



City of Nedlands

# ***Minutes***

## ***Special Council Meeting***

***15 November 2016***

### **Attention**

**These Minutes are subject to confirmation**

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

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## City of Nedlands

**Minutes of a special meeting of Council held in the Council chambers, Nedlands on Tuesday 15 November 2016 at 6.00 pm for the purpose of accepting the Annual Report of the City of Nedlands for the Year ended 30 June 2016 and referral of the Annual Report to the Annual General Meeting of Electors of the City of Nedlands to be held on Tuesday 29 November 2016.**

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### **Declaration of Opening**

The Presiding Member declared the meeting open at 6.00 pm and drew attention to the disclaimer below.

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

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

<b>Councillors</b>	His Worship the Mayor, R M C Hipkins (Presiding Member)	
	Councillor R M Binks	Hollywood Ward
	Councillor J D Wetherall	Hollywood Ward
	Councillor G A R Hay (from 6.01 pm)	Melvista Ward
	Councillor T P James	Melvista Ward
	Councillor N W Shaw	Melvista Ward
	Councillor N B J Horley	Coastal Districts Ward
	Councillor L J McManus	Coastal Districts Ward
	Councillor K A Smyth	Coastal Districts Ward
	Councillor I S Argyle	Dalkeith Ward
	Councillor W R B Hassell	Dalkeith Ward

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

**Public** There were 0 members of the public present.

**Press** The Post Newspaper representative.

<b>Leave of Absence (Previously Approved)</b>	Councillor B G Hodsdon	Hollywood Ward
	Councillor S J Porter	Dalkeith Ward

**Apologies** Nil.

**Absent** Nil.

## **Disclaimer**

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

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

Nil.

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

Nil.

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

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

There were no disclosures of financial interest.

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

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

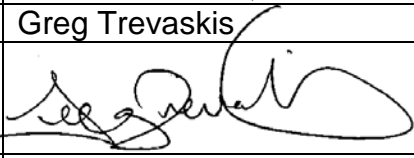
There were no disclosures affecting impartiality.

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

Nil.



## 6. Annual Report 2015/16

<b>Council</b>	22 November 2016
<b>Applicant</b>	City of Nedlands
<b>Officer</b>	Lorraine Driscoll, Director Corporate & Strategy
<b>CEO</b>	Greg Trevaskis
<b>CEO Signature</b>	
<b>Previous Item</b>	N/A

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

Moved – Councillor Hassell  
Seconded – Councillor Shaw

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

(Printed below for ease of reference)

**CARRIED UNANIMOUSLY 11/-**

### Council Resolution / Recommendation to Council

#### Council:

1. **Accepts the Annual Report of the City of Nedlands for the year ended 30 June 2016, in accordance with the provisions of section 5.54 of the *Local Government Act 1995*, and**
2. **Refers the Annual Report for the year ended 30 June 2016 to the Annual General Meeting of Electors of the City of Nedlands to be held at 6:00pm, Tuesday 29 November 2016 in the Council Chambers.**

## Executive Summary

The Annual Report for the year ended 30 June 2016 is presented to Council for acceptance. The Annual report is presented in two parts, being the Annual Report which includes a summary of income and expenditure and a Financial Report. Also included is a full set of audited annual financial statements and the Independent Auditor's report.

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

## Strategic Plan

KFA: Governance and Civic Leadership

The report enables Council to assess compliance with the relevant statutory obligations and the financial performance of the City.

## Background

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

Attached is the Annual Report for the year ended 30 June 2016, including the Financial Report and Independent Auditor's Report. The Financial Report comprising the Accounts for the year ended 30 June 2016 was completed and submitted to Council's Auditor Macri Partners who completed their audit in November 2016.

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

### Key Relevant Previous Council Decisions:

Not applicable

## Consultation

Required by legislation:

Yes ☐

No ☒

Required by City of Nedlands policy:

Yes ☐

No ☒

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

## Legislation / Policy

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

## Budget/Financial Implications

See discussion below.

## Risk Management

Not applicable.

## Discussion

### Highlights

1. The City completed the \$2.72m new Adam Armstrong Pavilion at the David Cruickshank Reserve.
2. Rehabilitating and surfacing 17,340 metres squared of roads and 1,111 linear metres of new and rehabilitated footpaths, costing \$3.3m, along with improving blackspot areas.
3. Sustainability remained a key focus with over 400 street trees and 25,000 native seedlings planted across the City.
4. Establishment of the City's "Your Voice Nedlands" community engagement portal.
5. The artwork commissioned for Nagal Pass is now an outstanding feature for the area.
6. The refurbishment of the historic Peace Memorial Rose Garden arbour has been completed.
7. The long-standing Summer Concerts in the Park series continues its tradition of entertaining families in our beautiful parks.
8. The City has continued its progress on its IT frontline involving cloud computing, improved mobility/functionality for staff, public WIFI, disaster protection and improved security.
9. Approval for the All Abilities Play Space project for construction.
10. The City continues to focus its resources and efforts into the delivery of the 2013-23 Strategic Community Plan and has done so with success.

## Overview of 2015/16 Financial Performance

### Income & Expenditure

In 2015/16 the City achieved a net surplus result of \$766,282 compared to a budget of \$3,462,900 and to the 14/15 result of \$2,260,300.

The statement of comprehensive income includes all operating revenues and expenses, both cash and non-cash and grants & contributions. In terms of setting its rates council does not budget to raise rates to recover the non-cash costs of depreciation but does budget to generate sufficient operating revenue to fund its capital expenditure.

	2015/16	2015/16	2015/16	2015/16	2014/15	2015/16	2015/16
	\$ Actual	\$ Budget	\$ Actual v Budget	Actual v Budget	\$ Actual	\$ Act 2016 v Act 2015	\$ Actual 2016 v Actual 2015
Net Result	766,282	3,462,900	- 2,696,618	-78%	2,260,330	- 1,494,048	- 66%

There are a number of contributing factors which impacted upon the net result for 2015/16, detailed below;

### Operating Revenue

- A reduction in revenue of approximately \$365,000 when compared to budget, this shortfall can be attributed to Rates levied which were \$377,440 (1.77%) less than budget. The decrease was largely due to a rate modelling error of approx. \$444,000 which saw 112 properties being double counted by the City's ERP system. The shortfall was partially compensated by better than expected increase in interim rates.
- The revenue for 15/16 was in line with the prior year with a variance of just over \$50,000 i.e. \$31.03m v \$31.08m

### Other Revenue

	2015/16	2015/16	2015/16	2015/16	2014/15	2015/16	2015/16
	\$ Actual	\$ Budget	\$ Actual	Actual v Budget	\$ Actual	\$ Actual 2016 v Actual 2015	Actual 2016 v Actual 2015
<b>Operating Grants &amp; Subsidies</b>	1,708,042	1,962,400	-254,358	-13%	2,409,290	-701,248	29%
<b>Fees &amp; Charges</b>	6,381,888	7,199,900	-818,012	-11%	7,094,964	-713,076	-10%
<b>Interest Earnings</b>	816,756	697,500	119,256	17%	792,714	24,042	3%
<b>Other Revenue</b>	1,223,855	259,000	964,855	373%	615,635	608,220	99%

- Several items of fees and charges have been classified as other revenue in 15/16, the sum of these two expense areas is \$7.605M which is \$146,843 (1.95%) more than the budget of \$7.459M. Examples of revenue items which have moved from fees and charges include; parking \$450,206, WESROC project \$206,571, Governance income \$118,988 and Building Services \$131,338. Parking income of \$80,000 recognised under Governance income has been earmarked to be used for the construction of parking facilities at Hollywood Bowling Club. 2016 Actuals are \$104,856 (1.36%) down on 2015 of \$7.711M.
- The City earned \$119,256 (17.10%) more than budgeted from the investment of funds surplus to its immediate requirements. Although wholesale interest rates have declined during 2015/16, the principal amount available for investing was higher than the previous financial year.

## Operating Expenses

	2015/16	2015/16	2015/16	2015/16	2014/15	2015/16	2015/16
	\$ Actual	\$ Budget	\$ Actual v Budget	Actual v Budget	\$ Actual	\$ Actual 2016 v Actual 2015	Actual 2016 v Actual 2015
Employee Costs	12,733,973	11,971,700	762,273	6%	11,771,033	962,940	8%
Materials & contracts	9,135,931	10,566,800	1,430,869	-14%	8,545,231	590,700	7%
Utilities	878,650	729,800	148,850	20%	821,416	57,234	7%
Depreciation	7,072,058	6,069,900	1,002,158	17%	6,951,499	120,559	2%
Interest Expenses	307,221	317,800	- 10,579	-3%	259,769	47,452	18%
Insurance	382,593	454,600	- 72,007	-16%	388,779	- 6,186	-2%
Other Expenditure	1,323,128	760,500	562,628	74%	884,639	438,489	50%

1. The operating expenses for the year were \$31.834M compared to the budget of \$30.871M, which is an overall increase of \$962,940 (3.12%). The operating expenses compared to the prior year of \$29.622M increased by \$2.164M (7.4%). The increases are explained below;
2. Employee costs were up by \$762,273 (6.37 %) compared to the budget. This is due to cost items which were budgeted in other expense classifications i.e. \$103,000 of WESROC salaries \$192,000 of costs relating to environment and conservation. In addition to the change in classification we incurred \$120,408 natural increases in annual leave and \$76,000 in salaries in the planning area (work previously undertaken under a services contract). After taking these into account, Employee costs were up by \$159,138 (1.33%). 2016 actuals were up by \$962,940 compared to the prior year due to annual salary increment of approximately 3% (\$353k), change of classification as above of approx. \$295,000 and \$231,815 due to increase in annual leave and long service leave;
3. Materials and contracts costs were down by \$1,430,867 (13.54%) compared to the budget. This is due to the deferment of some operating projects due to factors outside the City's control and savings due to constant monitoring of expenses. 2016 Actuals were \$590,700 (6.91%) higher than 2015 due to increase in CPI of 2% and normal increase in operating works;
4. Utility charges were up by \$148,850 or (20.0%) due to a higher than expected increase in charges and an over optimistic budget forecast on energy savings. 2016 actual is \$57,234 (6.97%) higher than 2015 due to increases in utility charges;

5. Depreciation expenses were up by \$1,002,158 (16.51%) compared to the budget mainly due to an increase in building depreciation post 'Fair Value' implementation. 2016 actual is \$120,559 (1.73%) higher than 2015 due to normal increase in capital expenditure.
6. Interest expenses were up by \$10,579 (3.33%) compared to the budget. 2016 actual is \$47,452 (18.26) higher due to additional loans of \$2.122m.
7. Insurance expenses were down by \$72,007 (15.84%) which can be mainly attributed to savings arising from motor-vehicle insurance which were over-budgeted. 2016 actual is also \$6,046 (0.16%) lower than 2015.
8. Other expenditure was up by \$562,628 (73.98%). This was due partly to one off grants provided by Council to Community Groups including two bowling clubs of \$515, 372.

### **Rate Setting Statement**

The Surplus Carry Forward in the Rate Setting Statement is \$6.101M. This is largely attributable to:

- \$5.258M increase in surplus brought forward
- \$2.959M reduction in capital projects
- \$1.270M decrease in capital grants received (directly related to capital projects)
- \$262k increase in transfers to reserves
- \$377k decrease in rates

### **Balance Sheet – analysis**

The City's balance sheet is healthy with total equity of approx. \$195M, an upwards movement of \$1.169M when compared to the prior year arising from a surplus in net results of just over \$766,000 and revaluation of approx. \$403,000. An overview of the contributors to the movement are detailed below

### **Assets**

- Current assets have increased by almost \$500,000 (3%) the majority of which has been realised in cash assets. Of the \$13.2M in cash assets, \$3.9M is classified as 'restricted' for the purposes of supporting future initiatives of the City.
- Trade and other receivables' have increased by \$88,054 (8%), however it is pleasing to note that the amount of rates outstanding at year end has reduced by \$125,902 or 40% when compared to 2014/15 figure of \$315,038 to \$189,136. This is a measure of process improvements made in the rate collection process.

- The asset class; 'infrastructure' has increase in value by \$1.317M as a result of additions of new assets of \$4.964M less total depreciation of \$3.647M.
- The asset class –'property, plant & equipment' has increased in value by \$1.10M as a result of new assets additions of \$4.389M and a Revaluation surplus of approx. \$403,000 less depreciation of \$3.425M and disposals of \$266,000.

## **Liabilities**

Total liabilities have increased by \$1.835M or 18%, the majority of which relate to additional borrowings of \$2.122M to fund the David Cruickshank and other buildings, and a self-supporting loan of \$140,000. Traditionally the City has low levels of borrowings and in the past has been well above the target debt service coverage ratio of 2 and well below the target net debt ratio of 50%.

## **Payables**

The increase in payables of \$272,493 (13.3%) was largely due to an advance income of \$250,000. This is in relation to funds from Dept of Parks & Wildlife for the Nedlands Riverwall Foreshore Restoration for the year 2016/17

## **Provisions**

- Provisions showed an increase of \$168,808 which is mainly due to natural increases in employee leave entitlements. Each year, employees' long service leave is increasing by 1.3 weeks or 2.5% of total salaries paid.

## **Financial Performance Indicators**

The Financial Ratios in Note 21 to the accounts give an overview of the financial performance of the City in 2015/16 compared with the previous two years. All the ratios except for the Operating Surplus Ratio and Asset Consumption ratio are within recommended standard benchmarks set by the Department of Local Government.

The operating surplus ratio, is a measure of the City's ability to cover its operational costs and have funds available for capital investment. This year's result when compared to last year has been impacted by the increase in operating expenses (7%) disproportionate to the increase in revenue (0%).

The asset consumption ratio, a measure of the replacement rate of assets versus asset stock is lower than target but consistent with prior years due to the aging nature of the City's assets which is being addressed by planned increase in capital expenditure in the coming years.

Ratios provide an indicator of performance however it is important to note that variance from year to year may occur as planned business decisions are implemented – they are an important guide but should not be viewed solely as a determination of success.

<b>Ratio</b>	<b>2016</b>	<b>Target</b>	<b>2015</b>	<b>2014</b>
Liquidity - Current Ratio	<b>2.00</b>	>1.00	2.01	1.51
Debt Ratio - Debt Service Cover Ratio	<b>5.94</b>	>2.00	10.75	4.44
Coverage Ratio - Own Source Revenue Coverage Ratio	<b>91.61%</b>	>40%	98.00%	99.00%
Financial Performance - Operating Surplus Ratio	<b>-2.94%</b>	>1%	6.00%	5.00%
Asset Management Ratios - Asset Sustainability Ratio	<b>129.29%</b>	>50%	92.00%	117.00%
Asset Consumption Ratio	<b>59.24%</b>	90-110%	60.00%	65.00%
Asset Renewal Funding Ratio	<b>86.03%</b>	75-95%	85.00%	67.00%

### Capital Works

During 2016 the City invested \$9.35M in its capital works program and of these \$4.96M was utilised in improving infrastructure assets – roads, footpaths, drainage, parks and gardens and \$4.39M for upgrading and renovating the City's buildings and purchase of plant and equipment and furniture and fittings. This is an increase of 22% compared to the prior year of \$7.64M.

2016 Capital Works and Acquisitions are summarised as follows:

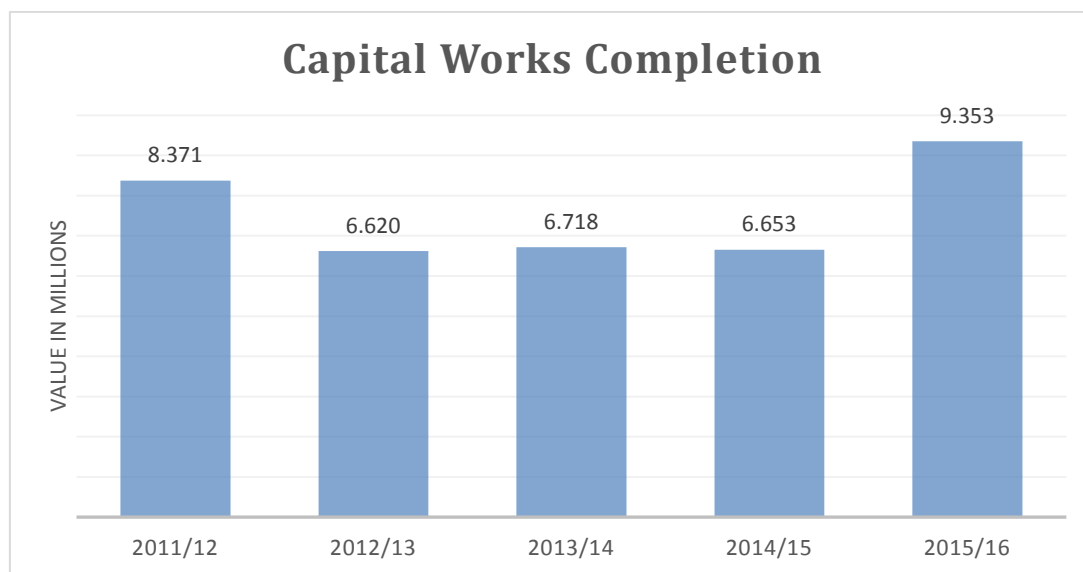
- \$297k Footpath Rehabilitation
- \$1.527M Road Rehabilitation
- \$327k Drainage Rehabilitation
- \$31k Street Furniture/Bus Shelter
- \$1.204M Grant Funded Projects e.g. Bulimba Rd, Barcoo Ave, Greenville Street
- \$3.703M Building Construction including \$2.718M Collegian Clubrooms
- \$293k Off Street Parking
- \$1.033M Parks & Reserves Construction
- \$620k Plant & Equipment purchases
- \$252k Greenway Development
- \$8k Furniture & Fixture
- \$58k Public Art

Of the total funds expended on capital works, \$1.63M were from grants and contributions. The balance was made up of operating surplus (excluding depreciation), sale of plant, transfer from reserves and proceeds of loans of \$1.98M.



The reduction of \$1.27M in non-operating grants is mainly due to the postponing of the construction of \$2.8M budgeted All Abilities Play Space at Beaton Park. This has the effect of reducing anticipated grant receipts (for the 15/16 year) of \$1.4M including \$250,000 from Lotterywest and \$650,000 from Rotary, these grants will be realised in 16/17.

The values of capital works completed in each of the past 5 years is shown in the following chart. The high value of capital works in 2011/12 was due to the renovation of John Leckie Pavilion that year and for 2015/16, the Collegians Football Clubrooms at David Cruickshank Reserve.



### Revaluation of Physical Assets

The Local Government (Financial Management) Regulations 1996 requires all physical assets to be valued on a fair value basis with full implementation by 30 June 2015. The City conducted the recurring revaluation on Plant and Equipment in 2015-16 Financial Year. The impact of the revaluation is \$403k surplus and the recognition is in the Statement of Other Comprehensive Income.

It is to be noted that the revaluation does not have any impact on the cash position of the City.

### Audit Report

The City's Auditor, Macri Partners, have completed the audit of the Annual Financial Statements in line with current Australian Standards and have provided an Unqualified Opinion following the meeting with the Audit and Risk Committee. The Auditor also noted a minor non-compliance issue which does not impact upon an Unqualified Opinion.

## **Conclusion**

Council's acceptance of the Annual for the City of Nedlands for the year ended 30 June 2016 comprising the Annual report, Financial Report and the Auditor's Report is recommended.

## **Attachments**

1. Annual Report 2015-2016
2. Financial Report 2015-2016

## **Declaration of Closure**

There being no further business, the Presiding Member declared the meeting closed at 6.02 pm.



# UNIQUELY NEDLANDS



City of Nedlands

ANNUAL REPORT 2015-2016





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**MAX HIPKINS, MAYOR**

# MESSAGE FROM THE MAYOR

I am pleased to present the 2015-16 City of Nedlands Annual Report.

Thank you to all those who participated in the October 2015 local government elections. The Councillors and I, as Mayor, are honoured to continue to represent and serve the community, including the 108 people who were warmly welcomed as Australian citizens during the year.

The past year has once again been one of considerable achievement with the completion of a number of projects and the commencement of others which will soon come to fruition.

The City completed the \$2.72M new clubrooms at David Cruickshank Reserve, on time and on budget. The building was officially named the Adam Armstrong Pavilion at a naming ceremony, after Nedlands first European descendant. Following the completion of the Adam Armstrong building, works commenced for the \$1.2M upgrade of the Allen Park Pavilion in Swanbourne.

Other significant achievements included rehabilitating and surfacing 17,340 metres squared of roads and 1,134 linear metres of new and rehabilitated footpaths, costing \$3.3M, along with improving blackspot areas with the commencement of upgrading intersections at Brockway Road/Underwood Avenue/Brookdale Road and Railway Road/Loch Street/Gugeri Street. Capital improvements were also undertaken on 34 parks across the City valued at over \$1M.

Sustainability remained a key focus with over 400 street trees and 25,000 native seedlings planted across the City along with the continued expansion of the City's native greenways.

These projects are examples of the City delivering on the community's priorities which are identified in the Strategic Community Plan 2013-2023.

In the last financial year, the City launched Your Voice Nedlands, a community engagement hub to enable the community to participate in the council's decision-making processes and to tell the council their thoughts on a range of projects and priorities. Since the launch date, there have been over 3000 visits and over 50 engagement projects delivered throughout the year.

A large focus in the past financial year was developing the new Local Planning Strategy. The City engaged extensively and gained valuable feedback. Over 200 people attended the four open days and over 1,400 visits were made to the Your Voice Nedlands engagement hub, with 420 submissions received. Thank you to everyone who participated.

The information you provided is crucial and forms a large part of our planning process. In the coming year, the City will be working on the Local Planning Scheme in the next phase of this process.

The artwork commissioned for Nagal Pass has been getting the thumbs-up from passing motorists. The artwork; "The Grandis Leaf", by Leanne Bray, is intended to bring to mind the natural flora of the area, and is based on the Banksia Grandis. It is an outstanding feature for the area.

The refurbishment of the historic Peace Memorial Rose Garden arbour has been completed. The garden was opened in 1950 and commemorates those who died in service in World War II. It is the first time it has had a facelift since it was built. This is a much-loved and iconic feature of the City and we want to maintain it to the highest possible standard for the future.

The long-standing Summer Concerts in the Park series continued its tradition of entertaining families in our beautiful parks. This year was the 19th year of the series, so watch out for the 20th anniversary in 2017. The City also ran its water festival, Splashfest, for the second year running with over 1,500 people attending. It is now an annual event.

The creative energy and diversity of our artistic community shined through at our Emerge: Youth Art Awards and Student and Tutor Studio Artists Exhibition at Tresillian this year.

Congratulations to Sarah Jeffery who was awarded the Open Award – First Prize for her piece 'Guide into Light' at the Emerge: Youth Art Awards and to Monica Pixely who was awarded the People's Choice Award for her piece 'Flowers in the Mist' in this year's Student and Tutor Studio Artists Exhibition.

These exhibitions highlight the creative energy and diversity of our artistic community.



On behalf of my fellow councillors, I would like to extend my congratulations to our Chief Executive Officer, Greg Trevaskis, on being awarded a Public Service Medal in the 2016 Australia Day Honours list. Greg received this honour for his career of public service to local government and to the community. He has spent 39 years in local government, with 32 of those years as CEO in councils in Western Australia, Victoria and New South Wales. Greg has been with the City of Nedlands since 2012 and has proved a steady hand, providing guidance and advice to me, councillors and staff.

I would like to thank my fellow councillors, staff, residents and businesses for their support during the past year. Together we ensure the City remains a great place to live and work and the Council and I will endeavour to work towards delivering better value and outcomes for our community. Thanks to all who have helped make it a memorable year.



# YOUR COUNCIL

CITY OF  
NEDLANDS  
2015 – 2016

Cr Max Hipkins, Mayor

Coastal Districts	Dalkeith	Hollywood	Melvista
Cr Nikola Horley	Cr Ian Argyle	Cr Ben Hodsdon	Cr Gordon Hay
Cr John Leo McManus	Cr Joe Porter	Cr Robert Binks	Cr Toni James
Cr Kerry Smyth	Cr Bill Hassell	Cr John Wetherall	Cr Nigel Warren Shaw

Mayor, Councillors and City's Executive Staff Members at the Peace Memorial Rose Gardens, Nedlands







Cr Max Hipkins  
**Mayor**



Deputy Mayor,  
Cr Bill Hassell AM  
**Dalkeith Ward**



Cr Ben Hodsdon  
**Hollywood Ward**



Cr Kerry Smyth  
**Coastal Districts Ward**



Cr Nigel Warren Shaw  
**Melvista Ward**



Cr Leo McManus  
**Coastal Districts Ward**



Cr Robert Binks  
**Hollywood Ward**



Cr Joe Porter  
**Dalkeith Ward**



Cr Gordon Hay  
**Melvista Ward**



Cr Nikola Horley  
**Coastal Districts Ward**



Cr John Wetherall  
**Hollywood Ward**



Cr Ian Argyle  
**Dalkeith Ward**



Cr Toni James  
**Melvista Ward**



## GREG TREVASKIS, CHIEF EXECUTIVE OFFICER

# CEO REPORT

I'm pleased to present the 2015-16 Annual Report, in which you will read about the City of Nedlands achievements over the past year.

Highlights included:

- Preparation of the City's Local Planning Strategy for submission to the WAPC
- Completion of the new Adam Armstrong Pavilion at David Cruickshank Reserve
- Establishment of the City's 'Your Voice Nedlands' community engagement portal
- Continued progress on Council's IT frontline involving; cloud computing, new telco contracts, improved mobility/functionality for staff, SharePoint information management, public WIFI, disaster protection and improved security
- Approval of the All Abilities Play Space project for construction
- Virtually no impact on the City of Nedlands despite the coming into operation of the City of Perth Act as of 1 July 2016
- Nominal increase in rates and nil increase in waste collection charges for the second year in a row.

The Mayor and all sitting councillors were returned to office following the October 2015 elections. This was a very positive outcome for the City and reinforcement of the support enjoyed and the overall direction being provided by the Mayor and councillors as judged by the residents of the City of Nedlands. From an organisational perspective the stability and retention of knowledge due to the return of all elected members is extremely beneficial as we continue to work together to improve the City's services, infrastructure and community facilities for now, and into the future.



In general terms, the City continues to focus its resources and efforts into the delivery of the 2013-23 Strategic Community Plan and has done so with significant success. A lot of work and planning has gone into building up the capacity and resources of Council's Technical Services Department in recent years to ensure the increasing capital works program is well designed, accurately costed and constructed to meet all standards. At the same time the organisation continues to provide a high standard of customer service across all departments to external and internal stakeholders. Our efforts in this regard have been assisted through a thorough review of the organisation's values, targeted training, open communication and ongoing mentoring of staff during the course of the past year. I continue to be impressed by the quality of staff employed at the City of Nedlands and the positive and professional culture they display.

Further improvements have occurred during the year through the use of smart technology which has increased the flexibility and mobility of staff in the field; added public WIFI to Council's Administration building, Libraries and outstations; improved security for computer servers, mobile and data services within the 'cloud' courtesy of an independent secure data centre; and more recently, the engagement of ECU cyber unit to test our security systems and provide state of the art protection for the City's data facilities. These improvements have all been achieved through savings in capital costs due to the shift to the 'cloud' and lower telecommunication charges for bandwidth through successful tendering practices.

The past 12 months have presented a challenging economic environment for the State, businesses have been experiencing the pressures of a slowing down in the market which has resulted in a review of how business operates and access to a more competitive market.

Whilst our revenue base is relatively stable it is prudent for us to maximise the benefit to our ratepayers of their return to the City. It is within this environment that the Rates for 2015-16 were set.

We are proud that in this economic context we have delivered a number of key projects for the City, including:

- Over \$9.3 million in capital investments
- No growth in staff numbers
- Key financial ratios remain strong and represent financial discipline
- Operating expenditure maintained at levels reflective of CPI only growth
- Provided grants of over \$200,000 to both the Hollywood, Subiaco and Dalkeith Nedlands Bowling Clubs
- Overall operating outcome – surplus.

It is with a little regret that I report the departure of key executive staff from the City in recent months. Mr Mike Cole, Director Corporate and Strategy for the past 8 years has accepted the position of Executive Manager Corporate Services at the City of Albany. Mike was a very respected and loyal servant to this Council and we wish him well in this new role. Mr Mark Goodlet, Director Technical Services has also moved on and is now the CEO for the Town of Mosman Park. Mark's three and half years with the City were extremely productive and his expertise will be sorely missed. Ms Jacqueline Scott, Manager Technical Services recently accepted a promotion with the City of Perth and everyone at the City will miss her engineering and management skills. However, we are very pleased to welcome Mrs Lorraine Driscoll as the new Director Corporate and Strategy along with Mr Martyn Glover who has now joined the City of Nedlands as the new Director Technical Services. Both Lorraine and Martyn are very experienced executives and I am confident they will prove to be great acquisitions for Nedlands.

As always, I am most grateful for the ongoing support I receive in my role from the Mayor Max Hipkins, councillors, City employees and my executive team. It is a team effort and we all strive to make improvements for the well-being and advancement of the City of Nedlands. Much has been achieved, yet of course, there remains much to be done in the years ahead.

Thank you.



Greg celebrating with his wife, daughter, daughter-in-law and grandson after being awarded a Public Service Medal for his career of public service to local government in Australia and to the community in this year's Australia Day honours list at Government House.






# UNIQUELY NEDLANDS

WHAT MAKES NEDLANDS ... NEDLANDS?

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A photograph of a tree-lined residential street. The street is paved and has a white curb. On the right side, there is a grassy area with several large, mature trees. A dark-colored car is parked on the grass. In the background, a light-colored car is parked on the street. The sky is blue with some white clouds. A purple text box is overlaid on the right side of the image.

The City of Nedlands is dedicated to providing a harmonious community where residents can enjoy living, working and socialising together. We are dedicated to providing value for money and quality services to our community, including easy access to quality health and education facilities.





1



2

1 Gallop House 2 Kids playing in the park

Nedlands is a beautiful place. The City is committed to maintaining its unique character of Nedlands – our beautiful parks and gardens, tree-lined streets and bushland areas, and to live sustainably within our natural environment.

The City understands the importance of delivering high standard quality infrastructure, services and activities to our community, along with enabling lively community hubs where people can come together. Our focus is to have well-maintained urban infrastructure (roads, cycle-paths, parks, community and sporting facilities), and nurture our natural environment, support City events, arts and cultural activities, and facilitate social programs. We can achieve an active, safe, and inclusive community.

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

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





3 Foreshore at night 4 Hollywood Reserve Wildflowers

To achieve this, we value:

**Accountability** by conducting our business and all our services in an open, transparent and financially responsible manner

**Partnerships** by working together for the benefit of the community

**Fairness** by providing consistent, fair and unbiased treatment for the whole community.



NEDLANDS IS A BEAUTIFUL PLACE. THE CITY IS COMMITTED TO MAINTAINING ITS UNIQUE CHARACTER OF NEDLANDS.





1 The tree lined streets of Nedlands 2 Nedlands Foreshore

# INTEGRATED STRATEGIC PLANNING

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

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

The City has completed its third year of implementing its capital works targets. The following table and comments demonstrates the City's progress in achieving the four-year targets for the year and identifies the targets for 2016–17.

The Strategic Community Plan is a requirement of the Integrated Planning and Reporting Framework and a four-year review is due next year.



2



## Capital Works targets and achievements

Description	Corporate Business Plan (CBP) 4-year target	2015–2016 End of Year Goals	2015–2016 Goals Achieved	2016–2017 End of Year Goals
New building projects finished	David Cruickshank completed	David Cruickshank completed	David Cruickshank completed	Allen Park Lower Pavilion completed
Square metres of natural areas path renewed <sup>1</sup>	Renew 2,285 m <sup>2</sup>	600 m <sup>2</sup>	470 m <sup>2</sup>	0 m <sup>2</sup>
Square metres of greenway planted	Plant 5,860 m <sup>2</sup>	1,500 m <sup>2</sup>	1,900 m <sup>2</sup>	1,100 m <sup>2</sup>
Number of trees planted	2,050 street / reserve trees	400	404	500
Metres of river wall repaired <sup>2</sup>	281 m	0 m	0 m	100 m
Square metres of carpark new or upgraded	Upgrade or build 13,240 m <sup>2</sup>	2,500 m <sup>2</sup>	2,600 m <sup>2</sup>	400 m <sup>2</sup>
Number of bus shelters upgraded <sup>3</sup>	16	2	2	2
Number of pits installed	100	40	64	30
Metres of footpath renewed <sup>4</sup>	Renew 12,793 m	800 m	1,114 m	500 m
Metres of new footpath	Build 1,223 m	0 m	20 m	80 m
Number of blackspot projects completed	8	1	1	2
Kilometres of road renewed <sup>5</sup>	34.31 km	2.48 km	2.82 km	6.82 km

### Notes

<sup>1</sup> Square metres of natural area paths renewed: The target is unlikely to be achieved due to funding priorities. There was a reduction in the width of pathways at Point Resolution along with one being decommissioned as a result of efficiencies being identified.

<sup>2</sup> Metres of river wall repaired: The target for the river wall repairs will be progressed during the 2016-17 financial year capital works program; grant funding from the Swan River Trust along with the City's contributions were approved in the 2016-17 budget.

<sup>3</sup> Number of bus shelters upgraded: The program has been reviewed to reflect the Public Transport Authority (PTA) criteria for funding assistance; as a result the target is unable to be achieved.

<sup>4</sup> Meters of footpath renewed: The target will not be achieved due to current budget allocations. However the 2016-17 financial year will see road and footpaths asset data collected in order to produce an effective asset management plan. Some footpaths will be upgraded in full as a component of the road rehabilitation program.

<sup>5</sup> Kilometres of road: Due to budget constraints, the target is not achievable, however the percentage of network in good condition has increased from 73% to 75% over the last four years and is on track to achieve a target of 80% of the network in good condition over the next five years.

1



1 Adam Armstrong Pavilion completed in 2015 2 Dalkeith Tennis Club

In addition to achieving its four-year capital works targets, the City has also completed projects not originally programed but achieved through additional funding, and utilisation of reserve funds without impacting on Council's general reserve.

### Allen Park Pavilion

The Adam Armstrong Pavilion at David Cruickshank Reserve was the first building identified in the Strategic Community Plan, completed both on time and budget. This year, the City forged ahead with the plan to upgrade a second building identified in the plan, the Allen Park Pavilion, in Swanbourne. The Allen Park Pavilion was identified in the City's Strategic Community Plan as a community facility that was a strategic priority for renewal.

The \$1.2 million upgrade will include construction of new change-rooms and umpire's room, construction

of a universal access toilet and shower facility, a new kitchen with a kiosk facility, a new roof, additional storage, a refurbished hall with air-conditioning and a covered outdoor viewing area and upgrades to the fencing.

The project has been provided for in the City's long-term financial planning with \$908,443 committed to the project over two years towards the construction of the redevelopments. These funds have been allocated from the North Street Reserve fund and result in no additional cost to ratepayers.

The remainder of the works will be funded with a \$190,000 grant from the Department of Sport and Recreation, \$70,000 from the Swanbourne Tigers Junior Football Club, and \$20,000 from the Swanbourne Cricket Club.





2

### **Hollywood Subiaco Bowling Club**

Continuing the City's focus on upgrading community facilities, Council provided the Hollywood Subiaco Bowling Club with a grant for \$252,000 to assist with upgrades to its building. Upgrades included the clubrooms, an accessible toilet, new male toilets, kitchen facilities and installation of a new accessible ramp.

Funds for the grant were generated from a parking fees arrangement with Hollywood Hospital from April 2014 to December 2016, resulting in no additional cost to ratepayers. The remaining \$13,440 has been budgeted for in the 2016-17 annual budget.

### **Dalkeith Tennis Club**

A grant of \$49,024 was provided by Council for the Club to install 15 break-back poles with lighting, upgrades to the switch board and minor power upgrades.

**THE ADAM ARMSTRONG  
PAVILION AT DAVID  
CRUICKSHANK RESERVE  
WAS THE FIRST BUILDING  
IDENTIFIED IN THE  
STRATEGIC COMMUNITY  
PLAN COMPLETED BOTH ON  
TIME AND BUDGET.**

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A photograph of a man with curly hair and a beard, wearing a patterned shirt and a light-colored vest, holding the hand of a young child in a striped shirt. They are standing in a field with tall grass and a wooden fence in the background. The entire image is overlaid with a semi-transparent orange filter.

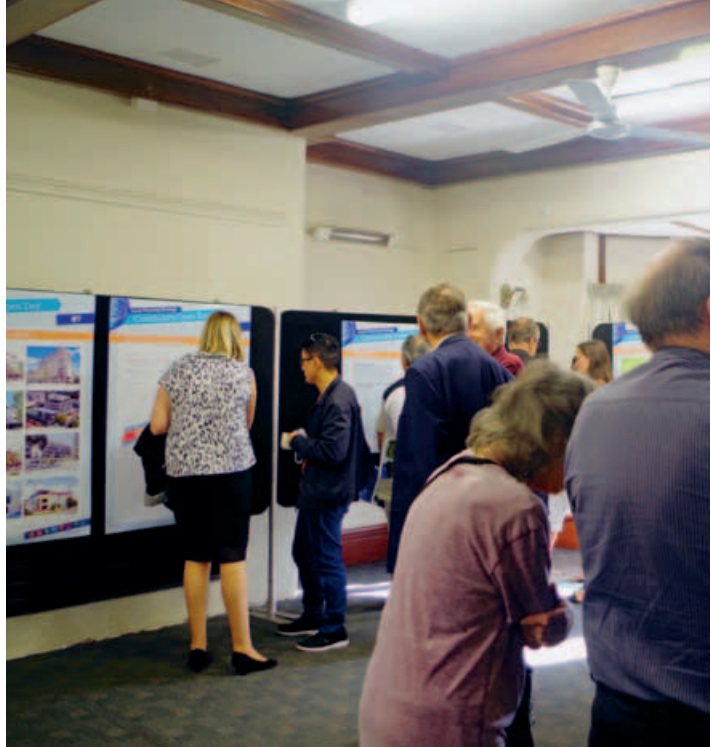
A UNIQUELY ENGAGING COMMUNITY

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THROUGHOUT  
THE 2015–16  
FINANCIAL  
YEAR, THE CITY  
UNDERTOOK  
OVER 50  
ENGAGEMENT  
PROJECTS.

# COMMUNITY ENGAGEMENT

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Community and stakeholder engagement is an essential activity of the City. It is intrinsic to the success of the Council in the provision of good governance and strong leadership, and ensures that the community has the opportunity to be consulted about its needs and concerns prior to any decisions being made. This puts the City in a position to deliver better decisions to guide its priorities into the future.

The City acknowledges that successful engagement with our community will increase participation by everyone in the activities and decisions that affect them, and at a level that best meets everyone's expectations.

Throughout the 2015-16 financial year, the City undertook over 50 engagement projects. Consultation consisted of the use of a range of tools to seek feedback including surveys, submissions and public open days.

The greatest participation from the community was in the Local Planning Strategy, Sayer Street Swanbourne partial closure, and traffic issues at the old Swanbourne High School site. The stay updated page on the Your Voice Nedlands engagement hub, which helps residents to find out about the City's projects, was also well visited.

Key achievements in Community Engagement for 2015-16 year are:

- Implementation of "Your Voice Nedlands," an online community engagement hub. There have been over 3,000 visits to the site and 300 resident registrations since its implementation.
- Community Engagement Policy was adopted by Council.
- A major engagement project, the Local Planning Strategy, was undertaken along with 50 minor and inform projects.
- A range of engagement tools were developed or refined to increase engagement awareness, increase community participation, and broaden the City's demographic representation.





# CITY INFRASTRUCTURE

We are Nedlands' lovers. We have lived on Bulimba Road for over 38 years and have raised our children here. We feel privileged that the Council chose to invest in upgrading our road which included resurfacing, replacing the verges, and improving the parking.

From the beginning, everything was meticulous and thoroughly communicated by the City and its contractors. Even when the surveyor arrived, the work was done efficiently, with manners, and with excellence in skills. They always told us what they were doing and when it would be done by, making for a smooth process.

We are happy with the upgrades. The verges are better because the kerbing is flatter and smoother, it's now easier to park on the street and the resurfaced road is smoother to drive on.



## REBECCA AND PETER COGHLAN, BULIMBA ROAD

M<sup>2</sup> of road  
rehabilitated and  
resurfaced

17,340

Linear metres of new  
and rehabilitated  
footpaths



1,134

## KEY POINTS





1 Allen Park Pavilion under construction 2 Works on Kinninmont Ave 3 Stirling Highway

## OVERVIEW

The City's infrastructure includes its roads, footpaths, drainage and the City's buildings.

The 2013-2023 Strategic Community Planning process identified that the City's infrastructure is at a stage in its lifecycle where significant investment is required. This was a major financial driver for the 10-year Strategic Community Plan. In response, the City developed a 10-year Forward Works Plan detailing the capital works to be prioritised for the coming 10-year period.

The City is on track to complete its works identified at this stage of the 10-year Forward Works Plan, which is reviewed annually as the yearly capital works program is approved by Council during the budget process. Two major priorities for the City were the Stirling Highway Streetscape Project and the completion of the Adam Armstrong Pavilion and the associated carpark at David Cruickshank Reserve.

The City is also working towards its road network target of 80% being in good condition over the next five years. The percentage of the network that is in good condition has increased from 73 percent to 75 percent.

### Stirling Highway Streetscape Project

The City's Stirling Highway Streetscape Project continued to be a priority. During the 2015-16 financial year, the City completed a number of projects including:

- Replacement of 388 m of old concrete and damaged paths
- Modified parking arrangements at intersecting streets (Baird Avenue and Dalkeith Road)

- Road resurfacing, rehabilitation works, parking modifications and installation of kerb ramps to Bulimba Road and Kinninmont Avenue
- Formalised 24 new on-road car bays and three motorcycle bays as part of road upgrades on Kinninmont Avenue and Bulimba Road.

### Adam Armstrong Pavilion, David Cruickshank Reserve, Dalkeith

During the last financial year, the City completed the new pavilion at the David Cruickshank Reserve in Dalkeith.

The new pavilion was formally named the Adam Armstrong Pavilion after the City's first European resident. Works completed during the year included a new car park for 88 cars which includes four disability parking bays and three kerb ramps. The car park was designed on water-sensitive urban design principles including natural drainage swales and gardens containing local native waterwise plants. Fourteen new LED lighting columns were also installed to address safety in the car park.

### Road resurfacing and rehabilitation

Roads that were resurfaced or rehabilitated received extensive drainage improvements. The aim was to reduce the impact of flooding, improve safety, and replenish the groundwater system.

The following roads were resurfaced during the year:

- Barcoo Avenue (Doonan Road to Rockton Road)
- Bulimba Road (entire length)
- Clement Street (Walpole Street to Kirkwood Road)



- Greenville Street (Wood Street to Hooley Street)
- Jenkins Avenue (Taylor Road to Waroonga Road)
- Kinninmont Avenue (entire length)
- Circe Circle North (Adelma Road to Curlew Road)
- Circe Circle South (Curlew Road to Carroll Street).

As part of improving Smyth Road, 700 m<sup>2</sup> of road reserve was paved to formalise off-road parking.

### Drainage improvements and storm water management

Soak wells are important to maintain the foundations of the City's roads and car parks. As such, these installations continue to be a focus with 25 new soak wells installed throughout the City, along with replacing or upgrading a further 39 soak wells.

### Footpath improvement and rehabilitation

The City progressed with its annual footpath improvement and replacement plan by rehabilitating Knutsford, Reeve and Greenville Streets, along with installing a new section of footpath on Hardy Road. There were also general footpath repairs in various locations across the City.

### Black Spot Program

The Black Spot Program is a Commonwealth and State Government funding initiative that improves the safety of roads that have a proven crash history or are high-risk locations. During the 2015-16 financial year, the City received funds to upgrade the following road intersections that posed a risk to road safety:

- Brockway Road/Underwood Avenue/Brookdale Street (design)
- Railway Road / Loch Street / Gugerri Street (design).

Both of these projects will be upgraded in cooperation with neighbouring local governments and construction is due to begin in early 2017.

## KEY INITIATIVES

### Allen Park

The City received \$190,000 in grant funding from the Department of Sport and Recreation for the upgrade of the Allen Park Pavilion.

The upgrade includes demolition and construction of new change-rooms, refurbishment of the hall, along with internal changes to provide for a new kitchen and kiosk, toilets, storage, a new patio and upgrades to the fencing.

Works have commenced and will continue into the 2016-17 financial year.

## PRINCIPAL SHARED PATHWAY

The construction of the 2km Principal Shared Pathway between Loch Street and Shenton Park Station has been completed.

The City partnered with the Department of Transport, the Public Transport Authority, and Main Roads WA to deliver this project.

## FACILITY IMPROVEMENTS

The building maintenance Capital Works Program involved various projects from minor upgrades through to construction. In addition, a number of improvements were undertaken to enhance existing infrastructure across the City.

Upgrades were undertaken at Nedlands Community Care (NCC), Tresillian Arts Centre, Point Resolution Child Care Centre (PRCC), Nedlands Library, the Depot and Administration offices.

## HIGHLIGHTS

- Completed the Collegians Amateur Football Club clubrooms and car park at David Cruickshank Reserve, Dalkeith
- Upgraded security systems to 80% of the City of Nedlands buildings
- Completed building and security improvements to Dalkeith Hall and Drabble House.

## STATISTICS

- \$1,492,000 spent on road infrastructure
- \$1,527,000 spent on road rehabilitation projects
- \$296,549 spent on footpath rehabilitation projects
- \$327,257 spent on drainage rehabilitation projects
- \$4,875,000 on building maintenance and upgrades



I have been a volunteer for the Friends of Hollywood Reserve for over 20 years. Over the last two decades, we have worked hard with the City of Nedlands to restore the reserve into the beautiful place that it is today. That is what I find so rewarding – being able to see the results of the urban bushland improving from our hard work.

One of the group's biggest achievements to date was when the friends group began over 20-years ago and we were able to save it from being taken over by Karrakatta Cemetery. The group petitioned to save it and the Minister allowed us to keep it.

The City of Nedlands has also assisted us and continued to support us with our restoration. It's important to get the right help and advice and the City has always supported us with plants, giving us good advice, frequent manual help, and assisting us with our needs.

Together, we need to keep restoring and looking after our urban bushland otherwise we will lose it.



**TRISH HEWSON**  
FRIENDS OF HOLLYWOOD RESERVE

# NATURAL ENVIRONMENT





parks capital improvement projects completed valued over \$1m

146

nature strip development applications assessed

Native seedlings planted throughout the City

25,000

ALL 48

city parks have centrally controlled irrigation capability



404

street trees planted



406

monthly maintenance programs completed

KEY  
POINTS

2





1 Allen Park 2 Point Resolution Bush Rehabilitation 3 Hollywood Reserve Wildflowers

## OVERVIEW

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

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

Activities include continued upgrades to sporting and recreational facilities, maintenance to parks and reserves, and addressing environmental weeds, plant diseases, feral animals and fire management.

By protecting and maintaining its natural environment, our gardens, streets and parks will be green and tree-lined, and we will live sustainably within the natural environment. Our green spaces will serve as hubs for people to come together.

### Parks Services

Key focus areas and activities during 2015-16 were:

- Progressed the All Abilities Play Space project to a point where a development application could be lodged with the Department of Parks and Wildlife. The complexity of the project required extensive consultation with stakeholders and government agencies to address a range of issues. With lodgment of the application imminent, the project is entering into the delivery stage with construction expected to commence in the 2016-17 financial year.

- Implementation of the City's street trees management plan was further progressed during the year. Street tree planning continues to challenge the City with a number of complicated issues requiring resolution, which will remain an active focus in the coming year.
- The irrigation central control project was completed during the year. All parks irrigation controllers are now controlled remotely via mobile phone and computer through the 4G mobile phone network. Completion of this project plays a vital link in the overall irrigation operating strategy for the City. This project is of particular relevance as the Department of Water has indicated impending reductions to abstraction allocations for commercial and large users of groundwater resources, including local governments.
- In accordance with the 10-year Forward Works Plan and asset management policy, the City continued the renewal of parks assets by completing 34 capital improvement projects. Continued improvement in asset management was a focus which progressed the development of asset pick-up and recording procedures.
- Installation of a new rose garden in Birdwood Parade Reserve was initiated in consultation with the Nedlands sub-branch of the Returned & Services League of Australia WA. The garden commemorates the 25 April 2015 as the 100-year Anniversary of the 1915 landing at Gallipoli. To acknowledge the significance of this event, a rose was specifically developed for the ANZAC Centenary. The City constructed the rose garden and planted the 'Gallipoli Centenary Rose' to honour the occasion.

## Environmental Conservation

Management of the City's remnant bushland areas continued through the implementation of the five-year management plans for the City's six natural areas:

- Shenton Bushland
- Allen Park Bushland
- Hollywood Reserve
- Birdwood Parade Reserve
- Point Resolution Reserve
- Mount Claremont Oval Reserve.

## Greenways

Greenways continued to be expanded with the planting of native vegetation to improve biodiversity and allow for the migration of wildlife throughout the City. Projects included Point Resolution Reserve, Marine Parade coastal dunes and a minor project in Smyth Road at Verdun Street.

The City commenced stage one of the installation of a greenway at Point Resolution Reserve by planting 3,500 local native waterwise shrubs and ground covers.

A further 4,700 local provenance plant species were planted at Marine Parade. The Swanbourne Coastal Alliance community group partnered with the City to deliver this project.

## The Perth Banksia Woodland Community Restoration Project at Shenton Bushland.

The Perth Banksia Woodland Community Restoration Project is a joint initiative between the City of Nedlands, the Friends of Shenton Bushland and the Department of Parks and Wildlife to revegetate the Banksia Woodland to increase the Black Cockatoo species at Shenton Bushland with stage two being completed during the year.

Over the last two years, the friends group has received \$22,000 to revegetate an area of Shenton Bushland with 8,000 local seedlings in an area commonly referred to as 'The Barrens'.

# KEY INITIATIVES

- Over 25,000 native seedlings were planted throughout the City's natural areas
- Replacement of the decorative handrail network, boom gates and bike racks at Swanbourne Beach Reserve
- Replacement of pine bollard perimeter fencing with standard recycled bollards at St Peters Square Gardens (Mt Claremont)
- Refurbishment of heritage listed entrance arbour at the Peace Memorial Rose Garden (Nedlands)
- Playgrounds replaced at Melvista Oval (Nedlands), Lawler Park (Floreat) and Zamia Park (Mt Claremont)
- Replacement of the swing set at Beatrice Road Reserve (Dalkeith)
- Upgrade of the combination playground unit at Campsie Park (Nedlands)
- Installation of playground soft fall surfacing at Masons Garden (Dalkeith)
- Replacement of footpath bollard lighting at Sunset Foreshore (Dalkeith)
- Installation of new solar bollard lighting to footpaths linking Haldane Street with Montgomery Avenue and Cleland Street and Montgomery Avenue (Mt Claremont)
- Installation of 'no dogs' signs to all playgrounds (City wide)
- Upgraded the barbeques at Swanbourne Beach Reserve
- Installation of a new bushland path completing link from Whitney Crescent to Mt Claremont Community Centre
- Car parking improvements at Swanbourne Beach Reserve
- Renewal of garden beds at Peace Memorial Rose Garden (Nedlands)
- Upgrade of irrigation control cabinets to central control capability at Nedlands Library Surrounds (Nedlands), Mossvale Gardens (Floreat), Genesta Park (Dalkeith), Birdwood Parade Reserve (Dalkeith), St Peters Square Gardens (Mt Claremont), Point Resolution Reserve (Dalkeith), Rogersons Gardens (Floreat), Hollywood Tennis Reserve (Nedlands), Karella Park (Nedlands), Leura Park (Nedlands) and Bishop Road Reserve (Dalkeith)
- Resurfacing of two tennis courts at Hollywood Tennis Reserve (Nedlands)
- Installation of fitness equipment at College Park (Nedlands)
- Substitution of nature strip turf area with dry climate waterwise greenway planting on Smyth Road (Nedlands)
- The City worked with the Friends of Point Resolution Reserve to upgrade walking paths by restoring degraded sections of pathway and improving community safety.



The Health Department at the City of Nedlands were a great assistance in ensuring that opening our new business was a smooth process. In particular, Shannon and Chris were helpful, quick to respond, and clear in their requirements. They guided us smoothly through the requirements to ensure that we met our opening deadlines and took a fair and logical approach to our application. While we already took health and safety in the kitchen seriously, Shannon was always prepared to offer additional advice along the way.



**MIKE AND AMELIA WALKER**  
OWNERS OF LITTLE WAY CAFÉ

# HEALTH & COMPLIANCE



**28,200**

Vehicles marked for  
parking compliance



**285**

Food premises  
inspections

**3**



**2,556**

Dogs  
Registered

Cats  
Registered



**650**

**KEY POINTS**



1 Shenton Bushland 2 Pets at the Park event at Claremont Park

## OVERVIEW

### Environmental Health

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

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

Asbestos remediation has been a focus of the City this year. Extensive decontamination works have continued across multiple projects within Allen Park, Swanbourne and Shenton Reserve.

Building on the success of the last financial year, further asbestos sampling has taken place at Shenton Park and the City is now in the process of finalising a management plan for both Shenton and Allen Parks.

### Ranger Services

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

A focus on the control of parking continued throughout the year. All City areas are regularly patrolled including schools and commercial areas, and public facilities such as the Hollywood Hospital and UWA precincts.

In compliance with the Cat Act 2011, there were 650 cat registrations within the City. Since the adoption of legislation, work has been undertaken to ensure that residents are informed of their responsibilities and are assisted in complying with the legislation.

The annual Pets in the Park event was held in partnership with the Town of Claremont. The event was a success with pet owners gathering information on pet care, microchipping and Council requirements.

### Sustainability

The City is a Water Corporation-endorsed Waterwise Council and is committed to improving water efficiency and contributing to improved water quality throughout our operations by undertaking regular reviews on water use to identify and fix leaks. The outcomes for this year were:

- Scheme water consumption dropped by 546 kL compared to the previous year.
- Groundwater savings of 10,385 kL through efficiencies in irrigation strategies, sprinkler upgrades, and the use of wetting agents. These efficiencies have ensured that our water use of 708,715 kL remained less than our allocated 709,300 kL during the financial year.

In August 2014, Council resolved to assess newly constructed or refurbished buildings for on-site power generation (solar panels or wind generators). A weather station was installed on the roof at the new Adam Armstrong Pavilion in Dalkeith to collect





**3** Chorizema cordatum native plant sold in the Native Plant Subsidy Scheme

weather information including solar and wind data.

The City is working with Murdoch University to assess the collected data and examine the potential for capturing green energy to service the buildings and the reserve. Rain data captured will also be used to inform irrigation strategies.

Electricity savings through a program of building retrofits saved the City a total over \$40,000 back in the 2014-15 financial year compared to the previous year, however electricity consumption increased in the last financial year with an extra \$5,037 spent and a total of 1,176,223 kW consumed. This still represents considerable savings from previous years and the rise is attributed to both the increased use of community buildings and leaks at the Daran Park lakes which hold bore water that services fourteen reserves in Mt Claremont. The leaks resulted from the constant running of the bore to keep water levels at a sufficient level to service the reserves. The issues have been addressed by Council with maintenance works planned to be undertaken in the 2016-17 financial year.

The Western Suburbs Regional Organisation of Council's Native Plant Subsidy Scheme was a success for another year running with residents purchasing over 2,800 seedlings this year. As a result, the City has achieved over 23,000 in sales through this initiative since 2008.

## STATISTICS

**14**   
FOOD PREMISES  
INFRINGEMENTS

**103**   
PUBLIC  
BUILDING  
INSPECTIONS

**181**   
Public aquatic facilities inspections

**25**   
DOG ATTACKS  
INVESTIGATED

**5,169** • Total infringements for parking issues

**510**    
Total warnings issued for parking

 NATIVE PLANT  
SUBSIDY SCHEME  
PLANTS SOLD **2,820**

**10,385 KL**   
GROUNDWATER SAVINGS

## KEY INITIATIVES AND HIGHLIGHTS

- Supported the ongoing activities with the Mayo Community Gardens
- Rangers coordinated the Pets at the Park event with the Town of Claremont which attracted over 500 participants and hosted 21 market stalls
- Increased environmental health inspections for food premises, public buildings and swimming pools
- The City provided two free workshops on sustainability: Natural Gardening for Food and Ecology, and Beyond Changing the Light Bulbs.

# 4

The City is committed to achieving a waste diversion target of

**65% BY 2020**

The overall diversion rate of waste from landfill achieved in 2015–16 was

**51%**

The City is a leading metropolitan Council for the three-bin system (top 3) and has a diversion rate of over

**49%**

**OVER 80%**

of residents utilising the standard bin service, contributing to lower waste generation in the City

**OVER 21%**

of residents are using the complimentary second recycle bin option




The three-bin collection system is continuously improving source separation while achieving ongoing savings of \$850,000 per year to ratepayers

Despite an increasing landfill levy the City has maintained waste charges at the same level since 2013

## KEY POINTS







When I reflect on our waste charges levied by the Nedlands Council I do feel we are getting good value for money. The City's contractor removed our green waste from our verge in an efficient, tidy, friendly manner and every care was taken to avoid our reticulation system and garden. The contractors cleaned up, raking all the leaves and twigs that escaped the front end loader.

**DR STEPHEN DAVIS**  
DALKEITH RESIDENT

The City is a state leader in Waste Management and separation at source. "The City has a diversion rate from landfill of 49 percent; low waste charges and high customer satisfaction" *The West Australian* (9 November 2015).

# WASTE SERVICES



1 Green Waste disposal on Waratah Ave 2 Dalkeith Primary School students model best resource recovery practice 3-4 Reduce, Reuse, Recycle

## OVERVIEW

In accordance with industry best practice and to achieve the most cost effective outcomes for our rate payers, the City continues to work with the community to encourage positive attitudes and behaviours in reducing the amount of waste going to landfill. By throwing out less waste, we can reduce the waste we produce, reuse what we have and recycle what is left.

The City is aligned with the State Government's target of 65 percent waste diversion from landfill by 2020. The City's approach is to seek to implement effective environmental management practices that consider the most cost effective outcomes for rate payers in achieving the desired waste minimisation targets. The City has maximised recovery from the kerbside collections, and will now focus on the bulk waste stream.

Approximately 8,020 dwellings are using the three-bin kerbside collection system by participating in general, green and recycling collection services. In addition 950 commercial waste services and 590 commercial recycling services are included in the kerbside collection system.

The City provides two combined residential bulk verge collections which consist of hard waste, green waste, e-waste and mattresses.

Each year the City collects approximately 900 tonnes of hard waste and 850 tonnes of green waste from these collections. The City is diverting approximately 49% waste from landfill via the green waste component. A further 50% of the bulk waste composition is hard waste which has to date been deposited in landfill. The remaining 1% is made up of e-waste and mattresses which are recovered separately.

Separating waste at the source not only saves on disposal cost, but also directly supports material recovery of high value streams. Through the early adoption of the three-bin collection system, the City has proven to be the leading metropolitan authority for resource recovery. The City is now seeking to improve recovery rates, and reduce bulk waste collection time frames to achieve improved economic, environmental and social benefits which will be progressed in 2016-17 financial year.

### Graffiti and vandalism

The City's graffiti and vandalism contract ensures that all graffiti is removed within 48 hours of it being reported, and is also reported to a central police database.

Prompt removal is proven to be the most effective deterrent. This service is available free of charge, and community satisfaction rating in this area remains high.





3

## KEY INITIATIVES

- Second recycling bin available free of charge
- Second green waste bin provided at a subsidised fee
- Bulk collection service with source separation to divert from landfill: green waste, e-waste, mattresses and metals
- Implementation of biodegradable dog waste bags
- Recycling stations for e-waste, mobile phones, light globes, fluorescent tubes, printer cartridges and household dry cell batteries installed at the Nedlands and Mt Claremont Libraries, and the City's Administration Building
- Green waste bags, worm farms, and compost bins provided at discounted rates.



4

## STATISTICS

**\$50,000** 

per quarter savings on re-tendered hard waste disposal contract

**\$100,000** savings on landfill levy



**5,900**

TONNES OF DOMESTIC WASTE COLLECTED, INCLUDING BULK RUBBISH COLLECTIONS

**2,700**

TONNES OF RECYCLABLES DIVERTED FROM LANDFILL

**3,390**

TONNES OF GREEN WASTE DIVERTED FROM LANDFILL, INCLUDING BULK RUBBISH COLLECTIONS

**20**

TONNES OF E-WASTE AND MATTRESSES DIVERTED FROM LANDFILL







I have lived and worked in Nedlands for over 30 years. I have always had positive communications with all of the council staff. I have dealt with the City's planning team from time-to-time, including Andrew, who has often dealt with my questions. He was polite, professional and conscientious and provided me with up-to-date facts. The success of my application was in part due to the information that he supplied me and I am grateful to the Planning Department's contribution.

**BARBARA FLEMMING**  
RESIDENT

# 5 BUILT ENVIRONMENT

# KEY POINTS

of development applications being processed within 20 days

54%

development applications determined

389

public submissions received for the Local Planning Strategy

420

average number of days to determine development applications

30

566 BUILDING PERMITS  
ISSUED WITH A VALUE OF  
\$107,780,621

1,165

POOL BARRIER  
INSPECTIONS  
UNDERTAKEN  
IN THE CITY OF  
NEDLANDS



## OVERVIEW

The City formulates, administers and enforces the rules and regulations for its built environment. Responsibilities include land use planning, development approval and compliance, heritage, building and swimming pool control and compliance and managing the leasing of the City's assets.

These activities ensure that the City continues to develop and thrive in pursuit of its vision: to be a City that is easy to get around and is a great place to do business. High-quality built environments are healthy, have character and charm, enhance community connections, and protect amenity.

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

### Strategic Planning

The draft Local Planning Strategy continued to be the main focus for the City. The draft strategy was given approval from the Western Australian Planning Commission (WAPC) for advertising in December 2015. A comprehensive engagement process was advertised and open to the community for comment for six weeks. Over 200 people attended the four open days and over 1,400 visits were made to the Your Voice Nedlands engagement website with 420 submissions received. The strategy will go to Council for approval in the 2016-17 financial year.

### 1 Open day for the draft Local Planning Strategy

The strategy provides a robust and comprehensive planning framework for the City to inform the development of the town planning scheme, Local Planning Scheme No. 3 (LPS3) which will progress following the approval of the Strategy.

### Statutory Planning

The City focussed on processing development applications to ensure timeframes were met and the community was consulted in the decision-making when necessary. All development applications were processed within the statutory timeframes. Of the 389 development applications that the City determined, 134 were determined within the 60 day statutory timeframe, and 241 were determined within the 90 day statutory timeframe.

In addition, local planning policies and existing processes have been reviewed in response to the new Planning and Development Regulations, including the development of a Fast Track Certification process, local planning policies, signage, fencing, and landscaping.

### Building and Compliance

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

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



New procedures have been developed around the compliance activities to improve the fairness and consistency of how matters are dealt with and the consideration of new audit practices to determine how building work complies with regulations and the control of construction activities.

## KEY INITIATIVES

### Building and Compliance

- Increased efficiencies in the receipt and processing of building permits through the use of technology resulting in reduced processing times, improved consistency and greater capacity resulting in 100% of applications being processed within the statutory timeframes
- Continued contract services with one other local government for building permit approvals, swimming pool inspections and building compliance
- New licence agreements for seasonal users for redeveloped facilities.

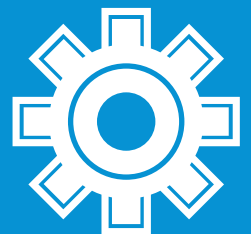
### Planning

- Establishment of a Preliminary Assessment System for proposed development
- Implementation of new Planning Information Sheets
- The successful implementation of the Fast Track Certification process which saw 58 fast track certification requests completed during the 2015-16 financial year
- Involvement with the finalisation of the Shenton Park Hospital improvement Scheme and Plan
- Public consultation on the Captain Stirling Neighbourhood Centre
- Ongoing facilitation of TravelSmart initiatives
- Various local and metropolitan scheme amendments were dealt with, together with numerous comments and recommendations for State Planning initiatives and changes to legislation.



## HIGHLIGHTS

BUILDING PERMITS AND DEVELOPMENT APPLICATIONS PROCESSED WITHIN STATUTORY TIMEFRAMES



210

COMPLIANCE MATTERS COMPLETED



1,600



POOL BARRIER INSPECTIONS CONDUCTED IN THE CITY OF NEDLANDS AND FOR THE TOWN OF CLAREMONT

DEVELOPMENT OF THE FAST TRACK CERTIFICATION PROCESS

DEVELOPMENT OF THE DRAFT LOCAL PLANNING STRATEGY



800

BUILDING PERMITS IN TOTAL WERE APPROVED FOR THE CITY OF NEDLANDS AND THE TOWN OF CLAREMONT

# KEY POINTS

Nedlands Community Care and Point Resolution Child Care Centre both received greater than 98% satisfaction ratings in their annual client surveys

Number of Affinity Club members .....• increased by

**23%**

Nedlands and .....• Mt Claremont Libraries provided

**410**

EVENTS

+

**4,739**

PEOPLE ATTENDED

# COMMUNITY SERVICES



I have been driving the shopping bus for Nedlands Community Care (NCC) for 20 years. I intend to keep volunteering to drive the bus for as long as I am able to. NCC offers a range of activities and opportunities for senior people in the community to remain active and connected to their community. I admire the spirit and determination of NCC clients to maintain their independence and it gives me pleasure helping them. We have fun on the bus and people are very appreciative. It's important when you retire to contribute to society and it is vital to keep busy and to feel useful and I would recommend it to anyone with spare time to volunteer.



**TERRY HEPTINSTALL**  
NEDLANDS COMMUNITY CARE  
VOLUNTEER BUS DRIVER

**20,108**

hours of service provided  
by Nedlands Community  
Care staff to 261 eligible  
community members

Monthly average number of  
people attending Positive  
Ageing activities

**264**

**THE CITY PROVIDES  
AGED CARE, CHILD CARE  
AND LIBRARY SERVICES  
WHICH ALLOW REGULAR &  
DIRECT CONTACT BETWEEN  
CITY STAFF & THE COMMUNITY.**







## OVERVIEW

1 Waratah Club members, NCC 2 Point Resolution Child Care Centre

### Aged Care Services – Nedlands Community Care (NCC)

Home and Community Care (HACC) services are provided by NCC, which is funded jointly by the Western Australian Department of Health and the City of Nedlands. It provides services to assist eligible residents to remain living in their own homes for as long as safely possible. Many elderly residents have limited contact with other people outside of their home and NCC provides the social engagement they need for their wellbeing.

Services provided include:

- In-home support includes personal care, wellbeing checks, light domestic assistance, light gardening maintenance, shopping and bill paying support
- Waratah Club provides activities, meals at the centre, and outings and events
- Social Support activities including group bus outings around Perth, a Friday night social program, dinner club, book clubs, movie days and computer classes
- Positive Ageing Program: The Affinity Club, the City's positive ageing program, is for over 55s and those not ready for Nedlands Community Care services. A variety of activities are held including computer workshops, mah-jong, table tennis, tai chi, yoga, movie club, guest speakers and much more.

### Point Resolution Child Care Centre (PRCC)

Point Resolution Child Care Centre offers children aged 0-6 years a fun and stimulating environment in which to learn and grow during their early years. With a focus on the Early Years Learning Framework, the program provides a range of experiences that help children grow socially, emotionally, physically and mentally, while being cared for and nurtured in a safe environment.

### Library Services

The City has two libraries, Nedlands Library on Stirling Highway and Mt Claremont Library on Montgomery Avenue. Membership stands at 9,360 members, of which 71% are local residents.

The library collection includes a huge range of books, magazines, talking books, DVDs, CDs, local history and electronic content (eBooks, eAudiobooks and eMagazines). We have expanded our eContent and now provide over 36,000 eBooks, more than 5,000 eAudiobooks and 328 eMagazine subscriptions across three online platforms. Physical and digital items borrowed and renewed increased in the 2015-16 financial year to over 228,000, up 4,000 from the previous financial year.

# KEY INITIATIVES

## Aged Care Services

As part of the City's wellness approach, Nedlands Community Care provides services and strategies which assist residents to continue living independently in their home and being part of their community.

These initiatives are important for NCC clients, with each client having a goal they may like to achieve. Activities include assisting with meal preparation and cooking in the Waratah Club, being more independent on outings where physically possible, and assisting support workers in their homes with light duties. Joint activities with other nearby local governments continued in 2015-16, which included quiz days and outings.

## Child Care Services

Point Resolution Child Care centre achieved an 'exceeding' rating in its first assessment under the National Quality Standards and the National Regulations.

The centre also held community events for the children and family members for Australia Day, Harmony Week, NAIDOC Week, Easter, Book Week, Science Week, a Christmas party and a Farmers Market.

## Library Services

During the 2015-16 financial year, the Nedlands Library Service ran six pop-up libraries within the local parks, cafes and markets to help promote its services to a wider audience.

A weekly computer help session and a Justice of the Peace have been added to the list of weekly events in the library. This joins our story-time activities, conversation classes, baby rhyme time sessions, family history workshops, book clubs and subject of notes events. New oral histories were recorded and added to the collection and the popular family history workshops continued.

# HIGHLIGHTS

## Aged Care Services

- The Annual "Engaging the Ageing" Seniors Expo Open Day was held in October at John Leckie Pavilion attracting over 100 participants and 30 stall holders
- A monthly movie and lunch social event was introduced in the Waratah Club
- NCC held a successful volunteer recognition sundowner for over 50 volunteers who assist with providing aged care services to the community.

## Library Services

- The Nedlands Library turned 50 on 23 July 2015. To celebrate, the Library ran events between 21 to 26 July. Celebrations included a morning tea, a family fun afternoon with balloons, face painting and biscuit decorating. All events were well attended
- The City held its fourth biennial "A Day of Literary Feasting" with presentations from guest authors.

## Child Care Services

- Point Resolution Child Care Centre received a makeover. The renovation included new landscaping of the playground and outdoor area, rendering and painting walls, setting up nature and waste reduction sites and planting vegetable gardens.

3 An actress acts out the history of Nedlands Library at its 50th birthday morning tea



2



3





I started volunteering as a driver for the library, Nedlands Community Care shopping, and movies and scenic drive outings because I thought I could help older residents get out and about. I enjoy the energy and the joy I get from the fascinating stories, life lessons and positive energy about ageing from the wonderful people on the bus and that is what keeps me volunteering.

**ANNA FORREST**  
VOLUNTEER LIBRARY BUS DRIVER



• **102** entries in Emerge Youth Art Awards

• **20** youth grants valued at \$5,000

• **349** courses provided by Tresillian Arts Centre with a 95% satisfaction rating for service delivery

# COMMUNITY DEVELOPMENT



# KEY POINTS

# 7



community  
grants  
valued at

**\$4,250**

awarded for local  
events and street  
parties



**32**

Sporting clubs  
using City  
reserves

**108**

people welcomed as  
Australian citizens



Over 2,750 people attended  
Summer Concerts in the Park,  
with a satisfaction rating of

**92%**



halls, pavilions and centres were  
used by the community



## OVERVIEW

1 Splashfest 2015 2 Summer Concert in the park 2016, Dot Bennett Park

The City continued to work with its strong and vibrant community, developing its social capital as well as the places that bring people together. Building community relationships is important to the City. This is undertaken through a wide range of community events and activities.

Our 32 local sporting clubs provided a choice of sporting options for local community members with the support of the City through the use and maintenance of facilities and support in accessing funds from the Council and State Government.

Young people continued to participate and be involved in the community with the support of the Youth Advisory Committee. The City's volunteers are involved in the City's services and organisations, and community groups across the City.

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

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

- Sport and recreation
- Community events
- Youth services
- Volunteers
- Community groups
- Local businesses
- Disability access and inclusion
- Tresillian Arts Centre.

### Sport and Recreation

The City works in partnership with 32 local sporting clubs to offer a wide range of sports to the community. The clubs have first priority for the use of the City's seven major ovals and are supported to secure funds for the upgrading of their facilities, for example the Dalkeith Tennis Club (\$49,024).

### Community Events

Over 4,000 people attended the City's major community events, including:

- Four Summer Concerts in the Park
- Three Nedlands Going Places Tours
- ANZAC Day Service
- Remembrance Day Service
- Three Citizenship Ceremonies.

The City supported the community to deliver a further 64 local events which were provided by organisations other than the City, for example the Cuban Club New Year's Day Event, the Nedlands Triathlon and the Creating Communities Community Open Day.

### Youth Development

The City's water-based event for children, young people and families, Splashfest, was considered a success for the second year, with more than 1,500 people attending. The satisfaction survey completed by attendees achieved a satisfaction rating of 87%.

The Emerge: Youth Arts Awards exhibition showcases the art work of local young people. Participation continued to increase with 102 entrants and achieves satisfaction levels of 82% by the participants.

The City granted 20 local young people a \$250 grant through the City's Youth Grant Fund. The Youth Grant Fund recognises and encourages the initiatives local young people are taking to participate in a wide range of socially positive activities that contribute to the community. Examples include the 2015 Australian Gymnastics Championships, the Chess Kids National finals and the Pan Pacific Waterpolo festival.

## Volunteer Services

The City has 157 active volunteers who provide service and support to the community. They give their valued time to extend many of the services delivered by the City, including volunteering in the libraries, aged care, bush care, and serving on committees and advisory groups.

The City's volunteers enjoy working alongside the City and helping others and experience personal rewards such as being with other people, achieving a high level of personal satisfaction with their contributions and find the work stimulating.

Volunteers are important to the City. On average each volunteer gives 8.8 hours per month, over 15,000 volunteer hours per year. This represents \$505,784 in benefits to the City. A further 250 volunteers were referred to roles in the broader community, helping to sustain the work of many local community organisations.

## Local Businesses

The City of Nedlands hosted two Business Sundowners. These Sundowners are held to allow local business people, City staff and Councillors an opportunity to network in a relaxed setting. The annual business satisfaction survey that tracks the relationship between businesses and the City achieved a 92% satisfaction rating.

## Tresillian Community Arts Centre

Tresillian continued to provide a wide range of recreational courses, children's school holiday activities, art exhibitions, and art studios. A record 349 courses were provided with 2,448 enrolments. Art courses continue to be in strong demand, as well as language and lifestyle courses.

Tresillian received a 95% satisfaction result for service delivery to its members.

## HIGHLIGHTS

- Splashfest – over 1,500 people attended the City's water-based event for children, young people and families, held on Swanbourne Reserve
- 349 recreational courses provided by Tresillian Arts Centre
- 2,750 people attended the Summer Concerts in the Park
- 102 young people entered the City's Emerge Youth Art Awards.

## KEY INITIATIVES

- Allen Park Pavilion – Achieved a community sport and recreational facilities fund grant of \$190,000 from the Department of Sport and Recreation to help with the upgrade of this facility
- Dalkeith Tennis Club – An upgrade of the floodlights was undertaken with grant funds from the Council (\$49,024), together with matching funding from the Club and the Department of Sport and Recreation
- Hollywood Subiaco Bowling Club – Council grant of \$252,000 for refurbishing the club house
- Dalkeith Nedlands Bowling Club – Council grant of \$33,697 to replace the boundary hedge with a fence
- Art Committee – The first piece of public artwork undertaken by the Committee was installed against the 30m long retaining wall at Nagal Pass and Stubbs Terrace in Karrakatta. The artwork "The Grandis Leaf" was designed by visual artist Leanne Bray. Leanne's intention was to capture the City's history including the years before European settlement including its river, beach and bushlands that provided an abundant home for the traditional owners of the area, the Noongar people
- Summer Concerts in the Parks – The total cost of the concerts was \$53,500, partially offset by \$24,000 in grants; Lotterywest (\$20,000), the Road Safety Commission (\$1,000), the Western Australian Local Government Association (\$500) and local business, Realmark Western Suburbs (\$2,500).

## STATISTICS

\$20,000

received from a Lotterywest grant for the City's Summer Concerts



79%

satisfaction with the City achieved from hall users



81%

satisfaction with the City achieved from community groups and organisations



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# STATUTORY REQUIREMENTS

Council  
(3) ●.....

Number of meetings held

N/A

Councillors not required to attend

## ELECTED MEMBER ATTENDANCE

Councillor Attendance – July 2015 to June 2016

Elected Member	Council (11)	Special Council (2)	Committee [11]	Audit and Risk Committee (5)	Sustainable Nedlands Committee [5]	Arts Committee [7]	CEO Performance Review [0]
His Worship the Mayor RMC Hipkins	9	2	9	4	4	7	N/A
Cr K A Smyth	10	1	8	N/A	N/A	2	N/A
Cr N B J Horley	9	2	8	N/A	N/A	1	N/A
Cr L J McManus	11	2	11	5	N/A	N/A	N/A
Cr I S Argyle	11	2	10	5	N/A	N/A	N/A
Cr S J Porter	8	1	8	N/A	N/A	N/A	N/A
Cr B G Hodsdon	10	2	10	N/A	N/A	3	N/A
Cr T P James	8	2	11	N/A	N/A	5	N/A
Cr N W Shaw	8	N/A	9	N/A	5	2	N/A
Cr G A R Hay	10	1	10	3	N/A	N/A	N/A
Cr J D Wetherall	10	2	9	N/A	1	6	N/A
Cr R M Binks	11	2	10	N/A	5	N/A	N/A
Cr W R B Hassell	11	2	10	1	N/A	N/A	N/A

# EMPLOYEES' REMUNERATION

The number of employees of the City entitled to an annual salary of \$100,000 or more were in the following categories.

Salary Range	2014	2015	2016
\$100 000 to \$109 999	2	0	0
\$110 000 to \$119 999	9	7	0
\$120 000 to \$129 999	1	4	11
\$130 000 to \$139 999	0	0	0
\$140 000 to \$149 999	1	0	0
\$150 000 to \$159 999	1	2	0
\$160 000 to \$169 999	1	1	2
\$170 000 to \$179 999	0	0	1
\$180 000 plus	1	1	1

## RECORDKEEPING STATEMENT

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

**Record Keeping Plan:** The City's current Record Keeping Plan, RKP2010069, was submitted to the State Records Office for review in March 2016. The report will be submitted at the next State Records Commission meeting scheduled for 12 August 2016.

**Record Keeping Systems:** In the 2015-2016 financial year, the City commenced a project to upgrade its on-premise Sharepoint environment, to Microsoft Office 365 online. This project will continue into the 2016-2017 financial year.

**Training and Awareness:** Recordkeeping Inductions are held for all new employees on commencement. This includes their recordkeeping responsibilities and desktop training using Sharepoint.

## FREEDOM OF INFORMATION

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

The City received 18 valid freedom of information applications in 2015-16; 17 were finalised.

The City of Nedlands Information Statement is available on the website at <http://www.nedlands.wa.gov.au/access-information>.



# DISABILITY ACCESS AND INCLUSION PLAN

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

The City is required by legislation to:

- Maintain a Disability Access and Inclusion Plan
- Address seven specific outcome areas in the plan
- Report to the Disability Services Commission annually on progress against the plan.

While the City is required by legislation to maintain and implement a Disability Access and Inclusion Plan, direct community benefits also result from the City's commitment to access and inclusion.

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

Outcome Areas	Number of strategies / initiatives planned *	Strategies / initiatives completed **
Services and Events	14	14
Buildings and other facilities	12	7
Information	2	2
Services	3	2
Complaints	1	0
Consultation	5	5
Employment	1	1

\* (Strategies / initiatives planned whether implemented or not)

\*\* (Strategies / initiatives that were completed. Include on-going strategies)

# STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM 2015-16

Revenue	\$
Governance	451 184
General Purpose Funding	22 098 392
Law, Order, Public Safety	110 610
Health	141 508
Education and Welfare	1 802 795
Community Amenities	3 811 933
Recreation and Culture	806 602
Transport	596 805
Economic Services	1 144 655
Other Property and Services	65 616
<b>Total Revenue</b>	<b>31 030 100</b>

Expenses	
Governance	(3 153 736)
General Purpose Funding	(309 761)
Law, Order, Public Safety	(886 350)
Health	(649 008)
Education and Welfare	(2 382 503)
Community Amenities	(4 619 055)
Recreation and Culture	(8 271 398)
Transport	(5 169 316)
Economic Services	(6 044 952)
Other Property and Services	(40 252)
<b>Total Expenses</b>	<b>(31 526 332)</b>

# STATEMENT OF COMPREHENSIVE INCOME BY PROGRAM 2015-16

Finance Costs	
General Purpose Funding	(307 221)
<b>Total Finance Costs</b>	<b>(307 221)</b>
Non-Operating Grants, Subsidies, Contributions	
Recreation and Culture	801 700
Transport	824 527
<b>Total Non-Operating Grants, Subsidies, Contributions</b>	<b>1 626 227</b>
Profit/(loss) on Disposal of Assets	
Economic Services	(107 531)
Other Property and Services	51 039
<b>Total profit/(loss) on Disposal of Assets</b>	<b>(56 492)</b>
<b>Net Result – Surplus (Deficit)</b>	<b>766 282</b>
Other Comprehensive Income	
Changes on revaluation of non-current assets	403 022
<b>Total Comprehensive Income</b>	<b>1 169 303</b>







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This document is available in alternative formats upon request.

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# FINANCIAL REPORT

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ANNUAL REPORT 2015-2016





# City of Nedlands

## General Purpose Financial Statements for the year ended 30 June 2016

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## City of Nedlands

### General Purpose Financial Statements

for the year ended 30 June 2016

*Local Government Act 1995*

*Local Government (Financial Management) Regulations 1996*

### Statement by Chief Executive Officer

The attached financial report of the City of Nedlands being the annual financial report and other information for the financial year ended 30 June 2016 are in my opinion properly drawn up to present fairly the financial position of the City of Nedlands at 30 June 2016 and the results of the operations for the financial year then ended in accordance with the *Australian Accounting Standards* and comply with the provisions of the *Local Government Act 1995* and the regulations under that Act.

Signed on the 4<sup>th</sup> day of November 2016



Greg Trevaskis

**CHIEF EXECUTIVE OFFICER**

## City of Nedlands

# Statement of Comprehensive Income (by Nature or Type)

for the year ended 30 June 2016

	Notes	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Revenue</b>				
Rates	23(a)	20,899,560	21,277,000	20,168,870
Operating Grants, Subsidies & Contributions	29	1,708,042	1,962,400	2,409,290
Fees & Charges	28	6,381,888	7,199,900	7,094,964
Interest Earnings	2(a)	816,756	697,500	792,714
Other Revenue		1,223,855	259,000	615,635
		<u>31,030,100</u>	<u>31,395,800</u>	<u>31,081,473</u>
<b>Expenses</b>				
Employee Costs		(12,733,973)	(11,971,700)	(11,771,033)
Materials & Contracts		(9,135,931)	(10,566,800)	(8,545,231)
Utilities		(878,650)	(729,800)	(821,416)
Depreciation & Amortisation	2(a)	(7,072,058)	(6,069,900)	(6,951,499)
Interest Expenses	2(a)	(307,221)	(317,800)	(259,769)
Insurance		(382,593)	(454,600)	(388,779)
Other Expenditure		(1,323,128)	(760,500)	(884,639)
		<u>(31,833,553)</u>	<u>(30,871,100)</u>	<u>(29,622,365)</u>
<b>Operating Result from Continuing Operations</b>		<u>(803,453)</u>	<u>524,700</u>	<u>1,459,108</u>
Non-Operating Grants, Subsidies & Contributions	29	1,626,227	2,896,300	626,341
Loss on Asset Impairment	7(b)	-	-	(70,000)
Change in Equity in LG House Trust		-	-	135,676
Profit on Asset Disposals	20	55,316	121,000	116,427
Loss on Asset Disposal	20	(111,808)	(79,100)	(7,222)
		<u>1,569,735</u>	<u>2,938,200</u>	<u>801,222</u>
<b>Net Result - Surplus (Deficit)</b>		<u>766,281</u>	<u>3,462,900</u>	<u>2,260,330</u>
<b>Other Comprehensive Income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	403,022	-	50,005,378
<b>Total Other Comprehensive Income</b>		<u>403,022</u>	<u>-</u>	<u>50,005,378</u>
<b>Total Comprehensive Income</b>		<u>1,169,303</u>	<u>3,462,900</u>	<u>52,265,708</u>



## City of Nedlands

# Statement of Comprehensive Income (by Program)

for the year ended 30 June 2016

	Notes	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Revenue</b>				
Governance		451,184	194,300	504,324
General Purpose Funding		22,098,392	22,821,000	22,228,200
Law, Order, Public Safety		110,610	116,100	118,031
Health		141,508	95,500	97,019
Education & Welfare		1,802,795	1,794,300	1,792,598
Community Amenities		3,811,933	3,894,900	3,781,942
Recreation & Culture		806,602	708,300	803,586
Transport		596,805	455,400	497,487
Economic Services		1,144,655	1,290,000	1,225,599
Other Property & Services		65,616	26,000	32,687
		<b>31,030,100</b>	<b>31,395,800</b>	<b>31,081,473</b>
<b>Expenses (excl. Finance Costs)</b>				
Governance		(3,153,736)	(2,625,500)	(2,717,757)
General Purpose Funding		(309,761)	(318,400)	(285,633)
Law, Order, Public Safety		(886,350)	(980,500)	(1,036,804)
Health		(649,008)	(713,300)	(553,295)
Education & Welfare		(2,382,503)	(2,397,300)	(2,455,918)
Community Amenities		(4,619,055)	(4,920,700)	(4,470,943)
Recreation & Culture		(8,271,398)	(7,744,400)	(7,393,371)
Transport		(5,169,316)	(5,421,600)	(4,838,402)
Economic Services		(6,044,952)	(4,444,400)	(5,277,996)
Other Property & Services		(40,252)	(987,200)	(332,477)
		<b>(31,526,332)</b>	<b>(30,553,300)</b>	<b>(29,362,596)</b>
<b>Finance Costs</b>				
General Purpose Funding	2(a)	(307,221)	(317,800)	(259,769)
<b>Operating Result from Continuing Operations</b>		<b>(803,453)</b>	<b>524,700</b>	<b>1,459,108</b>
<b>Non-Operating Grants, Subsidies, Contributions</b>				
Education & Welfare		-	-	375,000
Recreation & Culture		801,700	2,247,700	66,570
Transport		824,527	648,600	184,771
	29	<b>1,626,227</b>	<b>2,896,300</b>	<b>626,341</b>
<b>Profit/(Loss) on Disposal of Assets</b>				
Governance		-	-	(70,000)
Economic Services		(107,531)	-	-
Other Property & Services		51,039	41,900	109,205
	20	<b>(56,492)</b>	<b>41,900</b>	<b>39,205</b>
<b>Change in Equity - LG House Trust</b>				
Governance		-	-	135,676
		<b>-</b>	<b>-</b>	<b>135,676</b>
<b>Net Result - Surplus (Deficit)</b>		<b>766,282</b>	<b>3,462,900</b>	<b>2,260,330</b>
<b>Other Comprehensive Income</b>				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	13	403,022	-	50,005,378
<b>Total Comprehensive Income</b>		<b>1,169,303</b>	<b>3,462,900</b>	<b>52,265,708</b>

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

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## City of Nedlands

## Statement of Financial Position

as at 30 June 2016

	Notes	2016 Actual \$	2015 Actual \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	13,205,796	12,843,046
Trade and Other Receivables	5	1,205,841	1,117,787
Inventories	6	24,671	18,148
<b>Total Current Assets</b>		<b>14,436,308</b>	<b>13,978,981</b>
<b>Non-Current Assets</b>			
Trade and Other Receivables	5	489,060	359,394
Property, Plant and Equipment	7	65,251,389	64,150,914
Infrastructure	8	127,005,163	125,687,891
Other Financial Assets	4	135,676	135,676
<b>Total Non-Current Assets</b>		<b>192,881,289</b>	<b>190,333,875</b>
<b>TOTAL ASSETS</b>	19	<b>207,317,597</b>	<b>204,312,856</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	9	2,312,849	2,040,356
Borrowings	10	939,810	696,636
Provisions	11	2,016,197	1,847,389
<b>Total Current Liabilities</b>		<b>5,268,856</b>	<b>4,584,381</b>
<b>Non-Current Liabilities</b>			
Borrowings	10	6,248,017	5,160,063
Provisions	11	254,167	191,160
<b>Total Non-Current Liabilities</b>		<b>6,502,184</b>	<b>5,351,223</b>
<b>TOTAL LIABILITIES</b>		<b>11,771,040</b>	<b>9,935,604</b>
<b>Net Assets</b>		<b>195,546,559</b>	<b>194,377,252</b>
<b>EQUITY</b>			
Retained Surplus		67,624,741	66,718,256
Reserves - Cash/Investment Backed	12	3,993,894	4,134,091
Revaluation Surplus	13	123,927,924	123,524,902
<b>Total Equity</b>		<b>195,546,559</b>	<b>194,377,252</b>

## City of Nedlands

# Statement of Changes in Equity

for the year ended 30 June 2016

		Retained Surplus \$	Reserves Cash / Investment Backed \$	Revaluation Surplus \$	Total Equity \$
	Notes				
<b>Balance as at 1 July 2014</b>		<b>64,550,976</b>	<b>3,966,676</b>	<b>73,519,527</b>	<b>142,037,179</b>
Comprehensive Income					
Net Result		2,260,330	-	-	<b>2,260,330</b>
Changes on Revaluation of Assets	13	74,365	-	50,005,378	<b>50,079,743</b>
Total Comprehensive Income		2,334,695	-	50,005,378	52,340,073
Transfers from/(to) Reserves	12	(167,415)	167,415	-	-
<b>Balance as at 30 June 2015</b>		<b>66,718,256</b>	<b>4,134,091</b>	<b>123,524,902</b>	<b>194,377,252</b>
Comprehensive Income					
Net Result		766,281	-	-	<b>766,281</b>
Changes on Revaluation of Assets	13	-	-	403,022	<b>403,022</b>
Total Comprehensive Income		766,281	-	403,022	<b>1,169,303</b>
Transfers from/(to) Reserves	12	140,197	(140,197)	-	-
<b>Balance as at 30 June 2016</b>		<b>67,624,740</b>	<b>3,993,894</b>	<b>123,927,924</b>	<b>195,546,559</b>



## City of Nedlands

## Statement of Cash Flows

for the year ended 30 June 2016

	Notes	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Cash Flows from Operating Activities</b>				
<b><u>Receipts:</u></b>				
Rates		21,014,281	21,232,900	20,119,735
Operating Grants, Subsidies and Contributions		1,958,042	1,962,400	2,373,775
Fees and Charges		6,180,076	7,188,500	7,094,964
Interest Earnings		816,756	697,500	792,714
Goods and Services Tax		1,810,186	-	(60,833)
Other Revenue		1,223,855	259,000	615,635
		<u>33,003,196</u>	<u>31,338,100</u>	<u>30,935,990</u>
<b><u>Payments:</u></b>				
Employee Costs		(12,548,815)	(11,875,500)	(12,115,973)
Materials and Contracts		(9,088,378)	(10,410,400)	(7,922,917)
Utilities		(878,650)	(729,800)	(821,416)
Insurance		(308,917)	(454,600)	(632,128)
Interest		(299,981)	(317,800)	(255,994)
Goods and Services Tax		(1,883,573)	-	(11,510)
Other Expenditure		(1,315,293)	(760,500)	(884,639)
		<u>(26,323,607)</u>	<u>(24,548,600)</u>	<u>(22,644,577)</u>
<b>Net Cash provided (or used in) Operating Activities</b>	14(b)	<u><b>6,679,587</b></u>	<u><b>6,789,500</b></u>	<u><b>8,291,413</b></u>
<b>Cash Flows from Investing Activities</b>				
<b><u>Receipts:</u></b>				
Non-Operating Grants, Subsidies and Contributions	29	1,626,227	2,896,300	626,341
Proceeds from Sale of Assets	20	209,557	250,900	429,973
<b><u>Payments:</u></b>				
Payments for Purchase of Property, Plant & Equipmen	7(b)	(4,388,809)	(5,216,200)	(2,444,942)
Payments for Construction of Infrastructure	8(b)	(4,964,020)	(7,095,900)	(4,640,232)
<b>Net Cash provided (or used in) Investing Activities</b>		<u><b>(7,517,045)</b></u>	<u><b>(9,164,900)</b></u>	<u><b>(6,028,860)</b></u>
<b>Cash Flows from Financing Activities</b>				
<b><u>Receipts:</u></b>				
Proceeds from Self Supporting Loans	22(a)	9,080	2,900	-
Proceeds from New Loans	22(b)	2,122,000	2,122,000	1,630,000
<b><u>Payments:</u></b>				
Repayment of Debentures	22(a)	(790,872)	(719,800)	(563,160)
Advances to Community Groups		(140,000)	(140,000)	-
<b>Net Cash provided (or used in) Financing Activities</b>		<u><b>1,200,208</b></u>	<u><b>1,265,100</b></u>	<u><b>1,066,840</b></u>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents</b>		<b>362,749</b>	<b>(1,110,300)</b>	<b>3,329,393</b>
Cash & Cash Equivalents at the Beginning of the Year	3	12,843,046	7,792,200	9,513,653
<b>Cash &amp; Cash Equivalents - End of the Year</b>	14(a)	<u><b>13,205,796</b></u>	<u><b>6,681,900</b></u>	<u><b>12,843,046</b></u>

## City of Nedlands

### Rate Setting Statement for the year ended 30 June 2016

	Notes	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Revenue</b>				
Governance		451,184	194,300	640,000
General Purpose Funding (Excl Rates)		1,198,831	1,544,000	2,059,330
Law, Order, Public Safety		110,610	116,100	118,031
Health		141,508	95,500	97,019
Education and Welfare		1,802,795	1,794,300	1,792,598
Community Amenities		3,811,933	3,894,900	3,781,942
Recreation and Culture		806,602	708,300	803,586
Transport		596,805	506,600	497,487
Economic Services		1,144,655	1,290,000	1,225,599
Other Property and Services		116,655	26,000	141,892
		<b>10,181,578</b>	<b>10,170,000</b>	<b>11,157,484</b>
<b>Expenses</b>				
Governance		(3,153,736)	(2,625,500)	(2,787,757)
General Purpose Funding		(616,982)	(636,200)	(545,402)
Law, Order, Public Safety		(886,350)	(980,500)	(1,036,804)
Health		(649,008)	(713,300)	(553,295)
Education and Welfare		(2,382,503)	(2,397,300)	(2,455,918)
Community Amenities		(4,619,055)	(4,920,700)	(4,470,943)
Recreation and Culture		(8,271,398)	(7,744,400)	(7,393,371)
Transport		(5,169,316)	(5,430,900)	(4,838,402)
Economic Services		(6,152,483)	(4,444,400)	(5,277,996)
Other Property and Services		(40,252)	(987,200)	(332,477)
		<b>(31,941,084)</b>	<b>(30,880,400)</b>	<b>(29,692,365)</b>
<b>Net Result Excluding Rates</b>		<b>(21,759,506)</b>	<b>(20,710,400)</b>	<b>(18,534,881)</b>
<b>Adjustment for Cash Budget Requirements:</b>				
<b>Non-Cash Expenditure &amp; Revenue</b>				
(Profit)/Loss on Asset Disposal	20	56,492	(41,900)	(109,205)
Movement in Non-Current Deferred Pensioner Rates		(11,181)	(20,800)	(8,034)
Movement in Non-Current Employee Benefit Provisions		63,007	6,200	(10,635)
Depreciation & Amortisation on Assets	2(a)	7,072,058	6,069,900	6,951,499
Impairment - Buildings		-	-	70,000
Movement in Non Current Investment		-	-	(135,676)
<b>Net Non-Cash Expenditure &amp; Revenue</b>		<b>7,180,376</b>	<b>6,013,400</b>	<b>6,757,949</b>
<b>Capital Expenditure</b>				
Purchase Land and Buildings		(3,703,057)	(4,252,000)	(230,340)
Purchase Plant and Equipment		(606,326)	(794,200)	(822,372)
Purchase Furniture and Equipment		(79,426)	(170,000)	(334,242)
Infrastructure Assets		(4,964,020)	(7,095,900)	(4,640,233)
Advances to Community Groups		(140,000)	(140,000)	-
Repayment of Debentures	22(a)	(790,872)	(719,800)	-
Construction of Roads - Work in Progress		-	-	(563,160)
Construction of Buildings - Work in Progress		-	-	(1,057,988)
<b>Net Capital Expenditure</b>		<b>(10,283,701)</b>	<b>(13,171,900)</b>	<b>(7,648,335)</b>

## City of Nedlands

# Rate Setting Statement (by Program) (continued)

for the year ended 30 June 2016

	Notes	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>Capital Revenue</b>				
Proceeds from Disposal of Assets	20	209,557	250,900	429,973
Proceeds from New Debentures	22(b)	2,122,000	2,122,000	1,630,000
Self-Supporting Loan Principal Income	22(a)	9,080	2,900	-
Capital Grants & Contributions		1,626,227	2,896,300	626,341
<b>Net Capital Revenue</b>		<b>3,966,864</b>	<b>5,272,100</b>	<b>2,686,314</b>
<b>Transfers</b>				
Transfers to Reserves (Restricted Assets)	12	(503,744)	(240,800)	(167,415)
Transfers from Reserves (Restricted Assets)	12	643,941	653,500	-
<b>Net Transfers</b>		<b>140,197</b>	<b>412,700</b>	<b>(167,415)</b>
Surplus/(Deficit) July 1 B/Fwd	23(b)	5,957,145	699,200	2,694,642
Surplus/(Deficit) June 30 C/Fwd	23(b)	6,100,933	(207,900)	5,957,145
<b>Amount Raised from Rates</b>	23(a)	<b>(20,899,560)</b>	<b>(21,277,000)</b>	<b>(20,168,870)</b>



## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

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## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### (a) Basis of Preparation

The financial report is a general purpose financial statement which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other authoritative pronouncements of the Australian Standards Board, *Local Government Act 1995* and accompanying regulations. Except for cash flow and rate setting statement, the report has also been prepared on the accrual basis under the convention of historical cost accounting modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

##### Critical Accounting Estimates

The preparation of a financial report in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. 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 this experience and other factors combine to form the basis of making judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

##### (b) The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this financial report. In the process of reporting on the local government as a single unit, all transactions and balances between those funds (for example, loans and transfers between Funds) have been eliminated. All monies held in the Trust Fund are excluded from the financial statements, but a separate statement of those monies appears at Note 18 to this financial report.

##### (c) Goods and Services Tax

In accordance with recommended practice, revenues, expenses and assets capitalised are stated net of any GST recoverable. Receivables and payables in the Statement of Financial Position are stated inclusive of applicable GST.

##### (d) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and on hand and short-term deposits with an original maturity of six months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included as short-term borrowings in current liabilities on the Statement of Financial Position.

##### (e) Trade and Other Receivables

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

##### (f) Inventories

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.

##### (i) Raw materials and stores, work in progress and finished goods

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Net realisable value is the established selling price in the ordinary

## City of Nedlands

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies (continued)

course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

##### (ii) Land Held for resale/capitalisation of borrowing costs

Land held for resale is stated at the lower of cost and net realisable value. Cost is assigned by specific identification and includes the cost of acquisition, and development and borrowing costs during development. When development is completed borrowing costs and other holding charges are expensed as incurred. Borrowing costs included in the cost of land held for resale are those costs that would have been avoided if the expenditure on the acquisition and development of the land had not been made. Borrowing costs incurred while active development is interrupted for extended periods are recognised as expenses.

Revenue arising from the sale of property is recognised in the operating statement as at the time of signing a binding contract of sale. Land held for resale is classified as current except where it is held as non-current based on the Council's intentions to release for sale.

##### (g) Fixed Assets

###### Initial Recognition

All assets are initially recognised at cost. Cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at no cost or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed includes the cost of all materials, direct labour and variable and fixed overheads.

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

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

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

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

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

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

###### Revaluation

Certain asset classes may be revalued on a regular basis such that the carrying values are not materially different from fair value. For infrastructure and other asset classes where no active market exists, fair value is determined to be the current replacement cost of an asset less, where applicable, accumulated depreciation calculated on a basis to reflect the already consumed or expired future economic benefits of the asset.

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Those assets carried at a revalued amount, being their fair value at the date of revaluation less any subsequent accumulated depreciation and accumulated impairment losses, are to be revalued with sufficient regularity to ensure the carrying amount does not differ significantly from that determined using fair value at reporting date.

###### Land under Roads

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



## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies (continued)

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

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

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

#### (h) Depreciation of Non-Current Assets

All non-current assets having a limited useful life are separately and systematically depreciated over their useful lives in a manner which reflects the consumption of the future economic benefits embodied in those assets. Assets are depreciated from the date of acquisition or, in respect of internally constructed assets, from the time the asset is completed and held ready for use.

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

Depreciation is recognised on a straight-line basis, using rates which are reviewed each reporting period. Major depreciation periods are:

	Short Life	Long Life
Buildings		
- Structure	3 to 47 yrs	
- Fit-outs	1 to 9 yrs	
- Mechanical	2 to 14 yrs	
- Roof Cladding	3 to 47 yrs	
Furniture and Equipment	4 to 10 yrs	
Plant and Equipment	5 to 15 yrs	

Drainage	16 to 65 yrs	
Roads		
- Pavement	80 to 200 yrs	
- Sub Grade		100,000 yrs
- Top Surface	17 to 29 yrs	
Footpaths	16 to 78 yrs	
Stormwater		
- Pipes	93 to 126 yrs	
- Pits	84 to 120 yrs	
- Plant	107 to 114 yrs	
Street Furniture	16 to 76 yrs	150 yrs

The assets residual value and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Comprehensive Income. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

#### (i) Financial Instruments

##### Initial Recognition and Measurement

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

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

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies (continued)

##### **Classification and Subsequent Measurement**

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

Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Amortised cost is calculated as:

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

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

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

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

##### **(ii) Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

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

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Council's management has the positive intention and ability to hold to maturity. If Council were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the reporting date, which are classified as current assets.

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

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the Statement of Financial Position date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

##### **(v) Financial Liabilities**

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

##### **Impairment**

At the end of each reporting period, the Council assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies (continued)

determine whether impairment has arisen. Impairment losses recognised in the Statement of Comprehensive Income.

#### (j) Fair Value of Assets and Liabilities

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

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.

#### Fair value hierarchy

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

#### Level 1

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

#### Level 2

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

#### Level 3

Measurements based on unobservable inputs for the asset or liability.

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

#### Valuation Techniques

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

#### Market Approach

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

#### Income approach

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



## City of Nedlands

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies (continued)

##### Cost Approach

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

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

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

##### (k) Provisions

Provisions are recognised when the Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

##### (l) Leases

Leases of property, plant and equipment where the Council has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the lower of the fair value of the leased property and the present value of the minimum lease payments. The

corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term. Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

##### (m) Impairment

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are tested annually for impairment. Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with *AASB 136 Impairment of Assets* and appropriate adjustments made. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Impairment losses are recognised in the Statement of Comprehensive Income.

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

##### (n) Trade and Other Payables

Trade and other payables are carried at amortised cost. They represent liabilities for goods and services provided to the Municipality prior to the end of the financial year that are unpaid and arise when the Municipality becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (o) Interest-bearing Loans and Borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid of the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings.

Borrowings are classified as current liabilities unless the Council has an unconditional right to defer settlement of the liability for at least 12 months after the Statement of Financial Position date. Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

##### (p) Employee Benefits

The provisions for employee benefits relates to amounts expected to be paid for long service leave, annual leave, wages and salaries and are calculated as follows:

##### **Wages, Salaries, Annual Leave and Long Service Leave (Short-term Benefits)**

The provision for employees' benefits wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the Council has a present obligation to pay resulting from employee's services provided to balance date. The provision has been calculated at nominal amounts based on remuneration rates the Council expects to pay and includes related on-costs.

##### **Long Service Leave (Long-term Benefits)**

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience

of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match as closely as possible, the estimated future cash outflows.

Where Council does not have the unconditional right to defer settlement beyond 12 months, the liability is recognised as a current liability.

##### (q) Superannuation

The Council contributes to a number of Superannuation Funds on behalf of their employees. Contributions to defined contribution plans are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

##### (r) Joint Venture

The municipality's interest in a joint venture has been recognised in the financial statements by including its share of any assets, liabilities, revenues and expenses of the joint venture within the relevant items reported in the Statement of Financial Position and Statement of Comprehensive Income. Information about the joint venture is set out in Note 17.

##### (s) Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions. Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

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

# City of Nedlands

## Notes to the Financial Statements

for the year ended 30 June 2016

### Note 1. Summary of Significant Accounting Policies (continued)

#### (t) Current and Non-Current Classification

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

#### (u) Rounding Off Figures

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

#### (v) Comparative Figures

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

When the Council applies an accounting policy retrospectively, makes a retrospective restatement or reclassifies items in its financial statement, a statement of financial position as at the beginning of the earliest period will be disclosed.

#### (w) 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.

#### (x) Investment Property

Investment property, principally comprising freehold office buildings, is held for long-term rental yields. Investment property is carried at fair value, representing open-market value determined annually by external users.

#### (y) Non-Current Assets (or Disposal Groups) "Held for Sale" & Discontinued Operations

Non-current assets (or disposal groups) are classified as held for sale and stated at the lower of either (i) their carrying amount and (ii) fair value less costs to sell, if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The exception to this is plant and motor vehicles which are turned over on a regular basis. Plant and motor vehicles are retained in Non Current Assets under the classification of Property, Plant and Equipment - unless the assets are to be traded in after 30 June and the replacement assets were already purchased and accounted for as at 30 June.

For any assets or disposal groups classified as Non-Current Assets "held for sale", an impairment loss is recognised at any time when the assets carrying value is greater than its fair value less costs to sell.

Non-current assets "held for sale" are not depreciated or amortised while they are classified as "held for sale".

Non-current assets classified as "held for sale" are presented separately from the other assets in the balance sheet.

A Discontinued Operation is a component of Council that has been disposed of or is classified as "held for sale" and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately on the face of the income statement.

#### (z) Intangible Assets - Easements

Local governments are required to recognise easements in their financial statements where the asset can be identified and reliably measured. The City has easements over certain small portions of land but it is not possible to reliably measure these. Accordingly they are recognised at nil value. .



## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies (continued)

##### (aa) New Accounting Standards and Interpretations for Application in Future Periods

In the current year, Council adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period. The adoption of the new and revised Standards and Interpretations has not resulted in any material changes to Council's accounting policies.

Council has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective with the exception of AASB 2015-7 *Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities*. Generally Council applies standards and interpretations in accordance with their respective commencement dates. The retrospective application of AASB 2015-7 has exempted Council from the disclosure of quantitative information and sensitivity analysis for some valuations categorised within Level 3 of the fair value hierarchy.

At the date of authorisation of the financial report, AASB 9 *Financial Instruments* and AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* are the only new accounting standards with a future application date that are expected to have a material impact on Council's financial statements.

From 1 July 2016 AASB 124 *Related Party Disclosures* will apply to Council, which means that Council will disclose more information about related parties and transactions with those related parties.

AASB 9, which replaces AASB 139 *Financial Instruments: Recognition and Measurement*, is effective for reporting periods beginning on or after 1 January 2018 and must be applied retrospectively. The main impact of AASB 9 is to change the requirements for the classification, measurement and disclosures associated with financial assets. Under the new requirements the four current categories of financial assets stipulated in AASB 139 will be replaced with two measurement categories: fair value and amortised cost and financial assets

will only be able to be measured at amortised cost where very specific conditions are met.

##### Effective for periods commencing 1 January 2016:

- AASB 14 *Regulatory Deferral Accounts*
- AASB 1057 *Application of Australian Accounting Standards*
- AASB 2014-3 *Amendments to Australian Accounting Standards-Accounting for Acquisitions of Interests in Joint Operations*
- AASB 2014-4 *Amendments to Australian Accounting Standards-Clarification of Acceptable Methods of Depreciation and Amortisation*
- AASB 2014-6 *Amendments to Australian Accounting Standards-Agriculture: Bearer Plants*
- AASB 2014-9 *Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements* [AASB 1, 127 & 128]
- AASB 2014-10 *Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [AASB 10 & AASB 128]
- AASB 2015-1 *Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle* [AASB 1, AASB 2, AASB 3, AASB 5, AASB 7, AASB 11, AASB 110, AASB 119, AASB 121, AASB 133, AASB 134, AASB 137 & AASB 140]
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* [AASB 7, AASB 101, AASB 134 & AASB 1049]
- AASB 2015-5 *Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception* [AASB 10, AASB 12 & AASB 128]
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part D)*

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 1. Summary of Significant Accounting Policies (continued)

##### Effective for periods commencing 1 July 2016:

- AASB 1056 *Superannuation Entities*
- AASB 2015-6 *Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities* [AASB 10, AASB 124 & AASB 1049]

##### (ab) Comparative Figures

To ensure comparability with the current reporting period's figures, some comparative period line items and amounts may have been reclassified or individually reported for the first time within these financial statements and/or the notes.

##### Effective for periods commencing 1 January 2017:

- AASB 2014-5 *Amendments to Australian Accounting Standards arising from AASB 15*
- AASB 2015-8 *Amendments to Australian Accounting Standards – Effective Date of AASB 15*

##### Effective for periods commencing 1 January 2018:

- AASB *Financial Instruments (December 2009)*
- AASB 15 *Revenue from Contracts with Customers*
- AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)*
- AASB 2014-1 *Amendments to Australian Accounting Standards (Part E)*
- AASB 2014-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)*

##### Effective for periods commencing 1 January 2019:

- AASB 16 *Leases*

Council does not expect to adopt the new standards before their operative date.

They would therefore be first applied in the financial statements for the annual reporting period ending 30 June 2017.

## City of Nedlands

Notes to the Financial Statements  
for the year ended 30 June 2016

## Note 2. Operating Revenues and Expenses

	Notes	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>(a) Net Result</b>				
The Result includes:				
<b>(i) Charging as an Expense:</b>				
<b>Auditors Remuneration</b>				
- Audit of the Annual Financial Report		19,060	26,800	20,860
- Audit of Projects		2,100	28,800	3,400
		<b>21,160</b>	<b>55,600</b>	<b>24,260</b>
<b>Bad &amp; Doubtful Debts</b>				
Rates	26(b)	1,656	6,000	-
General Debtors	26(b)	10,700	-	-
<b>Depreciation &amp; Amortisation</b>				
<i>Property, Plant &amp; Equipment</i>				
- Buildings	7(b)	2,536,771	857,700	2,386,539
- Furniture and Equipment		323,333	332,500	338,418
- Plant and Equipment		565,207	1,039,600	601,435
<i>Infrastructure</i>				
- Roads	8(b)	2,391,466	2,506,500	2,332,829
- Drainage		301,739	242,400	238,793
- Footpaths		271,592	443,900	428,839
- Parks, Gardens, Reserves & Reticulation		633,828	647,300	597,690
- Street Furniture		48,122	-	26,956
		<b>7,072,058</b>	<b>6,069,900</b>	<b>6,951,499</b>
<b>Interest Expenses (Finance Costs)</b>				
Debentures	22(a)	307,221	317,800	259,769
		<b>307,221</b>	<b>317,800</b>	<b>259,769</b>
<b>Rental Charges</b>				
- Photocopier Leases		97,472	54,300	65,621
		<b>97,472</b>	<b>54,300</b>	<b>65,621</b>
<b>(ii) Crediting as Revenue:</b>				
<b>Interest Earnings</b>				
Investments - Reserve Funds		115,159	105,400	128,283
Investments - Other Funds		413,769	391,300	473,634
Other Interest Revenue	27	287,828	200,800	190,797
		<b>816,756</b>	<b>697,500</b>	<b>792,714</b>
<b>Other Revenue</b>				
Other		1,219,495	791,800	615,635
		<b>1,219,495</b>	<b>791,800</b>	<b>615,635</b>



## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

## Note 2. Operating Revenues and Expenses (continued)

### (b). Statement of Objectives, Reporting Programs and Nature or Type

City of Nedlands is dedicated to providing high quality services to the community through the various service orientated programs which it has established.

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

#### COMMUNITY VISION

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

#### REPORTING PROGRAM DESCRIPTIONS

Council operations that are disclosed encompass the following service orientated activities/programs:

#### GOVERNANCE

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

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

#### GENERAL PURPOSE FUNDING

Objective: To collect revenue to allow for the provision of services.

Activities: Rates, general purpose government grants, and interest revenue.

#### LAW, ORDER, PUBLIC SAFETY

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

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

#### HEALTH

Objective: To provide an operational framework for environmental and community health.

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

#### EDUCATION AND WELFARE

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

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

## City of Nedlands

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 2. Operating Revenues and Expenses (continued)

##### (b). Statement of Objectives, Reporting Programs and Nature or Type (continued)

#### **COMMUNITY AMENITIES**

Objective: To provide services required by the community.

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

#### **RECREATION AND CULTURE**

Objective: To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.

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

#### **TRANSPORT**

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

Activities: Construction (if not capitalised) and maintenance of roads, streets, footpaths, depots, cycleways, parking facilities and traffic control. Aerodromes and water transport facilities, cleaning of streets and maintenance of street trees, street lighting etc.

#### **ECONOMIC SERVICES**

Objective: To help promote the City and its economic wellbeing.

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

#### **OTHER PROPERTY & SERVICES**

Objective: To monitor and control council's overheads operating accounts.

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

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 2. Operating Revenues and Expenses (continued)

##### (c) Nature or Type Classifications

City of Nedlands is required by the Australian Accounting Standards to disclose revenue and expenditure according to its nature or type classification. The following nature or function descriptions are also required by State Government regulations.

#### REVENUE

##### Rates

All rates levied under the Local Government Act 1995. Includes general, differential, specific area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts offered. Excludes administration fees, interest on instalments, interest on arrears, service charges and waste and sewerage rates.

##### Operating Grants, Subsidies and Contributions

Refer to all amounts received as grants, subsidies and contributions that are not non-operating grants.

##### Non-Operating Grants, Subsidies and Contributions

Amounts received specifically for the acquisition, construction of new or the upgrading of non-current assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

##### Profit on Asset Disposal

Profit on the disposal of assets including gains on the disposal of long term investments. Losses are disclosed under the expenditure classifications.

##### Fees and Charges

Revenue (other than service charges) from the use of facilities and charges made for local government services, sewerage rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

##### Service Charges

Service charges imposed under Division 6 of Part 6 of the Local Government Act 1995. Regulation 54 of the Local Government (Financial Management) Regulations identifies the charges which can be raised. These are television and radio rebroadcasting, underground electricity, property surveillance and security and water services. Excludes rubbish removal and charges for the provision of waste services.

##### Interest Earnings

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

##### Other Revenue

Other revenue, which cannot be classified under the above headings, includes dividends, discounts, rebates, etc.



## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 2. Operating Revenues and Expenses (continued)

##### (c) Nature or Type Classifications (continued)

#### EXPENDITURE

##### Employee Costs

All costs associated with the employment of persons such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefits tax etc.

##### Material and Contracts

All expenditure on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, consultancy, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, leases, postage and freight etc.

##### Utilities (Gas, Electricity, Water, etc.)

Expenditures made to respective agencies for the provision of power, gas or water. Excludes expenditure incurred for the re-instatement of road works on behalf of these agencies.

##### Depreciation & Amortisation on Non-Current Assets

Depreciation and amortisation expense raised on all classes of assets.

##### Loss on Asset Disposal

Loss on the disposal of fixed assets.

##### Interest Expenses

Interest and other costs of finance paid, including costs of finance for loan debentures, overdraft accommodation and re-financing expenses.

##### Insurance

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

##### Other Expenditure

Statutory fees, taxes, provision of bad debts. Donations and subsidies made to community groups.

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

### Note 2. Operating Revenues and Expenses (continued)

	Opening Balance <sup>1</sup> 1/07/2014 \$	Received <sup>2</sup> 2014/15 \$	Expended <sup>3</sup> 2014/15 \$	Closing Balance <sup>1</sup> 30/06/2015 \$	Received <sup>2</sup> 2015/16 \$	Expended <sup>3</sup> 2015/16 \$	Closing Balance 30/06/2016 \$
<b>(d). Conditions Over Grants, Subsidies &amp; Contributions</b>							
<b>Grant/Subsidy/Contribution</b>							
<b><u>Governance</u></b>							
River Foreshore Management - WESROC	-	68,760	(28,817)	<b>39,943</b>	-	(39,943)	-
Karda, Karak & Waarlitj Bidi - WESROC	-	30,000	(13,700)	<b>16,300</b>	-	(16,300)	-
<b><u>Education &amp; Welfare</u></b>							
Long Day Care Professional Education Funding - PRCC	-	20,773	(15,580)	<b>5,193</b>	-	(5,193)	-
Children's Book Week 2015 - Education Nedlands Library	-	900	-	<b>900</b>	-	(900)	-
HACC - Capital Grant	5,282	-	(5,282)	-	-	-	-
<b><u>Recreation &amp; Culture</u></b>							
DSR - Kidsports Program	10,290	-	(10,290)	-	5,000	(4,164)	<b>836</b>
Office of Crime Prevention Boatsafe Program	2,500	-	(2,500)	-	-	-	-
<b>Total Unspent Grants, Subsidies &amp; Contributions</b>	<b>18,072</b>	<b>120,433</b>	<b>(76,169)</b>	<b>62,336</b>	<b>5,000</b>	<b>(66,500)</b>	<b>836</b>

#### Notes:

(1) - Grants/contributions recognised as revenue in a previous reporting period which were not expended at the close of the previous period.

(2) - New grants/contributions which were recognised as revenues during the reporting period and which had not yet been fully expended in the manner specified by the contributor.

(3) - Grants/contributions which had been recognised as revenues in a previous reporting period or received in the current reporting period and which were expended in the current reporting period in the manner specified by the contributor.

(4) - Grants received but not expected to be fully expended in the next financial year.

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

### Note 3. Cash and Cash Equivalents

	Notes	2016 Actual \$	2015 Actual \$
Cash - Unrestricted		9,211,066	8,074,607
Cash - Restricted		3,994,730	4,768,439
<b>Total Cash and Cash Equivalents</b>	14(a)	<b>13,205,796</b>	<b>12,843,046</b>
<b>The following restrictions have been imposed by regulations or other externally imposed requirements:</b>			
Plant Replacement Reserve	12	146,543	142,447
City Development Reserve	12	447,156	379,852
North Street Reserve	12	728,048	1,149,527
Welfare Reserve	12	469,039	456,150
Services Reserve	12	1,078,565	1,047,412
Insurance Reserve	12	59,720	58,106
Waste Management Reserve	12	469,850	157,248
Building Replacement Reserve	12	471,826	619,755
Swanbourne Reserve	12	123,147	119,667
Public Art Reserve	12	-	3,927
<b>Total Reserves</b>		<b>3,993,894</b>	<b>4,134,091</b>
Unspent Grants	2(d)	836	62,336
Unspent Loans	22(c)	-	572,012
<b>Total Unspent Grants and Loans</b>		<b>836</b>	<b>634,348</b>
<b>Total Restricted Cash</b>		<b>3,994,730</b>	<b>4,768,439</b>

### Note 4. Other Financial Assets

<b>Investment in WALGA Local Government House Trust*</b>	<b>135,676</b>	<b>135,676</b>
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\* this note discloses the equity the City of Nedlands has in the Local Government House Trust as a consequence of a contribution towards the cost of purchasing Local Government House.

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



## City of Nedlands

Notes to the Financial Statements  
for the year ended 30 June 2016

## Note 5. Trade &amp; Other Receivables

	Notes	2016 Actual \$	2015 Actual \$
<b>Current</b>			
Rates Outstanding		189,136	315,038
Sundry Debtors		541,908	363,448
GST Receivable		293,859	220,474
Self Supporting Loan Debtors		12,435	-
Prepayments		169,673	243,349
Provision for Impairment in Receivables		(1,170)	(24,522)
<b>Total Current Trade &amp; Other Receivables</b>		<b><u>1,205,841</u></b>	<b><u>1,117,787</u></b>
<b>Non-Current</b>			
Rates Outstanding - Pensioners		370,575	359,394
Self Supporting Loan Debtors		118,485	-
<b>Total Non-Current Trade &amp; Other Receivables</b>		<b><u>489,060</u></b>	<b><u>359,394</u></b>

## Note 6. Inventories

## Current

Fuel and Oil		24,671	18,148
<b>Total Current Inventories</b>		<b><u>24,671</u></b>	<b><u>18,148</u></b>

## City of Nedlands

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 7a. Property, Plant and Equipment

	Notes	2016 Actual \$	2015 Actual \$
Freehold Land - Fair Value		35,664,000	35,664,000
Land Vested in and Under Control of Council - Cost		97,000	97,000
		<u>35,761,000</u>	<u>35,761,000</u>
Buildings - Fair Value		66,210,888	61,591,340
Less Accumulated Depreciation		(40,773,351)	(38,270,039)
		<u>25,437,537</u>	<u>23,321,301</u>
Furniture and Equipment - Fair Value		5,186,217	5,108,288
Less Accumulated Depreciation		(4,280,506)	(3,958,671)
		<u>905,711</u>	<u>1,149,617</u>
Plant and Equipment - Fair Value		7,570,025	6,851,875
Less Accumulated Depreciation		(4,422,885)	(3,990,867)
		<u>3,147,140</u>	<u>2,861,008</u>
Work In Progress - Buildings - Cost		-	1,057,988
		-	<u>1,057,988</u>
<b>Total Property, Plant &amp; Equipment</b>	7(b)	<u><u>65,251,389</u></u>	<u><u>64,150,914</u></u>

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

## City of Nedlands

Notes to the Financial Statements  
for the year ended 30 June 2016

## Note 7b. Property, Plant and Equipment (continued)

## Movements in Carrying Amounts

	Notes	Land \$	Buildings \$	Furniture and Equipment \$	Plant and Equipment \$	Work In Progress - Buildings \$	Total \$
<b>Balance as at 1 July 2015</b>		<b>35,761,000</b>	<b>23,321,301</b>	<b>1,149,617</b>	<b>2,861,008</b>	<b>1,057,988</b>	<b>64,150,914</b>
Additions		-	3,703,057	79,426	606,326		4,388,809
Transfers	20	-	1,057,988	-	-	(1,057,988)	-
Disposals	20	-	(108,040)	-	(158,009)	-	(266,049)
Revaluation - Increments	13	-	-	-	403,022	-	403,022
Depreciation	2(a)	-	(2,536,769)	(323,332)	(565,207)	-	(3,425,308)
<b>Property, Plant &amp; Equipment at 30 June 2016</b>		<b>35,761,000</b>	<b>25,437,537</b>	<b>905,711</b>	<b>3,147,140</b>	<b>-</b>	<b>65,251,389</b>
<b>Balance as at 1 July 2014</b>		<b>35,722,000</b>	<b>25,547,500</b>	<b>1,153,793</b>	<b>2,960,839</b>	<b>-</b>	<b>65,384,132</b>
Additions		-	230,340	334,242	822,372	1,057,988	2,444,942
Disposals	20	-	-	-	(320,768)	-	(320,768)
Revaluation - Increments	13	39,000	-	-	-	-	39,000
Impairment - (Decrements)		-	(70,000)	-	-	-	(70,000)
Depreciation	2(a)	-	(2,386,539)	(338,418)	(601,435)	-	(3,326,392)
<b>Property, Plant &amp; Equipment at 30 June 2015</b>		<b>35,761,000</b>	<b>23,321,301</b>	<b>1,149,617</b>	<b>2,861,008</b>	<b>1,057,988</b>	<b>64,150,914</b>



## City of Nedlands

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 8a. Infrastructure

	Notes	2016 Actual \$	2015 Actual \$
Roads - Fair Value		114,870,051	111,413,794
Less Accumulated Depreciation		(40,525,967)	(38,134,501)
		<u>74,344,084</u>	<u>73,279,293</u>
Drainage - Fair Value		31,603,235	31,275,978
Less Accumulated Depreciation		(7,613,997)	(7,312,258)
		<u>23,989,238</u>	<u>23,963,720</u>
Footpaths - Fair Value		21,085,468	20,788,917
Less Accumulated Depreciation		(4,374,816)	(4,103,224)
		<u>16,710,652</u>	<u>16,685,693</u>
Parks, Gardens, Reserves & Reticulation - Fair Value		15,846,352	14,561,359
Less Accumulated Depreciation		(5,078,972)	(4,445,144)
		<u>10,767,380</u>	<u>10,116,215</u>
Street Furniture - Fair Value		1,783,818	1,752,857
Less Accumulated Depreciation		(590,009)	(541,887)
		<u>1,193,809</u>	<u>1,210,970</u>
Work In Progress - Roads - Cost		-	432,000
		<u>-</u>	<u>432,000</u>
<b>Total Infrastructure</b>	8(b)	<u><u>127,005,163</u></u>	<u><u>125,687,891</u></u>

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

## City of Nedlands

Notes to the Financial Statements  
for the year ended 30 June 2016

## Note 8b. Infrastructure (continued)

## Movements in Carrying Amounts

	Notes	Roads	Drainage	Footpaths	Parks, Gardens, Reserves & Reticulation	Street Furniture	Work In Progress - Roads	Total
		\$	\$	\$	\$	\$	\$	\$
<b>Balance as at 1 July 2015</b>		<b>73,279,293</b>	<b>23,963,720</b>	<b>16,685,693</b>	<b>10,116,215</b>	<b>1,210,970</b>	<b>432,000</b>	<b>125,687,891</b>
Additions	20	3,024,257	327,258	296,550	1,284,994	30,961		4,964,020
Transfers	20	432,000	-		-	-	(432,000)	-
Depreciation (Expense)	2(a)	(2,391,466)	(301,739)	(271,592)	(633,828)	(48,122)	-	(3,646,747)
<b>Infrastructure at 30 June 2016</b>		<b>74,344,084</b>	<b>23,989,239</b>	<b>16,710,651</b>	<b>10,767,381</b>	<b>1,193,809</b>	<b>-</b>	<b>127,005,164</b>
<b>Balance as at 1 July 2014</b>		<b>51,482,034</b>	<b>7,411,033</b>	<b>5,581,275</b>	<b>9,941,786</b>	<b>215,895</b>	<b>-</b>	<b>74,632,023</b>
Additions		3,200,169	162,865	71,348	772,120	1,731	432,000	4,640,233
Revaluation - Increments	13	20,929,919	16,628,615	11,461,909	-	1,020,300	-	50,040,743
Depreciation (Expense)	2(a)	(2,332,829)	(238,793)	(428,839)	(597,690)	(26,956)	-	(3,625,107)
<b>Infrastructure at 30 June 2015</b>		<b>73,279,293</b>	<b>23,963,720</b>	<b>16,685,693</b>	<b>10,116,216</b>	<b>1,210,970</b>	<b>432,000</b>	<b>125,687,891</b>

## City of Nedlands

Notes to the Financial Statements  
for the year ended 30 June 2016

## Note 9. Trade and Other Payables

	2016 Actual \$	2015 Actual \$
<b>Current</b>		
Sundry Creditors	1,964,459	1,910,383
Accrued Interest on Debentures	40,510	33,270
Accrued Salaries and Wages	50,046	96,703
Deferred Income	250,000	-
ESL Payable	7,835	-
<b>Total Current Trade and Other Payables</b>	<b><u>2,312,849</u></b>	<b><u>2,040,356</u></b>

## Note 10. Borrowings

## Current

Secured by Floating Charge		
- Debentures	22(a) <u>939,810</u>	<u>696,636</u>
<b>Total Current Borrowings</b>	<b><u>939,810</u></b>	<b><u>696,636</u></b>

## Non-Current

Secured by Floating Charge		
- Debentures	22(a) <u>6,248,017</u>	<u>5,160,063</u>
<b>Total Non-Current Borrowings</b>	<b><u>6,248,017</u></b>	<b><u>5,160,063</u></b>

Additional detail on borrowings is provided in Note 23.

## Note 11. Provisions

## Current

Annual Leave	1,014,933	902,080
Long Service Leave	1,001,264	892,190
Worker's Compensation	-	53,119
<b>Total Current Provisions</b>	<b><u>2,016,197</u></b>	<b><u>1,847,389</u></b>

## Non-Current

Long Service Leave	<u>254,167</u>	<u>191,160</u>
<b>Total Non-Current Provisions</b>	<b><u>254,167</u></b>	<b><u>191,160</u></b>



## City of Nedlands

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 12. Reserves - Cash/Investment Backed

	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>(a). Plant Replacement Reserve</b>			
Opening Balance	142,447	144,100	137,871
Amount Set Aside / Transfer to Reserve	4,096	4,200	4,576
	<u>146,543</u>	<u>148,300</u>	<u>142,447</u>
<b>(b). City Development Reserve</b>			
Opening Balance	379,852	369,800	361,725
Amount Set Aside / Transfer to Reserve	76,304	10,700	18,127
Amount Used / Transfer from Reserve	(9,000)	-	-
	<u>447,156</u>	<u>380,500</u>	<u>379,852</u>
<b>(c). North Street Reserve</b>			
Opening Balance	1,149,527	1,150,700	1,110,649
Amount Set Aside / Transfer to Reserve	29,460	30,500	38,878
Amount Used / Transfer from Reserve	(450,939)	(473,500)	-
	<u>728,048</u>	<u>707,700</u>	<u>1,149,527</u>
<b>(d). Welfare Reserve</b>			
Opening Balance	456,150	441,500	426,597
Amount Set Aside / Transfer to Reserve	12,889	12,800	29,553
	<u>469,039</u>	<u>454,300</u>	<u>456,150</u>
<b>(e). Services Reserve</b>			
Opening Balance	1,047,412	1,048,500	1,012,524
Amount Set Aside / Transfer to Reserve	31,153	30,400	34,888
	<u>1,078,565</u>	<u>1,078,900</u>	<u>1,047,412</u>
<b>(f). Insurance Reserve</b>			
Opening Balance	58,106	58,200	56,115
Amount Set Aside / Transfer to Reserve	1,614	1,700	1,991
	<u>59,720</u>	<u>59,900</u>	<u>58,106</u>
<b>(g). Waste Management Reserve</b>			
Opening Balance	157,248	157,400	152,105
Amount Set Aside / Transfer to Reserve	312,602	104,600	5,143
	<u>469,850</u>	<u>262,000</u>	<u>157,248</u>
<b>(h). Building Replacement Reserve</b>			
Opening Balance	619,755	725,900	589,506
Amount Set Aside / Transfer to Reserve	32,071	42,300	30,249
Amount Used / Transfer from Reserve	(180,000)	(180,000)	-
	<u>471,826</u>	<u>588,200</u>	<u>619,755</u>

## City of Nedlands

Notes to the Financial Statements  
for the year ended 30 June 2016

## Note 12. Reserves - Cash/Investment Backed (continued)

	2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>(i). Swanbourne Reserve</b>			
Opening Balance	119,667	119,800	115,753
Amount Set Aside / Transfer to Reserve	3,480	3,500	3,914
	<u>123,147</u>	<u>123,300</u>	<u>119,667</u>
<b>(j). Public Art Reserve</b>			
Opening Balance	3,927	3,900	3,831
Amount Set Aside / Transfer to Reserve	75	100	96
Amount Used / Transfer from Reserve	(4,002)	-	-
	<u>-</u>	<u>4,000</u>	<u>3,927</u>
<b>Total Reserves</b>	<u><b>3,993,894</b></u>	<u><b>3,807,100</b></u>	<u><b>4,134,091</b></u>
<b><u>Summary of Reserve Transfers</u></b>			
<b>Transfers to Reserves</b>			
Plant Replacement Reserve	4,096	4,200	4,576
City Development Reserve	76,304	10,700	18,127
North Street Reserve	29,460	30,500	38,878
Welfare Reserve	12,889	12,800	29,553
Services Reserve	31,153	30,400	34,888
Insurance Reserve	1,614	1,700	1,991
Waste Management Reserve	312,602	104,600	5,143
Building Replacement Reserve	32,071	42,300	30,249
Swanbourne Reserve	3,480	3,500	3,914
Public Art Reserve	75	100	96
<b>Total Transfers to Reserves</b>	<u><b>503,744</b></u>	<u><b>240,800</b></u>	<u><b>167,415</b></u>
<b>Transfers from Reserves</b>			
City Development Reserve	(9,000)	-	-
North Street Reserve	(450,939)	(473,500)	-
Building Replacement Reserve	(180,000)	(180,000)	-
Public Art Reserve	(4,002)	-	-
<b>Total Transfers from Reserves</b>	<u><b>(643,941)</b></u>	<u><b>(653,500)</b></u>	<u><b>-</b></u>
<b>Total Net Transfer to/(from) Reserves</b>	<u><b>(140,197)</b></u>	<u><b>(412,700)</b></u>	<u><b>167,415</b></u>

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

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 12. Reserves - Cash/Investment Backed (continued)

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

##### **Plant Replacement Reserve**

To provide funds for the replacement of the City's plant and equipment so that the cost is spread over a number of years. The use of funds in this reserve is ongoing.

##### **City Development Reserve**

To provide funds for the improvement of property, plant and and equipment. The use of funds in this reserve is on going.

##### **North Street Reserve**

To provide funds for the operational and capital costs of community facilities in Mt Claremont, community and recreation facilities in Swanbourne and infrastructure generally.

The use of funds in this reserve is on going.

##### **Welfare Reserve**

To provide funds for the operational and capital costs of welfare services. The use of funds in this reserve is ongoing.

##### **Services Reserve**

To provide funds for the purchase of land for parking areas, streets, depots, etc., town planning schemes, valuation and legal expenses, items of works of an urgent nature such as drainage, street works, provision of street lighting and building maintenance. The use of funds in this reserve is ongoing.

##### **Insurance Reserve**

To cover any excess that may arise from having a performance based workers compensation premium.

##### **Waste Management Reserve**

To provide funds for the replacement of the City's rubbish bin stock so that the cost is spread over a number of years. The use of funds in this reserve is ongoing.

##### **Building Replacement Reserve**

To fund the upgrade and/or replacement of City buildings. The use of funds in this reserve is ongoing.

##### **Swanbourne Reserve**

To provide funds for the capital works in the swanbourne area associated with the Swanbourne Masterplan. The use of funds in this reserve is ongoing.

##### **Public Art Reserve**

To provide funds for the works of art in the City. The use of funds in this reserve is ongoing.



## City of Nedlands

Notes to the Financial Statements  
for the year ended 30 June 2016

## Note 13. Revaluation Surplus

	Notes	2016 Actual \$	2015 Actual \$
Asset revaluation reserves have arisen on revaluation of the following classes of assets:			
<b>(a). Land</b>			
Opening Balance		17,714,418	17,675,418
Revaluation Increment	7(b)	-	39,000
		<b>17,714,418</b>	<b>17,714,418</b>
<b>(b). Buildings</b>			
Opening Balance		9,692,645	9,692,645
		<b>9,692,645</b>	<b>9,692,645</b>
<b>(c). Plant and Equipment</b>			
Opening Balance		329,778	404,143
Revaluation Increment	7(b)	403,022	-
Revaluation Decrement	7(b)	-	(74,365)
		<b>732,800</b>	<b>329,778</b>
<b>(d). Roads</b>			
Opening Balance		64,710,548	43,780,629
Revaluation Increment	8(b)	-	20,929,919
		<b>64,710,548</b>	<b>64,710,548</b>
<b>(e). Drainage</b>			
Opening Balance		18,595,307	1,966,692
Revaluation Increment	8(b)	-	16,628,615
		<b>18,595,307</b>	<b>18,595,307</b>
<b>(f). Footpaths</b>			
Opening Balance		11,461,909	-
Revaluation Increment	8(b)	-	11,461,909
		<b>11,461,909</b>	<b>11,461,909</b>
<b>(g). Street Furniture</b>			
Opening Balance		1,020,300	-
Revaluation Increment	8(b)	-	1,020,300
		<b>1,020,300</b>	<b>1,020,300</b>
<b>Total Asset Revaluation Surplus</b>		<b>123,927,924</b>	<b>123,524,902</b>

## City of Nedlands

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 14. Notes to the Statement of Cash flows

		2016 Actual \$	2016 Budget \$	2015 Actual \$
<b>(a). Reconciliation of Cash</b>				
For the purposes of the Statement of Cash Flows, cash includes cash on hand 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:				
Cash and Cash Equivalents	3	<u>13,205,796</u>	<u>10,489,000</u>	<u>12,843,046</u>
<b>(b). Reconciliation of Net Cash Provided By Operating Activities to Net Result</b>				
Net Result		766,281	3,462,900	2,260,330
Depreciation		7,072,058	6,069,900	6,951,499
(Profit)/Loss on Sale of Assets		56,491	(41,900)	(109,205)
Loss on Impairment		-	-	70,000
Decrease/(Increase) in Receivables		(63,448)	(57,700)	(400,341)
Increase/(Decrease) in Provision for Doubtful Debts		(23,352)	-	-
Decrease/(Increase) in Inventories		(6,523)	(5,000)	12,407
Increase/(Decrease) in Payables & Accruals		265,253	192,600	334,834
Increase/(Decrease) in Accrued Interest Payable		7,240	-	-
Increase/(Decrease) in Employee Leave Entitlements		231,815	65,000	(66,093)
Change in Equity in LG House Trust		-	-	(135,676)
Grants/Contributions for the Development of Assets		(1,626,227)	(2,896,300)	(626,341)
<b>Net Cash from Operating Activities</b>		<u>6,679,588</u>	<u>6,789,500</u>	<u>8,291,414</u>
<b>(c). Undrawn Borrowing Facilities Credit Standby Arrangements</b>				
Bank Overdraft Limit		500,000	500,000	500,000
Credit Card Limit		25,000	30,000	25,000
Credit Card Balance at Balance Date		(148)	8,000	(2,881)
Purchasing Card Limit		100,000	100,000	100,000
Purchasing Card Balance at Balance Date		(869)	-	-
<b>Total Amount of Credit Unused</b>		<u>623,982</u>	<u>638,000</u>	<u>622,119</u>
<b>Loan Facilities</b>				
Loan Facilities - Current	10	939,810		696,636
Loan Facilities - Non-Current	10	6,248,017		5,160,063
<b>Total Facilities in Use at Balance Date</b>		<u>7,187,827</u>		<u>5,856,699</u>

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 15. Contingent Liabilities

The following assets and liabilities do not qualify for recognition in the Statement of Financial Position, but their knowledge and disclosure is considered relevant to the users of Council's Financial Report.

##### LIABILITIES NOT RECOGNISED:

The final instalment of the City's workers compensation insurance payment has been deferred until 30 September 2017. The payment is contingent if the claims plus a 25% loading for the policy period exceed \$173,000 of the first three instalments. The City's claim on 70% or over compensation insurance up to July 2016 amounted to \$30,970.10. Should this amount exceed \$173,000 for the period ending 30 September 2017, the final instalment liability for the City would be \$103,249.87 excluding GST.

##### ASSETS NOT RECOGNISED:

The City of Nedlands had no contingent asset at the reporting date.

#### Note 16. Capital and Leasing Commitments

	Notes	2016 Actual \$	2015 Actual \$
<b>(a). Operating Lease Commitments</b>			
Non-cancellable operating leases contracted for but not capitalised in the accounts.			
<b>Payable:</b>			
- not later than one year		73,902	84,854
- later than one year but not later than five years		27,448	73,073
- later than five years		-	-
<b>Total Operating Lease Commitments</b>		<b>101,350</b>	<b>157,927</b>
<b>(b). Capital Expenditure Commitments</b>			
<b>Contracted for:</b>			
- capital expenditure projects		2,308,829	1,661,650
<b>Total Capital Expenditure Commitments</b>		<b>2,308,829</b>	<b>1,661,650</b>
<b>Payable:</b>			
- not later than one year		2,308,829	1,661,650
- later than one year but not later than five years		-	-
- later than five years		-	-
<b>Total Capital Expenditure Commitments</b>		<b>2,308,829</b>	<b>1,661,650</b>

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 17. Subsidiaries, Joint Arrangements & Associates

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

#### Note 18. Trust Funds

	Balance 1/07/2015 \$	Amounts Received \$	Amounts Paid \$	Balance 30/06/2016 \$
Footpath Bond	1,018,120	490,286	(436,797)	1,071,609
Hall and Key Hire Bond	42,721	5,272	(3,012)	44,981
Tresillian Bond	9,171	1,900	(2,663)	8,408
Retention for Non Compliance	6,851	5,213	(1,630)	10,434
Construction Training Levy	86,160	290,985	(310,395)	66,750
Builder Reg. Board Levy	149,440	216,619	(175,965)	190,094
Unclaimed Monies	51,774	88	-	51,862
Tresillian Artist Sales	1,323	23,272	(23,032)	1,563
Crossover Bond	9,000	-	(3,000)	6,000
Nedlands-Subiaco CLAG	3,124	14,360	(11,744)	5,740
Miscellaneous	25,350	640	(640)	25,350
Staff Funds	-	2,886	-	2,886
Adelma Road	100,000	-	-	100,000
	<b>1,503,034</b>	<b>1,051,521</b>	<b>(968,878)</b>	<b>1,585,677</b>

#### Note 19. Total Assets Classified by Function and Activity

	Notes	2016 Actual \$	2015 Actual \$
Governance		35,930,673	39,192,270
General Purpose Funding		14,705,722	-
Law, Order, Public Safety		1,207,739	1,190,122
Health		-	244,723
Education & Welfare		3,108,647	2,743,911
Community Amenities		37,405	66,460
Recreation & Culture		31,888,530	27,141,410
Transport		119,508,498	118,492,120
Economic Services		-	7,636
Other Property & Services		930,383	15,234,204
		<b>207,317,597</b>	<b>204,312,856</b>



## City of Nedlands

Notes to the Financial Statements  
for the year ended 30 June 2016

## Note 20. Disposal of Assets

	Net Book Value		Sale Price		Profit/(Loss)	
	Actual	Budget	Actual	Budget	Actual	Budget
Notes	\$	\$	\$	\$	\$	\$

The following assets were disposed of during the year.

**By Asset Class***Property, Plant & Equipment*

7(b)

Buildings	108,040	-	-	-	(108,040)	-
Plant and Equipment	158,009	209,000	209,557	250,900	51,549	41,900

**By Program***Property, Plant & Equipment*

Governance	22,219	24,500	19,091	22,100	(3,128)	(2,400)
Law, Order, Public Safety	640	-	-	-	(640)	-
Community Amenities	-	7,500	-	9,100	-	1,600
Recreation & Culture	108,040	83,600	-	98,100	(108,040)	14,500
Transport	135,150	-	190,466	-	55,316	-
Economic Services	-	16,700	-	19,100	-	2,400
Other Property & Services	-	76,700	-	-	-	(76,700)
Other	-	-	-	102,500	-	102,500

<b>Total</b>	<b>266,049</b>	<b>209,000</b>	<b>209,557</b>	<b>250,900</b>	<b>(56,491)</b>	<b>41,900</b>
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	2016 Actual \$	2016 Budget \$	2015 Actual \$
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**Summary**

Profit on Asset Disposals	55,316	121,000	116,427
Loss on Asset Disposals	(111,808)	(79,100)	(7,222)
<b>Net Profit/(Loss) on Disposal of Assets</b>	<b>(56,492)</b>	<b>41,900</b>	<b>109,205</b>

## City of Nedlands

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 21. Financial Ratios

	2016	Target	2015	2014
<i>Liquidity Ratio</i>				
<b>1. Current Ratio</b> <sup>(1)</sup>				
<u>Current Assets less Restricted Current Assets</u>	<b>2.00 : 1</b>	> 1.00 : 1	2.01	1.51
<u>Current Liabilities less Liabilities Associated with Restricted Assets</u>				
<i>Debt Ratio</i>				
<b>2. Debt Service Cover Ratio</b> <sup>(2)</sup>				
<u>Operating Surplus before Interest and Depreciation Exp</u>	<b>5.94 : 1</b>	> 2.00 : 1	10.75	4.44
<u>Principal and Interest Repayments</u>				
<i>Coverage Ratio</i>				
<b>3. Own Source Revenue Coverage Ratio</b> <sup>(3)</sup>				
<u>Own Source Operating Revenue</u>	<b>91.61%</b>	> 40%	98.00%	99.00%
<u>Operating Expense</u>				
<i>Financial Performance Ratio</i>				
<b>4. Operating Surplus Ratio</b> <sup>(4)</sup>				
<u>Operating Revenue less Operating Expense</u>	<b>-2.94%</b>	> 1%	6.00%	5.00%
<u>Own Source Operating Revenue</u>				
<i>Asset Management Ratios</i>				
<b>5. Asset Sustainability Ratio</b> <sup>(5)</sup>				
<u>Capital Renewal and Replacement Expenditure</u>	<b>129.29%</b>	> 50%	92.00%	117.00%
<u>Depreciation Expense</u>				
The following information relates to the below ratios which only require attestation that they have been checked and are supported by verifiable information.				
<b>6. Asset Consumption Ratio</b> <sup>(6)</sup>				
<u>Depreciated Replacement Cost of Depreciable Assets</u>	<b>59.24%</b>	90-110%	60.00%	65.00%
<u>Current Replacement Cost of Depreciable Assets</u>				
<b>7. Asset Renewal Funding Ratio</b> <sup>(7)</sup>				
<u>NPV of Planned Capital Renewals over 10 years</u>	<b>86.03%</b>	75-95%	85.00%	67.00%
<u>NPV of Required Capital Expenditure over 10 years</u>				

#### Notes

- (1) This is a modified commercial ratio designed to focus on the liquidity position of the Council that has arisen from past year's transactions.
- (2) This ratio is the measurement of Council's ability to repay its debt including lease payments.
- (3) This ratio is the measurement of Council's ability to cover its costs through its own revenue efforts.
- (4) This ratio is a measure of Council's ability to cover its operational costs and have revenues available for capital funding or other purposes.
- (5) This ratio measures the extent to which depreciable assets have been consumed by comparing their written down value to their replacement cost.
- (6) This ratio indicates whether Council is replacing or renewing existing non-financial assets at the same rate that its overall asset stock is wearing out.
- (7) This ratio is a measure of the ability of Council to fund its projected asset renewal / replacements in the future.

## City of Nedlands

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 22. Information on Borrowings

	Borrowing Institution	Interest Rate %	Principal 1/07/2015 \$	New Loans \$	Principal Repayments		Principal 30/06/16		Interest Repayments		
					Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$	
(a). Debenture Repayments											
Community Amenities											
- Waste Bins #178	WATC	6.01%	291,995	-	62,449	82,700	229,546	229,500	15,750	18,900	
General Purpose Funding											
- Road Infrastructures #179	WATC	6.04%	1,054,553	-	91,095	91,100	963,458	963,500	60,955	68,500	
- Buildings & Infrastructures #181	WATC	5.91%	1,337,115	-	191,488	191,500	1,145,627	1,145,600	73,417	83,400	
- Buildings & Infrastructures #182	WATC	4.67%	1,543,036	-	208,163	208,200	1,334,873	1,334,800	68,027	78,400	
- Buildings & Infrastructures #183	WATC	2.78%	1,630,000	-	143,440	143,400	1,486,560	1,486,600	43,199	54,200	
- Buildings & Infrastructures #184	WATC	3.12%	-	1,345,300	57,801	-	1,287,499	1,345,300	28,818	8,900	
- Buildings & Infrastructures #185	WATC	3.12%	-	636,700	27,356	-	609,344	636,700	13,639	4,200	
- Buildings & Infrastructures #186	WATC	3.07%	-	140,000	9,080	2,900	130,920	137,100	3,416	1,300	
	*										
			5,856,699	2,122,000	790,872	719,800	7,187,827	7,279,100	307,221	317,800	

Funding of Borrowings      Loan #178 - funded by community amenities revenue. All other loan repayments were funded by general purpose income.

1 Self-Supporting Loan      \* Those loans denoted with "\*" are subject of a repayment agreement that secured the reimbursement from a community organisation of all costs associated with the loan.

2 WATC = WA Treasury Corporation

## City of Nedlands

Notes to the Financial Statements  
for the year ended 30 June 2016

## Note 22. Information on Borrowings (continued)

	Amount Borrowed		Institution	Type	Term (Years)	Total Interest		Amount Used		Balance	
	Actual \$	Budget \$				Interest \$	Rate %	Actual	Budget	Unspent	
Buildings & Infrastructures #184	1,345,300	1,345,300	WATC	Debenture	10	225,960	3.12%	(1,345,300)	-	-	-
Buildings & Infrastructures #185	636,700	636,700	WATC	Debenture	10	106,942	3.12%	(636,700)	-	-	-
Buildings & Infrastructures #186	140,000	140,000	WATC	Debenture	10	23,120	3.07%	(140,000)	-	-	-
	<u>2,122,000</u>	<u>2,122,000</u>				<u>356,022</u>		<u>(2,122,000)</u>		<u>-</u>	<u>-</u>

## (b). New Debentures

	Date Borrowed	Balance 1/07/2015 \$	Borrowed		Expended		Balance 30/06/2016 \$
			During Year \$	During Year \$	During Year \$	During Year \$	
Buildings & Infrastructures - #183	4 May 2015	572,012	-	-	(572,012)	-	-
		<u>572,012</u>	<u>-</u>	<u>-</u>	<u>(572,012)</u>	<u>-</u>	<u>-</u>

## (c). Unspent Debentures

## (d). Overdraft

Council established an overdraft facility of \$500,000 in 2008 to assist with short term liquidity requirements. The balance of the bank overdraft at 30 June 2016 was \$0. (1 July 2015: \$0).



## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 23(a). Rating Information (2015/16 Financial Year)

Rate Type												
Notes	Rate in \$	Number of Properties	Rateable Value		Rate Revenue	Interim Rates	Back Rates	Total Revenue	Budget Rate Revenue	Budget Interim Rate	Budget Back Rate	Budget Total Revenue
			\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Differential General Rate												
	0.04561	6,098	314,309,190	14,335,642	178,471	12,644	14,526,757	14,264,400	45,600		-	14,310,000
	0.06458	153	8,533,020	551,062	(29,479)	3,344	524,927	815,000	15,000		-	830,000
	0.05689	396	51,809,833	2,947,462	18,289	(1,108)	2,964,643	2,960,200	10,000		-	2,970,200
		6,647	374,652,043	17,834,166	167,282	14,880	18,016,327	18,039,600	70,600		-	18,110,200
Minimum \$												
	1,320	1,933	44,331,860	2,551,560	(43,794)	(3,462)	2,504,304	2,682,200	-		-	2,682,200
	1,740	86	1,643,465	149,640	4,778	(914)	153,504	257,500	-		-	257,500
	1,802	127	2,580,070	228,854	(2,408)	(1,021)	225,425	227,100	-		-	227,100
		2,146	48,555,395	2,930,054	(41,424)	(5,397)	2,883,233	3,166,800	-		-	3,166,800
							20,899,560					21,277,000
Discounts												
26							-					-
							20,899,560					21,277,000
Specified Area Rate												
24							-					-
Totals												
							20,899,560					21,277,000

## City of Nedlands

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 23(b). Surplus/(Deficit) B/Fwd and C/Fwd

	Notes	2016 Carried Fwd \$	2015 Carried Fwd \$
<b>Current Assets</b>			
Cash - Unrestricted	3	9,211,066	8,074,607
Cash - Restricted Reserves	3	3,993,894	4,134,091
Cash - Restricted Unspent Grants	2(d)	836	62,336
Cash - Restricted Unspent Loans	3	-	572,012
Rates - Current	5	189,136	315,038
Sundry Debtors	5	541,908	363,448
GST Receivable	5	293,859	220,474
Other Receivables	5	12,435	-
Inventories			
- Fuel and Materials	6	24,671	18,148
Prepayments		169,673	243,349
Less: Provision for Impairment in Receivables		(1,170)	(24,522)
		<b>14,436,308</b>	<b>13,978,981</b>
<b>Current Liabilities</b>			
Sundry Creditors	9	1,964,459	1,910,383
Accrued Interest on Debentures	9	40,510	33,270
Accrued Salaries and Wages	9	50,046	96,703
Other Current Trade and Other Payables	9	257,835	-
Current Employee Benefits Provision	11	2,016,197	1,847,389
Current Loan Liability	10	939,810	696,636
		<b>5,268,856</b>	<b>4,584,381</b>
<b>Net Current Assets</b>		<b>9,167,452</b>	<b>9,394,600</b>
<b>Less:</b>			
Reserves - Restricted Cash	3	(3,993,894)	(4,134,091)
Self Supporting Loan Principal Repayments		(12,435)	-
<b>Add Back:</b>			
Current Loan Liability	10	939,810	696,636
<b>Surplus/(Deficit)</b>		<b>6,100,933</b>	<b>5,957,145</b>

**Difference**

There was no difference between the surplus/(deficit) 1 July 2015 brought forward position used in the 2016 audited financial report and the surplus/(deficit) carried forward position as disclosed in the 2015 audited financial report.

## City of Nedlands

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 24. Specified Area Rate (2015/16 Financial Year)

The City did not impose any specified area rate during the 2015/16 financial year.

#### Note 25. Service Charges (2015/16 Financial Year)

The City did not impose any service charges during the 2015/16 financial year.

#### Note 26. Discounts, Incentives, Concessions & Write-offs (2015/16 Financial Year)

##### (a) Discounts

The City offered no discounts for the early payment of rates or any other debts to Council during the 2015/16 financial year.

	Notes	Total Cost \$	Budget Cost \$
<b>(b). Write-Offs</b>			
Rate Assessment	2(a)	1,656	6,000
General Debtors	2(a)	10,700	-
		<b>12,356</b>	<b>-</b>

##### (c). Waivers

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

##### (d). Concessions

City of Nedlands offers those residents who hold a current valid seniors and pensioners concession card.

A concession in respect of the following services:

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

## City of Nedlands

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 27. Interest Charges and Instalments (2015/16 Financial Year)

	Interest Rate	Admin. Charge \$	Actual Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%	-	59,722	61,500
ESL Interest Income	11.00%	-	5,719	5,400
Interest on Instalments Plan	5.50%	-	125,451	123,000
Deferred Rates Interest	-	-	9,450	10,900
Charges on Instalment Plan	-	36	87,486	77,900
			<b>287,828</b>	<b>278,700</b>

Ratepayers had the option of paying rates in four equal instalments, due on 24 August 2015, 9 November 2015, 24 January 2015 and 28 March 2016. Administration charges and interest applied for the final three instalments.

## Note 28. Fees &amp; Charges

	2016 Actual \$	2016 Budget \$	2015 Actual \$
Governance	83,815	91,900	83,595
General Purpose Funding	-	85,900	75,062
Law, Order, Public Safety	83,539	95,200	89,130
Health	79,656	90,500	93,918
Education and Welfare	754,420	749,700	730,745
Community Amenities	3,710,040	3,894,900	3,778,162
Recreation and Culture	694,564	641,500	707,251
Transport	73,527	423,900	470,560
Economic Services	858,363	1,100,400	1,036,400
Other Property and Services	43,965	26,000	30,141
	<b>6,381,888</b>	<b>7,199,900</b>	<b>7,094,964</b>

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



## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 29. Grants, Subsidies & Contributions

	2016 Actual \$	2015 Actual \$
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Grants, subsidies and contributions are included as operating revenues in the Statement of Comprehensive Income:

##### (a). By Nature & Type

Operating Grants, Subsidies and Contributions	1,708,042	2,409,290
Non-Operating Grants, Subsidies and Contributions	1,626,227	626,341
	<b>3,334,269</b>	<b>3,035,631</b>

##### (b). By Program

Governance	28,740	27,834
General Purpose Funding	362,679	1,163,719
Law, Order, Public Safety	27,072	24,128
Health	-	26,210
Education & Welfare	1,045,001	1,029,267
Recreation & Culture	843,653	546,411
Transport	884,329	207,910
Economic Services	142,795	10,152
	<b>3,334,269</b>	<b>3,035,631</b>

#### Note 30. Employee Numbers

	2016 Actual	2015 Actual
The number of full-time equivalent employees at balance date	149	164

#### Note 31. Councillor Remuneration

	2016 Actual \$	2016 Budget \$	2015 Actual \$
The following fees, expenses and allowances were paid to council members and/or the president.			
Meeting Fees	302,844	302,300	300,326
Mayor's Allowance	61,800	61,800	59,436
Deputy Mayor's Allowance	15,448	15,500	14,857
Communication Allowance	45,501	45,500	45,156
	<b>425,593</b>	<b>425,100</b>	<b>419,774</b>

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 32. Major Land Transactions

The City did not undertake any major land transaction during the 2015/16 financial year.

#### Note 33. Trading and Major Trading Undertakings

The City did not participate any trading undertaking or major trading undertakings during the 2015/16 financial year.

#### Note 34. Financial Risk Management

The City's activities expose it to a variety of financial risks including price risk, credit risk, liquidity risk and interest rate risk.

The City's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the City.

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

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

*The City held the following financial instruments at balance date:*

	Notes	Carrying Value		Fair Value	
		2016	2015	2016	2015
		\$	\$	\$	\$
<b>Financial Assets</b>					
Cash and Cash Equivalents	3	13,205,796	12,843,046	13,210,301	12,843,046
Receivables (Current & Non-Current)	5	1,694,901	1,477,181	1,618,479	1,477,181
		<u>14,900,697</u>	<u>14,320,227</u>	<u>14,828,780</u>	<u>14,320,227</u>
<b>Financial Liabilities</b>					
Payables (Current & Non-Current)	9	2,312,849	2,040,356	2,371,847	2,040,356
Borrowings (Current & Non-Current)	10	7,187,827	5,856,699	6,666,310	5,262,246
		<u>9,500,676</u>	<u>7,897,055</u>	<u>9,038,157</u>	<u>7,302,602</u>

Fair Value is determined as follows:

- Cash & Cash Equivalents, Receivables, Payables - are estimated to be the carrying value which approximates market value.
- Borrowings - estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.
- Financial Assets - based on quoted market prices at the reporting date or independent valuation.

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 34. Financial Risk Management (continued)

##### (a). Cash & Cash Equivalents, Financial assets "at Fair Value through the Profit & Loss", "Available-for-sale" financial assets

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

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

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

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

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

	30-Jun-16	30-Jun-15
	\$	\$
<b>Impact of a 1% <sup>(1)</sup> movement in interest rates on cash</b>		
Equity	132,058	128,400
Statement of Comprehensive Income	132,058	128,400

#### Notes:

(1) Sensitivity percentages based on management's expectations of future possible market movements.

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 34. Financial Risk Management (continued)

##### (b). Receivables

The City's major receivables comprise rates & annual charges and user charges & fees.

The major risk associated with these receivables is credit risk - the risk that debts due and payable to Council may not be repaid.

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

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

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

The City makes suitable provision for doubtful receivables as required and carries out credit checks on most non-rate debtors.

There are no material receivables that have been subjected to a re-negotiation of repayment terms.

The profile of the City's receivables credit risk at balance date follows:

	30-Jun-16 %	30-Jun-15 %
<b>Percentage of Rates and Annual Charges</b>		
Current	47.29%	47.00%
Overdue	52.71%	53.00%
<b>Percentage of Other Receivables</b>		
Current	59.34%	54.00%
Overdue	40.66%	46.00%



## City of Nedlands

## Notes to the Financial Statements

for the year ended 30 June 2016

## Note 34. Financial Risk Management (continued)

## (c). Payables &amp; Borrowings

Payables & Borrowings are both subject to liquidity risk - the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due.

The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer.

Payment terms can be extended and overdraft facilities drawn upon if required.

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying Values \$
<b>2016</b>					
Payables	2,312,848	-	-	2,312,848	2,312,849
Borrowings	1,230,330	4,672,383	2,456,666	8,359,379	7,187,827
	<b>3,543,178</b>	<b>4,672,383</b>	<b>2,456,666</b>	<b>10,672,227</b>	<b>9,500,676</b>
<b>2015</b>					
Payables	2,040,356	-	-	2,040,356	2,040,356
Borrowings	966,014	3,794,783	1,957,192	6,717,989	5,856,699
	<b>3,006,370</b>	<b>3,794,783</b>	<b>1,957,192</b>	<b>8,758,345</b>	<b>7,897,055</b>

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

The following interest rates were applicable to the Council's Borrowing at balance date:

	30-Jun-16		30-Jun-15	
	Weighted average effective interest rate %	Balance \$	Weighted average effective interest rate %	Balance \$
Borrowings - Fixed	4.26%	7,187,827	4.74%	5,856,699
		<u>7,187,827</u>		<u>5,856,699</u>

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

### Note 35. Fair Value Measurements

The City measures the following asset and liability classes at fair value on a recurring basis:

- Land
- Buildings
- Furniture and Equipment
- Plant and Equipment
- Roads
- Footpaths
- Drainage
- Parks, Gardens, Reserves and Reticulation
- Street Furniture

(1) The following table presents all assets and liabilities that have been measured & recognised at fair values:

		Recurring Fair Value Measurement			
	Note	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
2016					
Property, Plant & Equipment					
- Land	7a	-	35,664,000	97,000	35,761,000
- Buildings	7a	-	290,252	25,147,285	25,437,537
- Furniture and Equipment	7a	-	905,712	-	905,712
- Plant and Equipment	7a	-	3,147,140	-	3,147,140
Total Property, Plant & Equipment		-	40,007,104	25,244,285	65,251,389
Infrastructure					
- Roads	8a	-	-	74,344,084	74,344,084
- Footpaths	8a	-	-	16,710,652	16,710,652
- Drainage	8a	-	-	23,989,238	23,989,238
- Parks, Gardens, Reserves and Reticulation	8a	-	-	10,767,381	10,767,381
- Street Furniture	8a	-	-	1,193,809	1,193,809
Total Infrastructure		-	-	127,005,164	127,005,164
2015					
Property, Plant & Equipment					
- Land	7a	-	35,664,000	97,000	35,761,000
- Buildings	7a	-	321,110	23,000,191	23,321,301
- Furniture and Equipment	7a	-	1,149,617	-	1,149,617
- Plant and Equipment	7a	-	2,861,008	-	2,861,008
Total Property, Plant & Equipment		-	39,995,735	23,097,191	63,092,926
Infrastructure					
- Roads	8a	-	-	73,279,293	73,279,293
- Footpaths	8a	-	-	16,685,693	16,685,693
- Drainage	8a	-	-	23,963,720	23,963,720
- Parks, Gardens, Reserves and Reticulation	8a	-	-	10,116,215	10,116,215
- Street Furniture	8a	-	-	1,210,970	1,210,970
Total Infrastructure		-	-	125,255,891	125,255,891

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

### Note 35. Fair Value Measurements (continued)

#### (2) Transfers Policy

The policy of the City of Nedlands is to recognise transfers into and transfers out of the fair value hierarchy levels as at the end of the reporting period. There were no transfers between Level 1, Level 2 or Level 3 for recurring fair value measurements during the year.

#### (3) Valuation techniques and inputs used to derive Fair Value

The following table summarises the valuation inputs and techniques used to determine the fair value for each asset class.

Asset Class	Level of Valuation Input	Fair Value at 30 June 2016 \$	Valuation Technique(s)	Inputs Used
Land	2	35,664,000	Market Approach	Price per square metre
Land	3	97,000	Cost Approach	Ground rent included with the cost of developing the golf course and applied the Depreciated Replacement Cost over the estimated economic working life, assuming the lease will be renewed, utilising the straight line depreciation method
Buildings	2	290,252	Market Approach	Price per square metre
Buildings	3	25,147,285	Cost Approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Furniture and Equipment	2	905,712	Market Approach	Make, size, year of manufacture and condition
Plant and Equipment	2	3,147,140	Market Approach	Make, size, year of manufacture and condition.
Roads	3	74,344,084	Cost Approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Footpaths	3	16,710,652	Cost Approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Drainage	3	23,989,238	Cost Approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Parks, Gardens, Reserves and Reticulation	3	10,767,381	Cost Approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Street Furniture	3	1,193,809	Cost Approach	Estimates of residual value, useful life, pattern of consumption and asset condition and relationship to the assessed level of remaining service potential of the depreciable amount
Total		192,256,553		

## City of Nedlands

### Notes to the Financial Statements for the year ended 30 June 2016

#### Note 35. Fair Value Measurements (continued)

##### (3) Valuation techniques and inputs used to derive Fair Value (continued)

##### Property, Plant & Equipment

###### Land

Level 2 valuation inputs are used to value land held in freehold title as well as land used for special purposes that are restricted in use under current zoning rules (i.e. Commercial, Industrial or Residential). Sales prices of land sites in close proximity are adjusted for differences in key attributes such as property size. The most significant inputs into this valuation approach are price per square metre.

The Golf Course has been valued on the basis that the City of Nedlands developed the course and, whilst a lease is in place for a nominal amount per year, the Present Value of a typical ground lease was applied over the period of the lease. The ground rent has been included with the cost approach of developing the golf course (including fairways, sand greens, bunkers, tee boxes etc.) and applied the Current Replacement Cost (CRC) approach, based on the original or effective age of the asset, depreciated over the Estimated Economic Working Life (EEWL), assuming the lease will be renewed, utilising the straight line depreciation method.

###### Buildings

The City's buildings assets are considered to be of a specialised nature (non-market type properties which are not readily traded in the market place) were valued by professionally qualified registered valuers using the cost approach. This approach is commonly referred to as the Current Replacement Cost (CRC). The "DRC" approach considers the cost (sourced from cost guides such as Rawlinsons, Cordell, professional quantity construction costs for similar projects throughout Western Australia) to reproduce or replace similar assets with an asset in new condition, including allowance for installation, less an amount for depreciation in the form of accrued physical wear and tear, economic and functional obsolescence. This approach is an accepted method in arriving at a market value.

###### Plant and Equipment

Plant and equipment were revalued in 2013 a part of the mandatory requirements embodied in Local Government (Financial Management) regulations 17A. Whilst the additions since 1 July 2013 have been brought in the books at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered that the recorded written down values approximate fair values.

Thus, the value of class of assets in the City's books is considered to be in accordance with Local Government Financial Management Regulation 17A which requires these assets to be shown at fair value.

Plant and Equipment will be revalued during the year ended 30 June 2016 in accordance with the mandatory asset measurement framework detailed at Note 1 (f). Most plant and equipment assets are generally valued using the market and cost approach using comparable sales and relevant industry market price reference guides, and have been classified as being valued at Level 2 of the fair value hierarchy. The most significant inputs into this valuation approach are the make, size, year of manufacture and condition



## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 35. Fair Value Measurements (continued)

##### (3) Valuation techniques and inputs used to derive Fair Value (continued)

##### Property, Plant & Equipment (continued)

##### Furniture and Equipment

Furniture and equipment were revalued in 2013 a part of the mandatory requirements embodied in Local Government (Financial Management) regulations 17A. Whilst the additions since 1 July 2013 have been brought in the books at cost, given they were acquired at arms length and any accumulated depreciation reflects the usage of service potential, it is considered that the recorded written down values approximate fair values.

Thus, the value of class of assets in the City's books is considered to be in accordance with Local Government Financial Management Regulation 17A which requires these assets to be shown at fair value.

Furniture and Equipment revalued during the year ended 30 June 2016 in accordance with the mandatory asset measurement framework detailed at Note 1(f).

The income approach is not appropriate given the City does not generate cash flows from the use of these assets. The market value approach that would be best achieved through a qualified valuer is an expensive exercise for an asset class that lacks materiality. Given there is not an active or liquid market for much of the City's Furniture and Equipment it is questionable if the market approach is deemed to be fair value of furniture and Equipment.

##### Infrastructure

##### Road, Footpaths, Drainage, Street Furniture

All Road, Footpaths, Drainage, Street Furniture infrastructure assets were valued using level 3 valuation inputs using the cost approach

The approach estimated the replacement cost for each asset by componentising assets into significant parts with different useful lives and taking into account a range of factors. While the unit rates based on square metres or similar capacity could be supported from market evidence (level 2) other inputs (such as estimates of residual value, useful life, pattern of consumption and asset condition) required extensive professional judgement and impacted significantly on the final determination of fair value. As such these assets were classified as having been valued using level 3 valuation inputs.

During the year there were a number of new projects completed where the actual cost was recorded and the impact of depreciation at year end was negligible. While these could be classified as valued at level 2, given the low proportion of the total portfolio that these represented and the likelihood that in future valuations they would most likely be valued at level 3, we have adopted a policy that all Road, Footpaths, Drainage, Street Furniture infrastructure assets are deemed to be valued at level 3.

## City of Nedlands

### Notes to the Financial Statements

for the year ended 30 June 2016

#### Note 35. Fair Value Measurements (continued)

##### (3) Valuation techniques and inputs used to derive Fair Value (continued)

###### Infrastructure (continued)

###### Parks, Gardens, Reserves and Reticulation

The Parks, Gardens, Reserves and Reticulation Asset Class is wholly comprised of specialised homogenous assets. It was determined that the valuation of this asset class would be an expensive exercise for an asset class that lacks materiality. Given there is not an active or liquid market for much of the City's Parks, Gardens, Reserves and Reticulation assets, management deemed the depreciated replacement cost of the assets in the asset register as an acceptable surrogate for the fair value for the asset class.

##### (4) Valuation Process

The City's land, buildings and infrastructure assets are valued using external independent valuers on a regular basis, with a management valuation carried out on plant and equipment and furniture and equipment asset class. This is in line with Regulation 17(A) of the *Local Government (Financial Management) Regulations 1996*.

As at 30 June 2016, a comprehensive revaluation was undertaken for the Plant and Equipment and Furniture and Equipment asset classes internally by management. The valuation process was undertaken in close consultation with experienced City staff and reference to relevant industry guides such as *Glasses* to determine the fair value of the relevant asset classes. Evidence of market value was obtained from the sales evidence of similar or reference assets.

This included preparation of a valuation methodology, applying assumptions and inputs. Changes in fair values were analysed at the end of the reporting period. Consequently, management is satisfied with the results of the valuations undertaken and confirm that the movement in the asset values are reasonable.

##### (5) Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:

Description	Note	Fair Value Hierarchy Level	Valuation Technique(s)	Inputs Used
Liabilities				
Borrowings	34	2	Income approach using discounted cash flow methodology	Current treasury borrowing rates for similar instruments

There has been no change in the valuation technique(s) used to calculate the fair values disclosed in the notes to the financial statements.

##### (6) Highest and best use

All of Council's non financial assets are considered to being utilised for their highest and best use.

## INDEPENDENT AUDITOR'S REPORT

### TO: THE RATEPAYERS OF CITY OF NEDLANDS

#### Report on the Financial Report

We have audited the financial report of the City of Nedlands, which comprises the Statement of Financial Position as at 30 June 2016 and the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity and Statement of Cash Flows and Rate Setting Statement for the year ended on that date and a summary of significant accounting policies and other explanatory information and Statement by Chief Executive Officer.

#### *Management's Responsibility for the Financial Report*

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

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to management's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial report.

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

#### *Independence*

In conducting our audit, we have complied with the independence requirements of the Accounting Professional and Ethical Standards Board.



# INDEPENDENT AUDITOR'S REPORT

## TO: THE RATEPAYERS OF CITY OF NEDLANDS (Cont'd)

### *Auditor's Opinion*

In our opinion, the financial report of the City of Nedlands:

- (a) gives a true and fair view of the financial position of the City of Nedlands as at 30 June 2016 and of its financial performance for the year ended on that date; and
- (b) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including Australian Accounting Interpretations).

### **Report on Other Legal and Regulatory Requirements**

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

- (a) There are no matters that in our opinion indicate significant adverse trends in the financial position or financial management practices of the Council.
- (b) Except as detailed below, no other matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law noted during the course of our audit:

#### *Submission of Annual Financial Report*

The accounts and annual financial report for the year ended 30 June 2016 were not submitted to the auditor by 30 September 2016 as required by Section 6.4(3) of the Local Government Act 1995.

- (c) In relation to the asset consumption ratio and asset renewal funding ratio (presented at Note 21 of the annual financial report) we have reviewed the calculations as presented and nothing has come to our attention to suggest they are not:
  - (i) reasonably calculated; and
  - (ii) based on verifiable information.
- (d) All necessary information and explanations were obtained by us.
- (e) All audit procedures were satisfactorily completed in conducting our audit.





# INDEPENDENT AUDITOR'S REPORT

TO: THE RATEPAYERS OF CITY OF NEDLANDS (Cont'd)

## 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 2016 included on the City's website. Management is responsible for the integrity of the City's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report to confirm the information contained in this website version of the financial report.

*MACRI PARTNERS*

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

PERTH

DATED THIS 8<sup>th</sup> DAY OF NOVEMBER 2016.

*Aman*

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A MACRI  
PARTNER









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