues including the preparation**



of an implementation plan for the required actions and the required staffing to resolve the Audit Issues;

c. Undertake a peer review and gap analysis of the administration's proposal for the remediation of the Audit Issues and implement actions for Council to review within 3 months; and

d. approves by absolute majority a variant in the 2023/24 Annual Budget for \$50,000 for the Independent Consultant to be funded from anticipated savings at the end of June 2024; and

2. instructs the Acting CEO to instruct staff to assist the Independent Consultants by providing all required information, documentation and access to all the City's accounting records and information systems.

CARRIED UNANIMOUSLY 5/-

Recommendation

That Council:

1. notes the Administration's response to the Disclaimer of Opinion in relation to the Annual Financial Report for the year ended 30 June 2023, with progress against the Project Plan to be reported via the Audit and Risk Committee;
2. approves by absolute majority a variation in the 2023/24 Annual Budget of \$142,000 for the dedicated Project Team to be funded from anticipated savings at the end of June 2024;
3. notes additional funding for the dedicated Project Team for 2024/25 will be included in the draft 2024/25 Annual Budget; and
4. notes future resourcing of the Finance Team to be reviewed in October 2024 at the conclusion of the audit for 2023/24.

Purpose

This report presents to Council the City's response to the Audit Opinion for the Annual Financial Report for the year ended 30 June 2023. In addition, the report seeks Council endorsement for the resources proposed to address this matter.

In summary, the proposal includes:

- The creation of a Project Team to December 2024;
- The creation of a Project Plan, with reporting of progress against the plan to the Audit and Risk Committee;
- Extending the OneCouncil ERP Project time to February 2025; and
- Additional funding required in 2023/24 and 2024/25.



Voting Requirement

Absolute Majority.

Background

The Auditors have provided a Disclaimer of Opinion in relation to the Annual Financial Report for the year ended 30 June 2023. An extract from the opinion is as follows:

Disclaimer of Opinion

I do not express an opinion on the accompanying financial report of the City. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of my report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report.

Basis for Disclaimer of Opinion

Financial report not supported with complete and accurate underlying records I was unable to obtain sufficient appropriate audit evidence regarding the financial report as a whole as the financial report was submitted for audit purposes without complete and accurate underlying records. I was unable to audit the financial report by alternative means.

Consequently, I am unable to determine whether any adjustments were necessary to the financial report as a whole for the year ended 30 June 2023.

Discussion

Presentation to Audit and Risk Committee – Monday 19 February 2024

The Auditors from RSM and Office of the Auditor General presented their findings to the Audit and Risk Committee at its meeting of 19 February 2024.

In their presentation the Auditors advised that the Disclaimer of Opinion was due to the audit being unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial report. The Auditors added that the Annual Financial report for the year ended 30 June 2023 was not supported with complete and accurate underlying records. Accordingly, they were unable to obtain sufficient appropriate audit evidence regarding the financial report as a whole as the financial report was submitted for audit purposes without complete and accurate underlying records. The audit of the financial report was not able to be undertaken by alternative means.

This year was the first audit undertaken by RSM on behalf of the Office of the Auditor General. The previous year audit was undertaken by KPMG.



The Auditors informed the Audit and Risk Committee that in their view, there were several factors contributing to the Disclaimer of Opinion. In summary, these were:

1. Turnover of key staff during the audit year
2. Migration to the new OneCouncil system
3. Revenue transactions still required to be processed in legacy system
4. Lack of skill and knowledge in Finance team due to turnover of key staff during the year with the result that:
 - a. Staff lacked knowledge and understanding of OneCouncil,
 - b. Staff lacked confidence in identifying what went into the system and how to extract it.
 - c. Many basic reconciliations expected for an annual audit financial were not completed
5. Depreciation of assets and additions and disposals of assets not undertaken in a timely manner due to effort to establish the assets module in OneCouncil during the audit year with an overreliance on asset revaluations.
6. Infrastructure revaluation undertaken by third party contained errors and was received too late for any meaningful review by Management
7. Availability of staff during the audit period and willingness to respond promptly. The Auditors commented that while some staff were very helpful, others were not. Other day to day commitments attended to instead of 100% attention to audit matters.

In their view, the resourcing of the Finance team needs to be addressed. In the view of the Auditors the Finance team are under-resourced in skill and personnel and the City needed to invest in skills, capability, and resources. They believe there are months of work to attend to the outstanding issues from 2022/23 and to prepare for the 2023/24 audit. A focus for this year should be the balance sheet to ensure that the opening balances for 2023/24 are all reconciled.

The Audit and Risk Committee noted the Disclaimer of Opinion and agreed with suggestions to put in place a dedicated team to address these shortcomings.

Administration's Response

Since late October and early November 2023 the following has taken place:

1. Following the resignation of Manager Financial Services at the end of November, the City has secured the services of Manager Financial Services on a six-month contract to finalise annual financials for 2022/23, pending formal advertising of the role in January 2024.
2. Secured the services of contract staff on long-term contracts with the City to ensure the City's investment in their development was not wasted.
3. Appointed a consultant for 2 days per week to support and train finance team members on daily/weekly and month-end tasks required as business as usual,
4. Advertised and recruited a permanent Manager Financial Services, who will commence towards the end of March 2024. The new Manager has extensive experience in local government financial management and is proficient in the OneCouncil ERP system of the City.



5. Addressed culture of the Finance Team, including regular team meetings attended by both the Director Corporate Services and the A/CEO to identify learnings from the audit and clarifying roles and responsibilities.

In addition to the above and in response to the Audit and Risk Committee meeting, the Administration has identified the following additional Human Resources, Asset Management Module and the OneCouncil project actions.

Human Resources

The Audit and Risk Committee noted that the backlog of work required to bring the City's financial records up to an acceptable standard would require additional resources as existing staff also had their day-to-day tasks to perform. It is proposed to appoint a dedicated Project Team in Financial Services and Technical Services

- Project Manager – Senior Financial Accountant
- Financial Accountant
- Finance Officer
- Assets Officer

It is proposed to appoint the Project Team for a term ending 31 December 2024. This will ensure staff involved in bringing the financial records up to an acceptable standard are available during the audit to respond to any audit queries. In this regard the City has already appointed a Project Manager and one Financial Accountant with the Finance Officer and Assets Officer roles to be filled.

Note that the annual financial statements for the year ending 30 June 2024 must be completed and forwarded to the Auditors by 30 September 2024. In effect, the Administration has less than six months to bring these accounts up to standard.

A Project Plan has been developed to address each of the following:

1. Each audit finding has been listed with an action item and responsible officer. The first priority will be the significant findings
2. A checklist of standard local government financial management tasks has been included. The checklist identifies the basic reconciliations, tasks and processes that need to be undertaken in preparation on end-of-year financial reports.
3. Training in OneCouncil and refresher training where appropriate.

The project plan identifies responsible officer and a status to allow the progress of these actions to be monitored.



Asset Management Module

As noted by the Auditors, during the audit year there were no assets additions or disposals undertaken during the year and depreciation was not done in the system. The focus for Administration was the implementation of the Assets Module as part of Phase Two of the OneCouncil implementation. There was too much emphasis placed on receiving the revaluation of infrastructure assets to provide balances for 2022/23 but the revaluation was received too late for any meaningful review by Management and during the audit, several errors in the data were found.

Included in the Human Resources above is an Assets Officer role to assist with the backlog in assets data and the development of the Assets Module in OneCouncil.

OneCouncil – Review of implementation and next steps

Administration have been implementing OneCouncil over a three-year period with 2023-24 being Phase Three of the implementation. In response to questions on the OneCouncil Project and Deliverables, the following is a summary of the key deliverables for each phase.

Phase 1: 2021/22

Finance Management **Completed**
Supply Chain Management **Completed**
Human Resources - Employee Portal **Completed**
Payroll **Completed**
Customer Request Management **Completed**
Electronic Content Management – Attachments **Completed**

Phase 2: 2022/23

Business Intelligence Reporting **Completed**
Enterprise Budgeting **Completed**
e-Recruitment **Completed**
Contracts Management **(Carried forward to Phase 3 due to internal resourcing)**
Asset Lifecycle Management **(Partial Completion due to data availability)**
DXP Meetings Completed **(Paused due to change readiness and system functionality)**
Performance Planning Local Government **(Carried forward to Phase 3 due to pending Council Plan adoption)**

Phase 3: 2023/24

Revenue Stream
Property Management
Names Management
Billing Management
Debtors Management
Waste Management
Enterprise Cash Receipting
Compliance Stream
Planning and Development
Licenses and Permits
Enforcements



Property Leases
Policy and Compliance
Animal Management
Infringements
Customer Portal

OneCouncil Project Deliverables

The implementation of a modern integrated Enterprise Resource Planning System transcends mere efficiency gains; it heralds a paradigm shift in operational effectiveness. It promises:

- Enhanced customer services and administrative efficiencies.
- Improved transparency and governance processes, ensuring accountability through efficient information and process reporting for auditing purposes.
- Reduced capital costs and equipment replacement.
- Streamlined processes fostering more efficient operations.
- Centralised access to information, facilitating better business decisions.
- Enhanced data collection, recall, and reporting mechanisms.

The core functionality has been uniformly delivered across all modules, owing to the comprehensive integration of the system. Each stream has undergone a structured program of works with delineated milestones, including module commencement, configuration design, ITT(Implementation Team Training), UAT (User Acceptance Testing), configuration and migration completion, go-live, and project closure.

The deliverables are modelled on core functionalities to establish a robust framework, conducive to continuous improvements. The project thus far has led to:

- Increased transparency of City information and business activities for internal administration.
- Enhanced compliance in capturing business activities.
- Reduction in the proliferation of standalone systems, thereby reducing operational costs.

In light of the project outcomes, the City has reviewed the schedule to ensure alignment with recent audit findings for finance and assets to ensure business readiness for the integrated system's expanded functionalities.

Moreover, the City has reassessed the Phase 3 go-live date due to indications of change saturation across the organisation. This is a natural response to the rapid implementation pace, exacerbated by changes in resourcing, corporate knowledge retention, and workload management within a hybrid environment during system development.

Proposed Actions:

- Address resource gaps and provide ongoing training.
- Ensure internal readiness and confidence in current modules.
- Resolve issues before involving external stakeholders.



- Communicate clearly about changes and project status.
- Consider postponing go-live to address challenges effectively.

The City has decided to postpone go-live to August 2025, with impacts on team employment contracts and configuration. Pausing project delivery in May 2024. This means all core system configuration will be complete. The next phase; testing will recommence in January 2025, ready for revised go-live date. The period between May 2024 and January 2025 will be addressing the proposed actions above.

Consultation

The Auditors have met with the Audit and Risk Committee to present their findings from the 2022/23 audit of the Annual Financials.

The Executive have engaged with the Financial Services team to ensure roles and responsibilities are clarified and outlining expectations of the team.

The ERP (OneCouncil) Team have been consulted and their input on actions to address shortcomings in the OneCouncil skills across the organisation have been included in this report.

Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

Vision	Sustainable and responsible for a bright future
Pillar	Performance
Outcome	11. Effective leadership and governance. 12. A happy, well-informed and engaged community.

Budget/Financial Implications

The following resources are proposed to address the matters raised during the audit of the Annual Financial Report for the year ended 30 June 2023.

Resource	Balance 2023/24 (3 to 4 months)	Estimate 2024/25 (6 Months)
Senior Financial Accountant (Project Manager)	\$42,000	\$82,000
Financial Accountant	\$35,000	\$70,000



Finance Officer	\$30,000	\$60,000
Technical Officer - Assets	\$35,000	\$70,000
Sub-total	\$142,000	\$282,000
ERP Team	Nil – Already budgeted for 2023/24	Budgeted to February 2025. Additional 12 months to Feb 2026 proposed

The resources needed will be resourced using short-term contract appointments of appropriately skilled and qualified contract staff.

The Mid-Year review for the period ended 31 January 2024 is being presented to Council in March 2024. In that review, the Administration projects a balanced budget after considering requested variations arising from a review of the City's finances at the end of January 2024. With 4 months of the financial year remaining, it is anticipated there will be further savings identified from turnover of staff and resulting impacts on operational expenditure. The savings will be enough to fund the extra expenditure proposed in this report for the 2023/24 balance.

Legislative and Policy Implications

Section 6.8. Of the Local Government Act 1995 provides that:

1. A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —
 - a. is incurred in a financial year before the adoption of the annual budget by the local government; or
 - b. is authorised in advance by resolution*; or
 - c. is authorised in advance by the mayor or president in an emergency.

* Absolute majority required.

In this instance, an absolute majority is required for the additional resources requested for 2023/24. The resources required for 2024/25 will be listed for consideration by the Council in the draft 2024/25 Annual Budget.

Decision Implications

Should the Council agree with the proposed response, additional resources will be engaged to address the findings in 2022/23 audit. Should the Council not endorse this recommendation, the Financial Services team will not be able to deliver a satisfactory annual financial report for 2023/24 nor satisfactorily address the findings from the 2022/23 audit.



Conclusion

The disclaimer of opinion for the 2022/23 annual financial report has identified several matters that require to be addressed. Additional resources have been proposed by Administration.

Further Information

Nil.



7. Declaration of Closure

There being no further business, the Presiding Member declared the meeting closed at 7.22 pm.