



Nedlands Beach, 1921



City of Nedlands  
*Celebrating 50 years as a city*

# City of Nedlands Annual Report 2008/09



Nedlands Beach, 1921



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# City of Nedlands

*Celebrating 50 years as a city*

## Facts at a Glance

Area	21 sq km
Suburbs	Dalkeith, Mt Claremont, Nedlands, Swanbourne, part of Floreat, part of Shenton Park and Karrakatta
Estimated Population	22,012
Number of rateable properties	8,286
Public open space	39.71 hectares
Reserves / Parks	46
Conservation / bushland	Hollywood Reserve, Allen Park Bushland, Shenton Bushland, Pt Resolution Reserve, Birdwood Parade Reserve and Mt Claremont Oval Reserve
Actual Rate Revenue	\$13,246,000
Actual Operating Expenditure	\$21,192,000
Works Actual Expenditure	\$10,403,000

## Corporate Purpose

Serving our Community

## Vision for the City of Nedlands

The City of Nedlands is an attractive City with residential amenity and a strong sense of community and place.

## Mayor's Report



The City of Nedlands has again been very busy throughout 2008/09 – a year that has presented a number of challenges and opportunities as we look ahead to the future.

The new Strategic Plan 2008-2013

was adopted in November 2008 and it now sets Council's vision for the sort of City we want for our residents into the future.

During 2008/09 the City embarked on a number of major planning projects including the new Town Planning Scheme No. 3 and the first stage of the Stirling Highway Redevelopment Masterplan. Both of these projects will continue to progress in 2009/10 and will involve considerable community involvement and consultation.

We continued to recognise the importance of a sense of community within the City with fantastic events and activities including the Summer Concerts and the home and community care programs.

In 2008/09 we celebrated new Australian Citizens with our Citizenship Ceremonies, congratulated our local winners in the Australian Citizenship Awards and recognised fantastic sportspeople and teams at our biennial City of Nedlands Sports Awards.

Another major project for the City in 2008/09 has been the participation in the Minister for Local Government's reform process. Following a period of community consultation, meetings with stakeholders and workshops with Councillors a submission was completed and will be presented to the Minister in September 2009. The next stage of the process is expected to occur in 2010 which will be an exciting time for both Council and the Administration.

A major roadwork project in 2008/09 was the Karrakatta Underpass. This is a joint project for the Cities of Nedlands (lead council) and Subiaco and the Town of Claremont in conjunction with the Public Transport Authority. I am pleased that the Karrakatta Underpass will open to the public in August 2009.

At a regional level, the City continues to work with the Western Suburbs Regional Councils (WESROC) on joint projects. It is through the joint use of services and assets that neighbouring Councils can make best use of sometimes limited resources in times of ever-rising operational costs.

Your Councillors and I are here to support local residents and to achieve good strategic outcomes on behalf of our community. I encourage you all to continue to be involved in the community and sporting groups and enjoy the parks and reserves that exist within our City.

**SHERYL FROESE  
MAYOR**

**Mayor and Council** (as at 30 June 2009)

Her Worship the Mayor  
S.A. Froese (Term ends 2011)



Coastal Districts  
Ward



Cr Horley (2009)



Cr Smyth (2011)



Cr Mazzucchelli  
(2009)

Dalkeith Ward



Cr Argyle (2011)



Cr Negus (2011)



Cr Hipkins (2009)

Melvista Ward



Cr Tan (2011)



Cr James (2009)



Cr Tyson (2011)

Hollywood Ward



Cr Bell (2011)



Cr Hodsdon (2009)



Cr Schapper (2009)

## Chief Executive Officer's Report



In November 2008 the Council adopted the City of Nedlands Strategic Plan 2008 – 2013. The Plan developed by Elected Members, City staff and community members focuses on seven key performance areas around which, programs and services are delivered. The City's key focus areas includes infrastructure, natural environment, built environment, community wellbeing, governance, community engagement and economic development.

Council of the City of Nedlands has engaged the Community and itself in the Minister's call for local

Government structural reform. This calls for a broad ranging review of how we deliver services to the community.

I am pleased with the City's overall performance and what we have achieved this year. I am especially proud of the City's Governance Audit for which we received a 100% compliance rating and that we achieved many wonderful outcomes on behalf of the community.

The City commenced work on a new website which is expected to go live in the latter part of 2009. I hope that the Community will find it a wonderful resource and a pleasure to use.

In 2009, the City received \$160,000 in funding from the Federal Government as part of the national stimulus package to be spent on community infrastructure, with replacement of Tawarri Jetty chosen as the preferred project by Council. The City has now commenced work following the appropriate approvals to replace the dilapidated Tawarri Jetty with a new fixed jetty which will be completed in 2009/10.

Next year, we will again ask the Community for feedback on the City's and Council's performance in our Community Perceptions Survey. The survey will be conducted in March 2010 by an independent research company engaged by the City.

I wish to thank the Mayor and Councillors for their continued support. I also must pay tribute to my Executive and staff for their loyalty and commitment.

I extend a warm welcome to our new staff members who joined us throughout the year and wish them a long and prosperous career with the City. I am also proud that the City has several very long term employees, some of whom have been with the City for the best part of 40 years.

**GRAHAM FOSTER**  
**CHIEF EXECUTIVE OFFICER**

## **Executive Team** (as at 30 June 2009)

Chief Executive Officer	Graham Foster
Director Community and Strategy	Rebecca Moore
Director Corporate Services	Michael Cole
Director Development Services	Carlie Eldridge
Director Technical Services	Ian Hamilton

### ***Western Suburbs Regional Organisation of Councils (WESROC)***

The City continued to work with WESROC on joint initiatives that benefit all western suburbs residents. This collaborative approach strengthens the City's relationships with its neighbours and fosters service and asset sharing across all seven (7) represented local government authorities.

### ***Employee Turnover Rate***

The turnover rate of the City's employees slowed this year to 17.4%.



**Pruning works at the Peace Memorial Rose Gardens**

## Key Focus Area 1 – Infrastructure

*To provide functional infrastructure in order to enable:*

- *Safe, efficient transport systems.*
- *Passive and active recreational opportunities.*

### **Parks Services**

In the 2008/09 financial year, Parks Services undertook an internal restructure which allowed it to achieve higher results with the same resources. Parks Services has divided the City into two maintenance precincts with equal staff for each precinct which has allowed for greater quality control.

Due to this restructure, Parks Services completed 325 monthly maintenance programs on time and within budget. This includes but is not limited to mowing, pruning, planting, and general maintenance.

### **Working with the Community**

Parks Services with the Department of Fisheries, UWA and Shenton College undertook a project to reduce the algae problem in Masons Gardens Ponds. The aim was to remove the feral fish population from the ponds allowing the native species that consume algae to flourish. The process involved students from Shenton College trapping and removing the feral fish from the ponds whilst returning any caught native fish back to the ponds. Once this part of the project was complete, native fish species were introduced thus causing a natural environment that will control the algae.

### **Water Monitoring**

Throughout the 2008/09 financial year, Parks Services installed water meters on all bores in the City, so monthly water use could be monitored to assist the City in reducing its overall irrigation water use. Park Services is also developing a city wide irrigation strategy that will in the future dictate the way the City utilises its irrigation water for the purpose of overall reduction.

### **Parks Capital Works**

The Parks Services 2008/09 Capital Works Program included the following projects:

- Allen Park bollard fencing replacement. (\$48,166)
- David Cruickshank reserve bollard fencing replacement. (\$49,795)
- Asquith Park fencing replacement. (\$18,800)
- Asquith Park name sign installation. (\$5,578)
- Nedlands Library bollard lighting upgrade. (\$16,194)
- Paul Hasluck Reserve new bollard lighting installation stage 1. (\$57,705)
- Paul Hasluck Reserve electrical cabinet upgrade. (\$39,000)
- St Peters Square gardens new bollard lighting installation stage 1. (\$20,515)
- Hollywood Reserve park furniture upgrade. (\$19,280)
- College Park circuit path installation stage 3. (\$67,780)
- Peace Memorial Rose Garden paving upgrade including disabled access. (\$70,050)
- Carrington Park playground fence upgrade stage 1. (\$5,250)
- Carrington Park shade sail installation. (\$13,840)
- Strickland street playground upgrade. (\$47,406)
- Masons Garden playground upgrade. (\$49,100)

- Leura Park playground upgrade. (\$51,430)
- College Park playground upgrade. (37,954)
- Irrigation central control system stage one. (\$12,986)

### ***Engineering Services***

The City's Engineering Services has improved the City's road and footpath infrastructure networks by providing 2,862m of road rehabilitation, 3,216m of road resurfacing, 420m of new footpaths and 6,041m of rehabilitated footpaths during 2008/09 financial year.



**Leura Park playground**

These works ensures that the Community receives a high quality of asset management that links the public with the safest infrastructure that the City can allocate funding for.

Our major road works project was:

#### **Karrakatta Underpass**

In June 1991, Council considered a concept plan prepared by the State Government for a railway bridge between Stubbs Terrace and Railway Road.

Further meetings in 1997, 1998 and 1999 agreed that a potential joint venture between the City of Nedlands, City of Subiaco and the Town of Claremont could move forward in this project.

In 2000, Transport WA (later became Department for Planning and Infrastructure) prepared the Shenton Park Integrated Transport Plan. The recommendations of that plan were agreed by all stakeholders. Recommendation Number 1 was the construction of a road underpass under the railway in Karrakatta.

In April 2001, Main Roads WA through Maunsell Consultants prepared a concept design for Karrakatta Underpass for Transport WA.

In 2005, the three Councils together were successful in obtaining State Government funding contribution (2/3) for the project under the Metropolitan Regional Roads Group grant scheme administered by Main Roads WA.

Subsequently a final report was put to City of Nedlands Council on 14 February 2006 whereby Council resolved:

*Council agrees to:*

- appoint the Public Transport Authority (West Rail) as project managers for construction of the Karrakatta Underpass, subject to the provisions of the Local Government Act 1995; and
- inform the City of Subiaco and the Town of Claremont of this decision and obtain their endorsement.

Public Transport Authority awarded a "Design and Construct" contract in early December 2007 and actual work on construction of the Karrakatta Underpass commenced offsite in December 2007 that consisted of fabrication of the three steel bridges.

Due to various contractual disputes that must stay confidential as per terms of the agreed contract, the completion and commissioning of the Karrakatta Underpass is expected towards the end of August, 2009.

The actual project, excluding any outstanding claims by the contractor that are in dispute resolution process at the moment, came in on budget.

### Road Rehabilitations

- Alexander Place.
- Napier Street.
- Ord Street.
- Robinson Street.
- Watkins Road.

### Road Resurfacing

- Bedford Street.
- Clement Street.
- Hobbs Avenue.
- Landon Way.
- Williams Road.

### Road Improvements

- Alfred Road / Rochdale Road.

All roads in the City whether resurfaced or rehabilitated, involve extensive drainage improvements that positively affect:

- Localised flooding.
- Road traffic safety.
- Recharging the ground water system.

### River Wall

Repairs to the City of Nedlands River Wall were undertaken during summer and autumn 2008/09. The City is committed to maintaining its foreshore area in line with all the appropriate consultation with the Swan River Trust.

### Footpath Improvement and Rehabilitation

The City's annual footpath replacement plan involved replacing slab pavements in order to accelerate the network in the medium to long term, to achieve insitu concrete footpaths.

### New Footpaths

- Jenkins Avenue.

### Footpath Improvements

- Alfred Road.
- Asquith Street.
- Bruce Street.
- Clark Street.
- Edward Street.
- Jameson Street.
- Victoria Avenue.
- Waratah Avenue.
- Watkins Road.
- Zamia Street.



## Key Focus Area 2 – Natural Environment

*To enhance and protect the City's environmental assets to ensure:*

- *Management of natural resources and habitats.*
- *Environmental sustainability.*

### Bushcare

The Bushcare program for 2008/09 involved ongoing implementation of the City of Nedlands Natural Area management plans. This involved carrying out activities such as control of priority weed species (using a combination of physical, chemical and biological controls); implementing erosion control measures; revegetation of degraded bushland areas, fire management and feral animal control in the City's bushland reserves with the aim of conserving and enhancing biodiversity.



**Planting on Swanbourne dunes**

The project "Restoration and Protection of Swanbourne Beach Dunes" was carried out in conjunction with the City of Nedlands, the Swanbourne Coastal Alliance and the Friends of Allen Park. This project was in part funded by the Australian Government through Community Coastcare and involved revegetating the coastal dunes with 5,000 native seedlings and installing 600m of beach fencing to protect the dunes.

The project "Rehabilitation of Flyash Hill" was carried out in conjunction with the City of Nedlands and the Friends of Allen Park through the Swan Alcoa Landcare Program in which 5,000 native seedlings were planted and jute erosion matting installed.

The project "Natural Area Assessments" was carried out in conjunction with the City of Nedlands and all Nedlands bushland community groups through WALGA's Perth Biodiversity Project. This project involved carrying out ecological and bushland condition assessments in all natural areas.

Significant increases in bushland condition were found, being attributed to weed control and revegetation programs.

<b>Grants Received</b>	<b>2008/09</b>
Protection and Restoration of Swanbourne Beach Dunes	\$14,806
Rehabilitation of Flyash Hill	\$14,305
Natural Area Assessments	\$8,385

### Environmental Health

#### Food Premises

The number of inspections of food premises has improved this year. As a result of this improvement, the City initiated two successful prosecutions of food premises due to poor hygiene standards. Inspections of low risk premises such as sporting club canteens and churches have reduced with a greater emphasis placed on the higher risk class one and class three premises.

Food sample numbers have reduced this year due to changes in the food sampling process across the metropolitan area. The City is now focused on food that is produced locally and initiated sampling at the Mt Claremont Farmers' Market for the first time.

### Swimming Pool Sampling

All public swimming pool facilities are tested monthly to ensure statutory compliance for the safety of swimmers. The number of samples varies due to the length of pool closures in winter months.

### Noise Complaints

The majority of noise complaints pertain to building noise and noise from air conditioners. The City continues to work with the Community to manage noise concerns and issues.

	2006/07	2007/08	2008/09
Food Premises (Compliance inspections)	186	145	158
Food Sampling	26	65	11
Food Recalls	14	6	25
Swimming pool sampling	87	70	97
Public building inspections	36	14	50
Noise complaints/investigation	31	43	49
Hairdresser inspections	20	2	5
Disease notifications	7	25	19
Asbestos complaints/investigations	30	20	18

### Waste Minimisation

This year the City's Waste Minimisation Officer has prepared the Waste Minimisation Strategic Plan 2009-2013. The purpose of the plan is to document measures that the City plans to implement with a goal of reducing waste going to landfill. The now expired Waste Minimisation Strategic Plan Objectives and Actions 2005-2008 placed a large emphasis on waste disposed of by the City with the kerbside collection and bulk collection services, whereas the new strategy aims to work closely with business and local waste producers to reduce waste streams that are not always handled or disposed of by the City. The new strategy and actions have been designed to operate in conjunction with the Western Metropolitan Regional Council's Strategic Waste Management Plan. The strategy complements the existing plans and policies of the City, whilst operating under the auspices of the City of Nedlands Strategic Plan 2008-2013, the City of Nedlands Sustainability strategy and the WMRC's (Western Metropolitan Regional Council) Strategic Waste Management Plan.

(Tonnes)	2006/07	2007/08	2008/09
General Rubbish	6,215.2	5,294.9	5,416.80
Green waste Bins	1,228	2,241.8	2,280.32
Recycling	2,617.2	3,042.1	2,758.14
Bulk Hard Rubbish	3,45.6	1,222.9	896.84
Bulk Green Waste	1,042	913.8	865.30

## Key Focus Area 3 – Built Environment

To provide a built environment and land use planning framework which:

- Offers diversity in housing choice.
- Is environmentally responsible.
- Provides a high level of amenity.
- Consists of a variety of neighbourhoods with community identity.
- Encourages economic activity in harmony with local amenity.
- Enables appropriate facilities for community groups.

### Development Compliance (Ranger Services)

Rangers are now picking up additional responsibility for some planning and building compliance issues.

Compliance	2007/08	2008/09
	Mar-Jun	
Planning issues reported	53	83
Building issues reported	30	76
Health issues reported	11	24
Planning investigations commenced	39	83
Building investigations commenced	22	85
Health investigations commenced	6	35

### Property Services

In the 2008/09 financial year, Property Services undertook significant projects to improve built facility infrastructure within the City.

### Building Maintenance

Public facility upgrades were completed at Beaton Park, Cruickshank Reserve and the Rose Gardens. The City's building maintenance team also completed several maintenance projects at Point Resolution Occasional Child Care Centre, the Administration Building, an additional storage facility at the City Depot, the Swanbourne Bowling Club was demolished and a minor renovation to the Tresillian Community Centre.

The City also connected the community facilities located at Melvista Reserve to the Mains Sewerage, being the Child Health Care, the Early Learning Centre, the Nedlands Croquet Club, the Nedlands Bridge Club and the Nedlands Tennis Club.

### Community Facility Upgrades

The City completed the initial stages of the potential redevelopment of the John Leckie Pavilion and Highview Park. The City's Strategic Recreation Plan nominated these two locations as two of the four main centres for community recreation to be centralised within the City. The other two locations are Allen Park, and Charles Court Reserve.

The City completed the Masterplans for the John Leckie Pavilion and Highview Park. The process included the project teams familiarising themselves with the individual characteristics of

the sites, the uses and needs of the stakeholders as well as considerable community consultation workshops.

The final Masterplans were well received by the community, and generally satisfy the requirements of the stakeholders. Council has committed funds to the next stage of the process for the John Leckie Pavilion in the 2009/2010 budget for full architectural plans with relevant consultant plans to be completed. No budget was allocated to Highview Park. The Masterplans can be viewed on the City's website.

### Built Facility Asset Management

The City commenced the process of drafting its Built Facility Asset Management policy and strategy. A working group involving the Mayor and a Councillor from each ward, as well as key administration staff met regularly to discuss the current condition of the City's built facilities, as well as strategic visions. The draft documents and supporting documents are nearly complete, pending adoption by Council.

### Building Control

<b>Building Control Statistics</b>	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
Applications Received	742	736	660
Licences Issued	502	545	515
Value of all works	\$113,482,571	\$152,401,121	\$98,113,410
Value of fees collected	\$406,529	\$524,129	\$400,908
New Residences	108	86	69
Demolition Licences	51	56	55
Swimming Pool Licences	58	75	75
Sign Licences	14	7	11
Verge Material Licences	23	17	26
Amended Building Licences	25	35	30
Residential Strata Titles Approved	0	4	4
Acknowledgements	12	16	7
Building Approval Certificates	-	-	24

## Major Planning Applications

### Subdivision Referrals

Proposal	Council Recommendation to WAPC	WAPC Decision
28 Odern Crescent, Swanbourne.	Refusal.	Refused by WAPC – Applicant requested review to State Administration Tribunal – pending determination.
Old Swanbourne Hospital: North and South Wing subdivisions.	Refusal.	Refused by WAPC – Applicant requested review to State Administration Tribunal – Awaiting further directions for hearing.

### Planning Control

Development Applications (DA's)	2005/06	2006/07	2007/08	2008/09
Received	544	672	530	574
Approved under delegation	469	556	440	506
Approved by Council	53	38	47	36
Fees received	\$307,054	\$387,842	\$493,036	\$346,000

### Major Development Applications

Proposal	Council Decision	Status
Old Swanbourne Hospital Outline Development Plan (ODP).	Refused by Council and State Administrative Tribunal.	Revised Outline Development Plan has been received.
Old Swanbourne Hospital Planning Approval.	Refused.	Refused by State Administrative Tribunal.
Hollywood Retirement Village New Masterplan.	Conditionally approved for community consultation.	Awaiting information from applicant prior to commencing consultation.
Flying Squadron Yacht Club – redevelopment of land and water based facilities.	Recommended to Swan River Trust for approval.	Awaiting determination.
52 Stirling Highway – 3 grouped dwelling development.	Initially refused application, then conditional approval following State Administrative Tribunal mediation in July 2009.	
171 Broadway, Steve's Hotel – wall, wine bar and car park amendments	Wine bar and car park amendments approved, retaining wall refused	Prosecution pending for illegal construction of the refused wall

81 Stirling Highway, Nedlands – Change of use from Showroom to Office	Refused by Council. Refused by State Administration Tribunal following review	Uses now aligned with original application.
69 Hampden Road, Nedlands – New Office development	Initially refused, then conditional approval following State Administrative Tribunal mediation	
76 Birkdale, Floreat - Australian Institute of Management – Additional Educational Lecture Building.	Conditional approval.	
QEII Medical Centre, Pathology Building, Monash Avenue, Nedlands.	Recommended to WAPC for refusal.	Unknown.
QEII Medical Centre, Gairdner Drive Comprehensive Cancer Centre, Stage II.	Recommended to WAPC for refusal.	Pending WAPC decision

### Planning Policies

Amended or New Policies 2008/09	Comments
Nil.	

### Planning Prosecutions

Prosecution	Comments
171 Broadway – Steve's Hotel - illegal wall construction.	Awaiting decision.
11 Lupin Hill, Nedlands – Construction of Patio without Building and Planning Approval.	Prosecution successful - \$40,000 plus legal costs awarded to Council.

### Planning for Our Future

The City has been involved in planning for the City's future through a range of projects:

Project	Council Actions 2008/09	Current Status
Town Planning Scheme No. 3.	Draft TPS No. 3 progressed.	Draft Town Planning Scheme No 3 together with the Local Planning Strategy has been completed and is awaiting consideration of Council to allow the documentation to be forwarded to the WAPC for consent to advertise.
Dalkeith Redevelopment Area.	Concept Plan prepared in 2007 and consultation	Plan abandoned by Council February 2008 due to

<b>Project</b>	<b>Council Actions 2008/09</b>	<b>Current Status</b>
	occurred.	overwhelming community feedback not in support.
	Dalkeith Redevelopment Steering Committee established and meetings held.	Steering Committee passed a final report at their committee meeting 31 July 2008 as a recommendation to Council.
	New concepts plans to be prepared on parameters set by Council comparing with Administration recommendations.	Concepts of parameters (Council's vs. Administration's) were workshopped with the Community in early 2009 – feedback is still being reviewed.
	New revised plan to be prepared based on feedback from parameters workshop.	Being progressed after TPS 3 and Stirling Highway projects have been completed.
Stirling Highway Redevelopment Area.	Draft Plan to be prepared based on community feedback and testing of concepts.	Draft plan prepared and consultation being undertaken through survey with Community.
	Draft plan refined based on survey results and feedback to refer a final plan to Council for inclusion into Draft TPS No. 3.	Awaiting survey results prior to revising Draft Plan.
Stirling Highway WESROC/DPI Project	Department of Planning and Infrastructure commenced planning and engineering review of Highway in context of Directions 2031.	First stage of study completed from Broadway to Glyde Street (Mosman Park). Next stage commenced. Traffic study also completed for City's section of Stirling Highway.
Scheme Amendment 190 (Omnibus)	Council has initiated the Scheme Amendment.	Public consultation is underway.
Swanbourne Masterplan	Masterplan prepared based on community feedback and interviews with stakeholders	Workshop held in February 2009 to gain community's needs, expectations and uses for the Allen Park / Swanbourne Beach area.
	Masterplan referred to Council for permission to advertise.	Permission to advertise granted June 2009. Awaiting Stirling Highway consultation to conclude prior to undertaking consultation.
	Refine Masterplan based on community feedback and refer to Council for final endorsement.	Awaiting feedback.

<b>Project</b>	<b>Council Actions 2008/09</b>	<b>Current Status</b>
Foreshore Management Plan	Refine plan to include closer detailed precinct plans outlining forward works anticipated.	Awaiting revision of the plan.
	Refer management plan to Swan River Trust for endorsement prior to commencing Section 18 consultation process.	Awaiting revision of the plan.
	Undertake Section 18 Consultation process and refer to Department for Indigenous Affairs for final approval.	Awaiting revision of the plan.

## Key Focus Area 4 – Community Wellbeing

*To provide a community where people have an opportunity to interact and enjoy a sense of belonging in order to promote:*

- *Healthy lifestyles.*
- *A safe and secure community.*
- *Quality of life.*

### Library Services

	2006/07	2007/08	2008/09
Loans and Renewals	225,082	222,436	227,624
Event participation	2,335	2,100	3,452
% of residents as members	33	31.5	30
Storytime session participants			1,608
Baby Rhyme Time participants			174

### Library Events

#### Subjects of Note series

The Subjects of Note series continues to provide educational and entertainment value with assorted topics hosted at both Nedlands and Mt Claremont Libraries. Some of the 'hot topics' for the year were: the podiatry seminar conducted during Stay on Your Feet Week 2008, Treasures of Christmas Island presented by Eric Crum and an educational arthritis presentation.

The annual Library Books on Wheels Christmas function was a success at the Mt Claremont Community Centre with the performance of 'Been There, Done That Too' by Agelink Theatre.

#### Meet the Authors

The Nedlands Library Service hosted a variety of authors this year. Authors were local Western Australian, as well as an interstate author. Authors included Lydia Laube, 'Behind the veil: an Australian nurse in Saudi Arabia' and Perth couple Kim and Malcolm Wells, authors of the 'Camino footsteps'.

With the support of Dymocks, Claremont, all who attended these Meet the Author sessions had the opportunity to purchase their copy of the book and have it signed by the authors. for the National Simultaneous Storytime in May.

#### Baby Rhyme Time

Baby Rhyme Time sessions were held as part of The State Library's Better Beginnings program. Baby Rhyme Time supports children's early literacy development through sharing songs, stories and action rhymes with babies from 0 – 12 months old, and introduces parents to techniques for sharing books with their babies.



## ***Nedlands Community Care***

<b>Grants Received</b>	<b>2007/08</b>	<b>2008/09</b>
HACC funding from Health Department acquitted	\$733,000	\$749,174
HACC Non recurrent Growth funding from Health Department acquitted	n/a	\$58,959

Nedlands Community Care is funded by the City of Nedlands and the Department of Health through the Home and Community Care (HACC) program.

The program is designed to provide support for residents in the City of Nedlands who are assessed as either frail aged, a younger person with a disability, or their carer.



Nedlands Community Care provides quality in-home care support as well as many other services including activities for Dementia specific clients, respite for carers, social support activities and transport to appointments. As well as the Nedlands Community Care staff, there are over 50 valuable volunteers who assist with providing transport to clients and assisting with other activities, to the 250+ clients.

Highlights during 2008/09 include:

- Securing Growth Funding from the Department of Health to purchase:
  - A 12-seater bus to transport clients.
  - Computers for Day Centre and Social Support clients to use in the centre.
  - Digital cameras for clients to use on outings.
- Collaborative meetings between Nedlands Community Care staff and the Town of Cambridge and City of Subiaco aged care staff to network and exchange ideas and develop programs to improve delivery of aged care services.
- Increased activities for Social Support services including:
  - Computer classes.
  - Out and About tours.
  - Waratah Dinner Club.
  - Book Clubs.

## ***Nedlands Volunteer Service & Volunteer Referral Centre***

	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
NVRC volunteer referrals	135	267	92

<b>Grants Received</b>	<b>2007/08</b>	<b>2008/09</b>
Dept of Communities to develop a coordinated volunteer referral centre for community groups and was acquitted.	\$25,000	\$11,689

The invaluable contribution from volunteers in our community continues to support services and activities provided through areas including Nedlands Library Services and Nedlands Community Care. The number of hours of volunteering in 2008/09 equated to an approximate dollar value of \$66,196.

Highlights during 2008/09 include:

- Movie day to recognise volunteers with 40 volunteers attending.
- Creation of Calendar of Events, which lists 61 'one off' events from which volunteers may choose.
- Community Consultation with 20 community groups working together to engage and build community.
- National Volunteer week in May 2009 promoted in local newspapers.

### ***Point Resolution Occasional Child Care Centre***

	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
Utilisation rate	76.5%	80.5%	93%

The Point Resolution Occasional Child Care Centre is managed by the City of Nedlands to provide occasional child care to residents of the City.

Programs are designed to stimulate and engage the children with age appropriate activities, including:

- Multicultural activities and events.
- Intergenerational activities with seniors from Nedlands Community Care.

### ***Community Development***

#### **Summer Concerts and Community Tours**

	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
Overall satisfaction with concerts.	90%	91%	93%
Number of attendees at concerts.	2,010	2,210	1,770

The Summer Concerts in the Parks series in February 2009 was successful with four concerts, at Lawler Park, Masons Gardens, Mt Claremont Community Centre lawn and Dot Bennett Park.



In September 2008, 41 residents enjoyed a tour of the Wildflowers in the Gingin region. In June 2009, 23 residents attended the tour of the Shipwreck Galleries in Fremantle.

<b>Grants Received</b>	<b>2007/08</b>	<b>2008/09</b>
Lotterywest Grant received for the Summer Concerts in the Parks.	\$9,000	\$9,820

## Cultural and Community Development Fund

In the 2008/09 financial year the City provided funding for a wide range of local community events, from small street parties to large-scale community events. Street parties received up to \$250, while larger events received up to \$1,000, depending on the attendance numbers and community benefit.

The City provided 13 grants totalling \$6,062 to the following:

- Watkins Road - Street Party.
- Norfolk Lane Strata Company Council - Street Party.
- Zamia Street Christmas Club - Street Party.
- Hollywood Primary School – Anzac Service 2009.
- Western Suburbs Community Bible Church – Christmas Carols evening.
- Christian City Church Crawley – Christmas Carols Truck Parade 2009.
- Weld Street Party.
- Carrington Park Dog Group.
- Kingsway Street Party.
- Arenga Court Christmas Party – Street Party.
- Finsbury Friends Street Film Party.
- Nedlands Rugby Union Football Club – Back to the Foreshore Day 75th Anniversary Celebrations.
- Moerlina School – Afternoon summer music series, Term 4, 2009.

## Community Halls

	2006/07	2007/08	2008/09
User Satisfaction with Community Facilities	84%	84%	84%
Utilisation rate of community facilities	19.77%	22.54%	23%

Users of the City's halls and community facilities were most satisfied with the level of services they received, and least satisfied with the condition of the facilities and issues such as storage.

## Crime Prevention

	2006/07	2007/08	2008/09
Satisfaction with community safety events	84%	92%	93%

The City's Safer Nedlands Program continued to provide a range of crime prevention and community safety initiatives.

The City also provided two community safety events – the Safer Seniors Session, empowering seniors with information on safe behaviours, and the Cyber Safe information evening for parents, which gave information on how to manage children's internet usage and protect them from cyber predators.

## Community Safety Subsidies Provided by the City

The City once again supported the Safety House Association and Constable Care Child Safety Foundation, assisting both organisations with providing safety information to children in local primary schools.

## Graffiti Removal

The City's graffiti removal service aims to reduce the visual impact of graffiti and discourage graffiti by prompt removal. The City continued to provide a 24 hour telephone graffiti reporting service as well as a link to the State Government's Goodbye Graffiti website, so that graffiti incidents could be reported automatically for prompt removal. The City spent over \$40,000 on the removal of graffiti during 2008/09.



**Business Beat at TBE, Nedlands.**

## Business Beat

Business Beat is a program in which the City officer responsible for crime prevention visits local businesses, along with a local Police Officer. As part of the Business Beat initiative 363 of the approximate 399 businesses in the City were visited and provided them with information on ways to prevent crime, free graffiti removal with training provided free by Police.

## Swanbourne Beach Beat Project

Outreach work conducted by the WA AIDS Council and the closure of the Swanbourne Beach change-rooms have resulted in a dramatic reduction in the level of anti-social activity in the area. The WA AIDS Council reported an 83% decrease in suspected beat use in 2008 from the previous year.

## Disability Access

### Disability Access and Inclusion Plan (DAIP)

The City's Disability Access and Inclusion Plan outlines how it will ensure that its services, buildings and information are accessible to people with disabilities, as is required by legislation. In the 2008/09 financial year, the City continued to address its goals as stated in the DAIP. In July 2008, the City reported to the Disability Services Commission on progress against the DAIP outcomes from the previous financial year.

### Access Improvements to the City's Buildings and Infrastructure

In 2008/09, the on-going program to improve access to the City's buildings and infrastructure continued to be implemented and included:

- Strickland Street Infant Health playground – new ground level playground equipment and rubberised soft-fall and a wider gate entry.
- Masons Gardens playground – soft-fall surfaces to improve accessibility and inclusion.
- Leura Park playground - new ground level playground structure including rubberised soft-fall.
- College Park playground - rubberised soft-fall and ground level musical instrument panels to improve accessibility and inclusion.
- Mt Claremont Community Centre - pram ramp to basketball keyway to promote inclusion of wheelchair participants.
- Peace Memorial Rose Garden - improved pathway access to the central plaque.
- Allen Park - removal of post and rail fencing around the park and implementation of bollards.
- Installation of tactile paving and pedestrian ramps.
- Continued implementation of the Footpath Strategy.

## Accessible Communities Grants Fund

The Accessible Communities Grant Fund provides grants of up to \$1,000 for initiatives that enhance the lives and well-being of local people with disabilities, their families or carers.

The seven successful applicants were:

- KIRA Incorporated – received \$604 for the launch of “Empowerment Through Knowledge”.
- Edmund Rice Camp for Kids (WA) – received \$1,000 to provide an inclusive Mega Fun Mini Camp for children.
- Blind Citizens WA (Inc) – received \$1,000 to provide accessible information on CD for people who are blind or vision impaired.
- Jill Mattioli – received \$1,000 to provide the Alpha Process Meditation Course for Carers.
- Smart Talk - received \$1,000 to provide inclusive art groups for school children (year 1 to 6).
- Post Polio Network of WA – received \$1,000 to provide information sessions for Polio Survivors and the wider community.
- WA Children’s Special Needs Christmas Party received \$250.



## Access Working Group

The Access Working Group continued to provide advice to the City on improving access and inclusion for people with disabilities. Individuals with expertise in the field of disability access who live or work within the City of Nedlands donate their time and expertise as members of this advisory body.

<b>Grant Received</b>	<b>2008/09</b>
Disability Services Commission	\$14,000

## Recreation Services

### Local Sports Clubs

	<b>2006/07</b>	<b>2007/08</b>	<b>2008/09</b>
Satisfaction Level of Sporting Clubs	74%	68%	68%
Number of clubs regularly booking City facilities	26	27	29
Number of events approved	22	40	55

The City continued to assist local sporting clubs in their efforts towards a sustainable future. The City’s facilities were booked and leased by clubs playing a wide range of sports including cricket, baseball, lawn bowls, rugby union, tennis, yachting, golf, hockey, Australian Rules football, soccer, gridiron, croquet, tee-ball, surf lifesaving and bridge.

### Community Subsidies for Sport and Recreation

The City provided a subsidy to the Nedlands Primary School Parents and Citizens Association to assist with the operation of the school pool to allow public access during the summer months.

Two local cricket clubs received a subsidy to maintain the two turf wickets at College Park, one at Melvista Oval and one at Allen Park.

The City also subsidised the maintenance of the Nedlands Croquet Club facilities.

## Sport and Recreation Events

The City is required to assess for approval any events held on local government controlled land, which may impact on the local community. These events may be provided by organisations or by individuals. The number of events approved by the City in 2008/09 included 13 weddings, 11 sporting events (private), eight sporting events (public), six community events (public) and 17 private events. The major events approved included the City-to-Surf Fun Run, The Great Bike Ride and Triathlon Pink.

## Upgrades to Facilities and Parks

In 2008/09 the City consulted regular users and the wider community on the potential upgrade of John Leckie Pavilion located in College Park, Nedlands. Architects were appointed to compile the results of the consultation into a Concept Plan for the Pavilion.

The regular hirers of the Allen Park Pavilion in Swanbourne have also been consulted with regard to an upgrade of that pavilion and the sporting club facilities. The wider community was consulted as a part of the Swanbourne Precinct Master Plan development. A Concept Plan has been developed for any future upgrade of Allen Park Pavilion.

Community members, sporting clubs and other stakeholders were also consulted in the development of a Concept Plan for any future upgrade of the Highview Park precinct.

## Club Tenancy of City Facilities

Negotiations have been made for the renewal or establishment of a number of leases of sport and recreation facilities within the City. These include:

- Claremont Junior Football Club.
- Collegians Amateur Football Club.
- Nedlands Bridge Club.
- Nedlands Croquet Club.
- Nedlands Yacht Club.
- Seaward District Guides.
- Scouts WA.
- Suburban Nedlands City Hockey Club.
- Tresillian Community Centre - Individual Studio Rooms.

## Be Active in Nedlands project

In 2009, the City received a Local Activity Grant of \$10,000 from the Physical Activity Taskforce, WALGA and Lotterywest. The City matched this grant in order to carry out the Be Active in Nedlands project in the 2009 calendar year. As a part of this project walking groups have been established in the City along with the installation of four items of outdoor exercise equipment on the Nedlands Foreshore. Still to come is a Be Active in Nedlands newsletter, a Be Active section on the City's website and walking maps for popular walking trails.



**Foreshore exercise equipment**

## The City of Nedlands' Tresillian Community Centre

	2006/07	2007/08	2008/09
Number of courses provided	189	195	212
Satisfaction with Tresillian	93%	93%	94%
Profit from two fundraising garage sales		\$3,265	\$2,308
Income from room hire at Tresillian		\$11,348	\$16,765

The City of Nedlands' Tresillian Community Centre brings people together through providing:

- Art, craft and leisure courses.
- An interesting variety of studio artists working on site.
- Art exhibitions.
- A crèche.
- A café.

### Exhibitions

Tresillian had a successful year of exhibitions, both in terms of their variety and income generated. Fifteen exhibitions were held at Tresillian during the 2008/09 financial year.



Of these, eight were curated by Tresillian generating sales of over \$68,570. In turn, the exhibitions generated a profit of \$15,417 for Tresillian.

The annual Studio Tenants' Exhibition, titled 'Seven', opened on Friday 12 September 2008 with 127 works by the eight Tresillian artist tenants, generating sales of \$3,756. Mayor Sheryl Froese opened the 2009 Annual Student and Tutor Exhibition on Friday 12 June 2009. Students and tutors exhibited 247 items with sales of \$4,900.

### Brian Simmons Art Auction

For the 8th consecutive year Tresillian has held an auction of demonstration artworks created by Brian Simmonds in his popular Tresillian art classes. The Brian Simmonds art auction was held on 7 November 2008. Local real estate agent and auctioneer Chris Shellabear donated his time to conduct the auction. Sales amounted to \$7,210 with 50% of the profits donated to Tresillian.

### Youth Development Services

The City of Nedlands Youth program encourages young people to be involved in their local community through engaging with a wide range of youth specific activities.

### Youth Activities

In 2008/09, the City provided a wide range of activities for local young people, including; National Youth Week Festival event, Cyber Safe session, Youth Skate workshops, Intergenerational Bowls night and the City's annual urban art project. Other activities for local children and young people were provided through the City' libraries, at Tresillian Community Centre and through programs such as the Nedlands Volunteer Services, Bush Care and TravelSmart.



**Black Balloon film night at the Windsor Theatre**

Grants received to support youth programs included:

- \$1,000 National Youth Week Fund
- \$1,500 Healthways – Skate Workshops

	2007/08	2008/09
Number of children and young people participating in activities provided by the City.	1,988	3,627
Number of grants provided to young people by the City.	33	33

### Youth Advisory Council (YAC)

The Youth Advisory Council consists of 14 local young people who advise the City on youth matters and help promote the City's youth program.

### National Youth Week

The City of Nedlands, Towns of Claremont and Mosman Park and the Shire of Peppermint Grove joined together to provide National Youth Week celebrations for local young people. 150 young people attended the National Youth Week events which kicked off with a youth photography workshop and finished with a film screening of the "Black Balloon" at Windsor Cinema (pictured on this page).

### Annual Urban Art Project

Seventeen local young people worked with professional artists to give the pump station on Caladenia Parade and four bus shelters in Mt Claremont a vibrant makeover. The purpose of the project was to reduce ongoing graffiti on the bus shelters and pump station. The Urban Art Project was fully funded by the Office of Crime Prevention.

### Sponsorships provided by the City

The City donated

- ... \$10,800 to the Shenton Christian Council to assist with the provision of Chaplains at Shenton College.
- ... 33 grants of \$250 each to individual young people for youth initiatives that connect them to their community, under the Sponsorship of Youth Initiatives Fund.
- ... \$3,500 towards ExoFest 2008, a local youth event held at Challenge Stadium.

### Ranger Services

	2007/08	2008/09
Number of dogs impounded	96	59
Number of complaints about barking	113	132
Number of inspections on vacant blocks for fire breaks (non-compliant blocks)	107	55
Number of abandoned vehicles dealt with (impounded)	18	32



## **Key Focus Area 5 – Governance**

*To ensure that the processes of Local Government are delivered responsibly and in a transparent, consistent and accountable manner.*

### **Records Management Services**

The City continues its commitment to good recordkeeping practices by ensuring that staff are aware of their individual recordkeeping responsibilities under the State Records Act by providing a thorough induction for all new staff and ensuring that refresher training and support is available.

### **Finance Services**

Finance Services supports the City through the provision of budgeting services, financial management reporting, accounts payable, accounts receivable, payroll, accounting and report of FBT and GST as well as managing the City's rating system.

### **Compliance Audit**

The City achieved a rating of 100% for the annual Compliance Audit.

## Key Focus Area 6 – Community Engagement

*To achieve a community which is informed and engaged in order to enable it to participate in decisions that affect the local area.*

### **Sustainability**

Sustainability Strategy and Objectives 2009-2012 was developed this year. The aim of the Strategy is to define the role of the Nedlands Council in establishing the long-term sustainability of the City of Nedlands. This role will include working with the community to encourage private sustainability, and working internally to establish corporate sustainability, encompassing economic, social and environmental concerns. Furthermore, the Sustainability Strategy focuses on the future of the City, taking care to investigate all solutions, barriers and benefits, and establishing a framework of key strategies and actions through which, this vision can be met. This strategy must have broad community acceptance, and be in keeping with the City's overall vision and the Strategic Plan 2008-2013.

The City also participated in the Living Smart program this year. This program involved residents attending a series of workshops designed to increase community understanding of sustainable living in all areas of their lives, including energy use, water consumption, transport and lifestyle. Special attention was given to gardening and waste minimisation at a Great Gardens workshop.

### **TravelSmart**

The City of Nedlands Travel Plan and Actions 2009-2012 was developed this year. This plan was prepared following the conclusion of the City of Nedlands Local Area Plan 2006-2009 and Transport Strategy. The aim of the City of Nedlands Travel Plan is to facilitate the movement of people within the City by prioritising actions to educate, inform and lobby for change or improvement. It becomes imperative that the systems provided offer acceptable levels of accessibility for all users on an affordable and sustainable basis.

To achieve this, the Travel Plan considers a number of competing initiatives to assist in the provision of a balanced system, mindful of the conflicting needs of residents and the wider community.

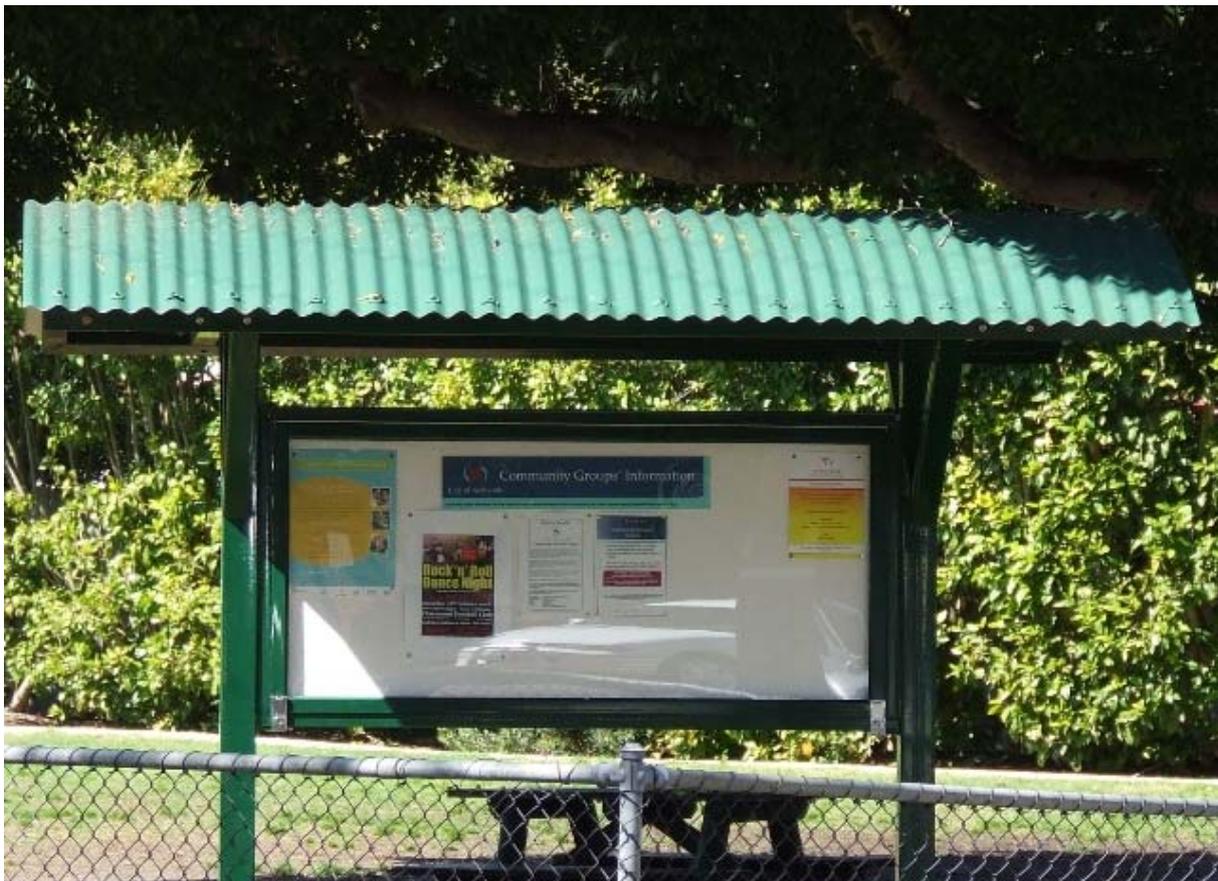
People living in the City of Nedlands are, like others in Perth, heavily dependant on cars. Car use is supported by perceived or actual factors such as convenience, cost, time, safety and availability of alternatives. The environmental, economic and social costs of car dependence are often not recognised, or where they are, people feel at a loss as to how they can respond or change their habits. The greatest opportunity for travel behaviour change lies in the short, local car trips taken every day and as a result these trips have become the focus for the City of Nedlands Travel Plan.

The focus areas of the City of Nedlands Travel Plan primarily coordinate actions relating to alternative transport modes. These include:

- Encouraging replacement of short, local car trips with alternative transport modes.
- Ensuring public transport meets the needs of the City of Nedlands.
- Facilitating pedestrian access and safety.

## **Media and Communications**

<b>Public Communications</b>	<b>2008/09</b>
Community education campaigns	10
Community Information Bays available	4
Media Releases issued	41
Media responses & interviews	90
Nedlands News – full page advertisements	11
Nedlands News – half page advertisements	22
E-Newsletters issued	11



**Community Information Bays are located in Allen Park, Lawler Park, College Park and Carrington Park to display Council and Community information.**

## **Key Focus Area 7 – Economic Development**

*To encourage an environment where local businesses can operate efficiently and effectively, in harmony with residential amenity and which provides services to the local and broader community.*

### **Parking Strategy**

The City of Nedlands has commenced a draft car parking strategy which is linked to the Council Strategic Plan 2008-2013. The strategy will be designed to address key issues on parking based on a number of significant factors which coincide with the local law relating to parking and parking facilities, various precinct definitions, Town Planning Scheme Number 2 and the Draft Town Planning Scheme Number 3.

### **Relationship with Local Businesses**

In 2008/09, the City continued to grow its relationship with local businesses. City staff visited over 90% of local business during 2008/09. Local business owners were also invited to a Business Sundowner, attended by approximately 40 local business owners.

### **Grants**

The City is committed to sourcing appropriate external funding to support its programs and initiatives and was successful in securing 21 applications totalling over \$2.8 million in the 2008/09 financial year. Examples of some of the new grants included:

- \$10,000 for exercise equipment on the foreshore at Charles Court Reserve from WALGA and Lotterywest.
- \$10,000 from Office of Crime Prevention for the purchase of CCTV cameras to reduce anti-social behaviour.
- \$30,000 from the Perth Transport Authority to replace or install new bus stops in the City.
- \$160,000 from the Federal Government to replace the Tawarri Jetty.

Councillor Attendance at Internal Meetings 2009/2010								
Councillors	Council Meetings (19)	Committee Meetings (19)	Special Council Meetings (3)	Audit & Risk Committee (4)	Budget Committee (4)	CEO Performance Review Committee (6)	Sustainable Nedlands Committee (7)	Traffic Management Committee (4)
Mayor Froese	19	18	3	4	4	6		4
Cr Argyle	19	18	2	4	1			1
Cr Bell	16	10	3		1		1	1*
Cr Hipkins	18	17	2		3			
Cr Hodsdon	19	17	3	4	4		1	4
Cr Horley	18	17	1		4			
Cr James	18	11	2	1	4			
Cr Mazzucchelli	19	19	2	3	3	5	7	*
Cr Negus	19	18	3		4	6		3
Cr Schapper	11	7	2		1	0		
Cr Smyth	18	18	3		4			4
Cr Tan	18	17	3		4	4	1	4
Cr Tyson	19	18	2		4		3	1*

Councillor Attendance at External Meetings 2009/2010					
Councillors	Nedlands Aged Persons Homes Trust (12)	Nedlands Cultural & Community Society (4)	WA Local Government Association – Central Metropolitan Zone (7)	Western Suburbs District Planning Committee (4)	Western Suburbs Regional Organisation of Councils (WESROC) (8)
Mayor Froese	1	2	4		5
Cr Argyle					
Cr Bell					
Cr Hipkins					
Cr Hodsdon			5		2*
Cr Horley				3	
Cr James		3			
Cr Mazzucchelli		2			
Cr Negus				*	
Cr Schapper					
Cr Smyth					
Cr Tan					
Cr Tyson	7				

( ) Number of meetings held / \* Deputy Delegate /  Councillor not required to attend meeting

**CITY OF NEDLANDS**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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CITY OF NEDLANDS

FINANCIAL REPORT

FOR THE YEAR ENDED 30TH JUNE 2009

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 30th June 2009 are in my opinion properly drawn up to present fairly the financial position of the City of Nedlands at 30th June 2009 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 *NINTH* day of *SEPTEMBER* 2009.



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Graham Foster  
Chief Executive Officer

**CITY OF NEDLANDS  
INCOME STATEMENT  
BY NATURE OR TYPE  
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Rates	23	13,245,990	13,940,000	12,710,223
Operating Grants, Subsidies and Contributions	29	2,832,277	2,575,320	2,558,642
Fees and Charges	28	4,630,374	4,709,960	4,605,456
Service Charges	25	1,051,090	1,231,800	1,512,571
Interest Earnings	2(a)	875,911	945,000	1,137,238
Other Revenue		227,868	81,990	193,139
		<u>22,863,510</u>	<u>23,484,070</u>	<u>22,717,269</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES</b>				
Employee Costs		(7,538,357)	(7,491,340)	(6,857,194)
Materials and Contracts		(9,553,827)	(10,010,400)	(7,694,764)
Utility Charges		(500,141)	(544,130)	(500,340)
Depreciation on Non-Current Assets	2(a)	(2,619,270)	(3,484,700)	(3,471,797)
Interest Expenses	2(a)	(190,232)	(190,325)	(213,624)
Insurance Expenses		(182,499)	(226,320)	(226,369)
Other Expenditure		(607,617)	(431,770)	(731,299)
		<u>(21,191,944)</u>	<u>(22,378,985)</u>	<u>(19,695,387)</u>
		1,671,566	1,105,085	3,021,882
<b>Non-Operating Grants, Subsidies and Contributions</b>				
Contributions	29	2,327,913	1,991,000	3,454,671
Profit on Asset Disposals	21	134,962	0	42,889
Loss on Asset Disposal	21	(2,541)	0	(5,879)
		<u>2,460,334</u>	<u>1,991,000</u>	<u>3,491,681</u>
<b>NET RESULT</b>		<u>4,131,900</u>	<u>3,096,085</u>	<u>6,513,562</u>

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

**CITY OF NEDLANDS  
INCOME STATEMENT  
BY PROGRAM  
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
<b>REVENUES FROM ORDINARY ACTIVITIES</b>				
Governance		285,497	126,280	145,852
General Purpose Funding		14,259,673	14,755,000	13,508,344
Law, Order, Public Safety		61,609	82,300	68,868
Health		79,448	40,000	57,063
Education and Welfare		1,124,779	1,113,230	1,092,236
Community Amenities		2,995,894	2,890,360	2,801,388
Recreation and Culture		609,534	570,820	600,365
Transport		1,375,454	1,473,000	1,976,365
Economic Services		522,047	705,440	727,182
Other Property and Services		1,549,575	1,727,640	1,739,606
	2 (a)	<u>22,863,510</u>	<u>23,484,070</u>	<u>22,717,269</u>
<b>EXPENSES FROM ORDINARY ACTIVITIES EXCLUDING BORROWING COSTS EXPENSE</b>				
Governance		(1,633,972)	(1,612,510)	(1,507,291)
General Purpose Funding		(334,557)	(351,980)	(861,780)
Law, Order, Public Safety		(513,942)	(512,290)	(427,059)
Health		(480,855)	(568,430)	(445,070)
Education and Welfare		(1,828,710)	(1,791,990)	(1,690,750)
Community Amenities		(4,352,304)	(4,204,514)	(3,755,210)
Recreation & Culture		(5,277,624)	(5,361,240)	(4,556,471)
Transport		(4,189,973)	(5,172,810)	(4,749,562)
Economic Services		(1,370,927)	(1,488,750)	(1,058,252)
Other Property and Services		(1,018,848)	(1,124,145)	(430,319)
	2 (a)	<u>(21,001,712)</u>	<u>(22,188,659)</u>	<u>(19,481,764)</u>
<b>BORROWING COSTS EXPENSE</b>				
Transport		(187,521)	(144,706)	(211,413)
Community Amenities		(2,711)	(45,620)	(2,211)
	2 (a)	<u>(190,232)</u>	<u>(190,326)</u>	<u>(213,624)</u>
<b>CONTRIBUTIONS/GRANTS FOR THE DEVELOPMENT OF ASSETS</b>				
Education and Welfare		58,959	150,000	0
Transport		2,268,954	1,841,000	3,454,671
		<u>2,327,913</u>	<u>1,991,000</u>	<u>3,454,671</u>
<b>PROFIT/LOSS ON SALE OF ASSETS</b>				
Governance		(1,892)	0	(5,879)
Recreation & Culture		(649)	0	0
Transport		134,962	0	42,889
		<u>132,421</u>	<u>0</u>	<u>37,010</u>
<b>NET RESULT</b>		<u><u>4,131,900</u></u>	<u><u>3,096,085</u></u>	<u><u>6,513,562</u></u>

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

**CITY OF NEDLANDS  
BALANCE SHEET  
AS AT 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	3	9,572,611	12,832,951
Trade and Other Receivables	5	922,136	1,610,100
Inventories	6	15,881	21,942
<b>TOTAL CURRENT ASSETS</b>		<u>10,510,628</u>	<u>14,464,993</u>
<b>NON-CURRENT ASSETS</b>			
Other Receivables	5	344,540	321,333
Property, Plant and Equipment	7	33,759,569	32,683,212
Infrastructure	8	41,277,607	34,890,159
<b>TOTAL NON-CURRENT ASSETS</b>		<u>75,381,716</u>	<u>67,894,704</u>
<b>TOTAL ASSETS</b>		<u>85,892,344</u>	<u>82,359,697</u>
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	9	2,965,453	4,424,265
Long Term Borrowings	10	1,319,547	1,182,230
Provisions	11	1,059,034	585,639
Other Liabilities	11a	241,200	0
<b>TOTAL CURRENT LIABILITIES</b>		<u>5,585,234</u>	<u>6,192,134</u>
<b>NON-CURRENT LIABILITIES</b>			
Long Term Borrowings	10	2,102,900	1,922,446
Provisions	11	213,543	386,350
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>2,316,443</u>	<u>2,308,796</u>
<b>TOTAL LIABILITIES</b>		<u>7,901,677</u>	<u>8,500,930</u>
<b>NET ASSETS</b>		<u>77,990,667</u>	<u>73,858,767</u>
<b>EQUITY</b>			
Retained Surplus		56,252,673	51,504,812
Reserves - Cash/Investment Backed	12	4,402,647	5,018,608
Reserves - Asset Revaluation	13	17,335,347	17,335,347
<b>TOTAL EQUITY</b>		<u>77,990,667</u>	<u>73,858,767</u>

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

**CITY OF NEDLANDS  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2008 \$
<b>RETAINED SURPLUS</b>			
Balance as at 1 July 2008		51,504,812	42,682,873
Net Result		4,131,900	6,513,562
Transfer from/(to) Reserves		615,961	2,308,377
Balance as at 30 June 2009		<u>56,252,673</u>	<u>51,504,812</u>
<b>RESERVES - CASH/INVESTMENT BACKED</b>			
Balance as at 1 July 2008		5,018,608	7,326,985
Amount Transferred (to)/from Retained Surplus		(615,961)	(2,308,377)
Balance as at 30 June 2009	12	<u>4,402,647</u>	<u>5,018,608</u>
<b>RESERVES - ASSET REVALUATION</b>			
Balance as at 1 July 2008		17,335,347	17,335,347
Revaluation Increment		0	0
Revaluation Decrement		0	0
Balance as at 30 June 2009	13	<u>17,335,347</u>	<u>17,335,347</u>
<b>TOTAL EQUITY</b>		<u><u>77,990,667</u></u>	<u><u>73,858,767</u></u>

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

**CITY OF NEDLANDS  
CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$	2008 \$
<b>Cash Flows From Operating Activities</b>				
<b>Receipts</b>				
Rates		13,182,202	13,506,400	13,098,926
Operating Grants, Subsidies and Contributions		3,167,818	2,575,320	2,558,642
Fees and Charges		4,630,374	4,984,762	3,734,094
Service Charges		1,051,090	1,170,210	1,512,571
Interest Earnings		875,911	945,000	1,137,238
Goods and Services Tax		34,204	80,000	(104,505)
Other Revenue		227,868	81,990	193,139
		<u>23,169,467</u>	<u>23,343,682</u>	<u>22,130,105</u>
<b>Payments</b>				
Employee Costs		(7,222,198)	(7,613,147)	(6,807,512)
Materials and Contracts		(11,036,322)	(10,719,793)	(5,342,343)
Utility Charges		(500,141)	(544,130)	(500,340)
Insurance Expenses		(182,499)	(226,320)	(226,369)
Interest Expenses		(176,060)	(190,325)	(243,006)
Other Expenditure		(607,617)	(410,182)	(731,299)
		<u>(19,724,837)</u>	<u>(19,703,897)</u>	<u>(13,850,869)</u>
<b>Net Cash Provided By (Used In)</b>				
<b>Operating Activities</b>	14(b)	<u>3,444,630</u>	<u>3,639,785</u>	<u>8,279,236</u>
<b>Cash Flows from Investing Activities</b>				
Payments for Purchase of Property, Plant & Equipment		(2,650,542)	(2,194,228)	(1,191,976)
Payments for Construction of Infrastructure		(7,752,024)	(7,542,360)	(8,275,897)
Non-Operating Grants, Subsidies and Contributions used for the Development of Assets		2,927,913	1,991,000	3,454,671
Proceeds from Sale of Plant & Equipment		451,912	466,100	171,672
Proceeds from Sale of Investments		0	0	4,714
		<u>(7,022,741)</u>	<u>(7,279,488)</u>	<u>(5,836,816)</u>
<b>Net Cash Provided By (Used In)</b>				
<b>Investing Activities</b>		<u>(7,022,741)</u>	<u>(7,279,488)</u>	<u>(5,836,816)</u>
<b>Cash Flows from Financing Activities</b>				
Repayment of Debentures		(1,169,525)	(1,178,552)	(1,552,815)
Repayment of Finance Leases		(12,704)	0	(5,913)
Proceeds from New Debentures		1,500,000	1,500,000	40,095
		<u>317,771</u>	<u>321,448</u>	<u>(1,518,633)</u>
<b>Net Increase (Decrease) in Cash Held</b>				
Cash at Beginning of Year		12,832,951	11,527,646	11,909,164
<b>Cash and Cash Equivalents at the End of the Year</b>	14(a)	<u>9,572,611</u>	<u>8,209,391</u>	<u>12,832,951</u>

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

**CITY OF NEDLANDS  
RATE SETTING STATEMENT  
FOR THE YEAR ENDED 30TH JUNE 2009**

	NOTE	2009 \$	2009 Budget \$
<b>REVENUES</b>			
Governance		285,497	126,280
General Purpose Funding		1,013,683	815,000
Law, Order, Public Safety		61,609	82,300
Health		79,448	40,000
Education and Welfare		1,183,738	1,263,230
Community Amenities		2,995,894	2,890,360
Recreation and Culture		609,534	570,820
Transport		3,644,408	3,314,000
Economic Services		522,047	705,440
Other Property and Services		<u>1,549,575</u>	<u>1,727,640</u>
		11,945,433	11,535,070
<b>EXPENSES</b>			
Governance		(1,633,972)	(1,612,510)
General Purpose Funding		(334,557)	(351,980)
Law, Order, Public Safety		(513,942)	(512,290)
Health		(480,855)	(568,430)
Education and Welfare		(1,828,710)	(1,791,990)
Community Amenities		(4,352,304)	(4,250,134)
Recreation & Culture		(5,277,624)	(5,361,240)
Transport		(4,377,494)	(5,317,516)
Economic Services		(1,373,638)	(1,488,750)
Other Property and Services		<u>(1,018,848)</u>	<u>(1,124,145)</u>
		(21,191,944)	(22,378,985)
<b>Adjustments for Cash Budget Requirements:</b>			
<b>Non-Cash Expenditure and Revenue</b>			
Movement in Deferred Pensioner Rates (Non-Current)		(23,207)	0
Movement in Employee Benefit Provisions		(172,807)	0
Depreciation and Amortisation on Assets		2,619,270	3,484,700
<b>Capital Expenditure and Revenue</b>			
Purchase Land Held for Resale			
Purchase Land and Buildings		(804,247)	(677,370)
Purchase Infrastructure Assets - Roads		(6,113,196)	(6,464,090)
Purchase Infrastructure Assets - Parks		(1,638,829)	(1,278,270)
Purchase Plant and Equipment		(1,351,033)	(1,157,500)
Purchase Furniture and Equipment		(495,261)	(517,430)
Proceeds from Disposal of Assets		451,912	466,100
Repayment of Debentures		(1,169,525)	(1,178,560)
Repayment of Finance Leases		(12,704)	0
Proceeds from New Debentures		1,500,000	1,500,000
Transfers to Reserves (Restricted Assets)		(373,997)	(971,824)
Transfers from Reserves (Restricted Assets)		989,957	1,700,000
<b>ADD</b> Estimated Surplus/(Deficit) July 1 B/Fwd		4,436,482	2,197,656
<b>LESS</b> Estimated Surplus/(Deficit) June 30 C/Fwd		1,842,294	199,497
<b>Amount Required to be Raised from Rates</b>	<b>23</b>	<u><u>(13,245,990)</u></u>	<u><u>(13,940,000)</u></u>

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

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**1. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies which have been adopted in the preparation of this financial report are:

**(a) Basis of Preparation**

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities), other mandatory professional reporting requirements and the Local Government Act 1995 (as amended) and accompanying regulations (as amended).

The report has also been prepared on the accrual basis under the convention of historical cost accounting as modified by the accounting treatment relating to the revaluation of financial assets and liabilities at fair value through profit and loss and certain classes of non-current assets.

**Critical Accounting Estimates**

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The results of 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 20 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 Balance Sheet are stated inclusive of applicable GST.

**(d) Cash and Cash Equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in 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 Cash Flow Statement, 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 balance sheet.

**(e) Trade and Other Receivables**

Trade receivables, which generally have 30 - 90 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for uncollectible amounts.

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

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(f) Inventories**

***General***

Inventories are valued 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. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months.

***Land Held for Resale***

Land purchased for development and/or resale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development and interest incurred on the financing of that land during its development. Interest and holding charges incurred after development is complete are recognised as expenses.

Revenue arising from the sale of property is recognised in the Income 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 Council's intention 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.

***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.

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.

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 AASB1051 - Land Under Roads and the fact Local Government (Financial Management) Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

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

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

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

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(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.

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

Buildings	30 to 50 years
Furniture and Equipment	4 to 10 years
Plant and Equipment	5 to 15 years
Sealed roads and streets	
clearing and earthworks	not depreciated
construction/road base	50 years
original surfacing and	
major re-surfacing	
- bituminous seals	20 years
- asphalt surfaces	25 years
Gravel roads	
clearing and earthworks	not depreciated
construction/road base	50 years
gravel sheet	12 years
Formed roads (unsealed)	
clearing and earthworks	not depreciated
construction/road base	50 years
Footpaths - slab	25 years
Sewerage piping	100 years
Water supply piping and drainage systems	75 years

CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Investments and Other Financial Assets

**Classification**

Council classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at each reporting date.

*(i) Financial assets at fair value through profit and 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 balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

*(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 balance sheet 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.

**Recognition and derecognition**

Regular purchases and sales of financial assets are recognised on trade-date – the date on which Council commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in equity are included in the income statement as gains and losses from investment securities.

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(i) Investments and Other Financial Assets (Continued)**

***Subsequent measurement***

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when Council's right to receive payments is established. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

***Impairment***

Council assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss- measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments classified as available-for-sale are not reversed through the income statement.

**(j) Estimation of Fair Value**

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Council for similar financial instruments.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(k) Impairment**

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

Where such an indication exists, an estimate of the recoverable amount of the asset is made in accordance with AASB 136 '*Impairment of Assets*' and appropriate adjustments made.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

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

**(l) 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.

**(m) 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:

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

The provision for employees' benefits to wages, salaries, annual leave and long service leave expected to be settled within 12 months represents the amount the municipality has a present obligation to pay resulting from employees 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.

**(ii) 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.

**(n) 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 on 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 balance sheet date.

***Borrowing Costs***

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(o) 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.

**(p) Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the company, are classified as finance leases. Finance leases are capitalised recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

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.

**(q) Joint Venture**

The City did not have any joint ventures in 2008/09.

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

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

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

**(s) Superannuation**

The Council contributes to the Local Government Superannuation Scheme and the Occupational Superannuation Fund. Both funds are defined contribution schemes.

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.

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**1. 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 operational cycle. In the case of liabilities where 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 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.

**(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.

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(x) New Accounting Standards and Interpretations**

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted by the Council for the annual reporting period ending 30 June 2009

Council's assessment of these new standards and interpretations is set out below:

	<b>Title and Topic</b>	<b>Issued</b>	<b>Applicable (*)</b>	<b>Impact</b>
(i)	AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8	February 2007	1 January 2009	Nil – The Standard is not applicable to not-for-profit entities.
(ii)	Revised AASB 123 Borrowing Costs (includes AASB 2009-1) and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]	June 2007 and April 2009	1 January 2009	Nil – There have been two revisions to the Standard. The first removed the option to expense all borrowing costs and required the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. The second (AASB2009-1) reinstated the choice to either expense or capitalise in the case of not-for-profit entities. There will be no impact on the financial report of the Council as it already capitalises borrowing costs relating to qualifying assets and will continue to do so.
(iii)	Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101 and AASB 2007-10 Further Amendments to Australian Accounting Standards arising from AASB 101	September 2007 and December 2007	1 January 2009	Nil – The revised Standard requires the presentation of a Statement of comprehensive income and makes changes to the Statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If Council has made a prior period adjustment or has reclassified items in the financial statements, it is likely it will need to disclose a third balance sheet (Statement of Financial Position), being as at the beginning of the comparative period.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(x) New Accounting Standards and Interpretations (Continued)**

Title and Topic	Issued	Applicable (*)	Impact
(iv) AASB 2008-5 Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 January 2009	Nil – The revisions are part of the AASBs annual improvement project to help ensure consistency with presentation, recognition and measurement criteria of IFRSS.
AASB 2008-6 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project	July 2008	1 July 2009	The revisions embodied in these standards relate largely to terminology or editorial comments and will have a minimal effect on the accounting practices of the Council.  It is not anticipated the more significant changes will have any effect on the financial report as the topics are not relevant to the operations of the Council.
(v) AASB 2008-11 Amendments to Australian Accounting Standard – Business Considerations Among Not-for-Profit Entities	November 2008	1 July 2009	Nil – Whilst this standard has the effect of applying AASB 3 Business Combinations to the Not-for-Profit sector, specific provisions are provided in respect of local government. These specific provisions are very similar to the previous requirements of AAS 27.
(vi) AASB 2008-1 Amendments to Australian Accounting Standard – Share-Based Payments: Vesting Conditions and Cancellations	February 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2008-2 Amendments to Australian Accounting Standards Puttable Financial Instruments and Obligations Arising on Liquidation	March 2008	1 January 2009	

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(x) New Accounting Standards and Interpretations (Continued)**

Title and Topic (vi) (Continued)	Issued	Applicable (*)	Impact
AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 3 and AASB 127	March 2008	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
AASB 2007-7 Amendments to Australian Accounting Standards – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	July 2008	1 January 2009	
AASB 2008-8 Amendments to Australian Accounting Standards – Eligible Hedged Items	August 2008	1 July 2009	
AASB 2008-9 Amendments to AASB 1049 for Consistency with AASB 101	September 2008	1 January 2009	
AASB 2008-13 Amendments to Australian Accounting Standards arising from AASB Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
Interpretation 1 – Changes in Existing, Decommissioning, Restoration and Similar Liabilities	June 2008	1 January 2009	

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(x) New Accounting Standards and Interpretations (Continued)**

(vi) (Continued)	Title and Topic	Issued	Applicable (*)	Impact
	Interpretation 12 – Service Concession Arrangements	June 2007	1 January 2009	Nil – None of these amendments will have any effect on the financial report as none of the topics are relevant to the operations of the Council.
	Interpretation 15 – Agreements for the Construction of Real Estate	August 2008	1 January 2009	
	Interpretation 16 – Hedges of a Net Investment in a Foreign Operation	August 2008	1 October 2008	
	Interpretation 17 – Distributions of Non-Cash Assets to Owners	December 2008	1 July 2009	
	Interpretation 18 – Transfers of Assets from Customers	March 2009	Ending 1 July 2009	

**Notes:**

(\*) - Applicable to reporting periods commencing on or after the given date.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

<b>2. REVENUES AND EXPENSES</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Result from Ordinary Activities</b>		
The Result from Ordinary Activities includes:		
(i) Charging as an Expense:		
<b>Auditors Remuneration</b>		
- Audit	21,235	20,469
<b>Depreciation</b>		
Buildings	351,322	340,166
Furniture and Equipment	321,617	316,300
Plant and Equipment	522,938	908,138
Roads	708,412	781,256
Footpaths	330,330	422,013
Drainage	72,819	416,907
Street Furniture	23,811	23,811
Parks, Gardens and Reserves	288,021	263,206
	<u>2,619,270</u>	<u>3,471,797</u>
<b>Interest Expenses</b>		
Hire Purchase Interest	2,711	2,211
Debentures (refer Note 22(a))	187,521	211,413
	<u>190,232</u>	<u>213,624</u>
<b>Rental Charges</b>		
- Operating Leases	29,923	17,608
	<u>29,923</u>	<u>17,608</u>
(ii) Crediting as Revenue:		
	<b>2009</b>	<b>2009</b>
	<b>\$</b>	<b>Budget</b>
		<b>\$</b>
<b>Interest Earnings</b>		
Investments		
- Reserve Funds	275,517	370,000
- Other Funds	444,108	450,000
- Deferred Rates Interest	17,995	0
Other Interest Revenue (refer note 27)	138,291	125,000
	<u>875,911</u>	<u>945,000</u>
		<u>1,137,238</u>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(b) Statement of Objective**

In order to discharge its responsibilities to the community, Council has developed a set of operational and financial objectives. These objectives have been established both on an overall basis and for each of its broad activities/programs.

Council operations as disclosed in this budget encompass the following service orientated activities/programs:

**GOVERNANCE**

Provision of Councillor support services, administration, corporate services and strategic planning.

**GENERAL PURPOSE FUNDING**

Collection of rates, general purpose government grants and interest revenue, to allow for the provision of services

**LAW, ORDER, PUBLIC SAFETY**

Supervision of various local laws, fire prevention and animal control, Surf Life Saving building maintenance, Safer Nedlands and State Emergency Service.

**HEALTH**

Food control and health administration.

**EDUCATION AND WELFARE**

Maintenance of pre-school buildings.

Home and Community Care services, including meals on wheels, childrens services & seniors activities.

**COMMUNITY AMENITIES**

Waste management services, noise control, Town Planning services and protection of the environment.

**RECREATION AND CULTURE**

Maintenance of halls, recreation administration, recreation facilities including reserves, buildings and hardcourts, library operations, Gallop House and community festivals.

**TRANSPORT**

Maintenance of roads, drainage works, footpaths and traffic facilities, control of parking and enforcement of parking local laws

**ECONOMIC SERVICES**

Building control, maintenance of City's buildings and natural assets.

**OTHER PROPERTY & SERVICES**

Miscellaneous services not able to be classified elsewhere.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>(c) Conditions Over Contributions</b>		
Grants recognised as revenues in a previous reporting period which were not expended at the close of the previous reporting period (ie opening balances).		
HACC Operating Grant	0	26,525
	<u>0</u>	<u>26,525</u>
Add:		
New grants which were recognised as revenues during the reporting period and which had not yet been fully expended by the contributor.		
Grants Commission Grant advance instalment	173,859	0
Less:		
Grants which were recognised as revenues in a previous reporting period and which were expended in the current reporting period in the manner specified by the contributor.		
HACC Operating Grant	0	(26,525)
Closing balances of unexpended grants	<u>173,859</u>	<u>0</u>
Comprises:		
WALG Grants Commission "advance" instalment	173,859	0
	<u>173,859</u>	<u>0</u>

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>3. CASH AND CASH EQUIVALENTS</b>		
Unrestricted	3,361,548	5,922,457
Restricted	6,211,063	6,910,494
	<u>9,572,611</u>	<u>12,832,951</u>

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

Plant Replacement Reserve	141,917	92,023
City Development Reserve	1,388,391	1,702,392
Welfare Reserve	401,896	352,062
Services Reserve	628,633	1,132,661
Tresillian Community Centre Reserve	10,999	10,462
North St Reserve	882,803	836,075
Insurance Reserve	43,724	41,588
Waste Management Infrastructure Reserve	118,030	111,745
Underground Power Reserve	111,040	105,128
Building Replacement Reserve	675,214	634,472
Provision for Long Service Leave	213,543	386,350
Bonds and deposits	1,353,673	1,505,536
Income Received in Advance	241,200	0
	<u>6,211,063</u>	<u>6,910,494</u>

**4. INVESTMENTS**

The City did not have any investments other than term deposits in banks.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	2009	2008
	\$	\$
<b>5. TRADE AND OTHER RECEIVABLES</b>		
<b>Current</b>		
Rates Outstanding	253,437	212,856
Sundry Debtors	511,835	1,206,176
Less: Provision for Doubtful Debts	(24,459)	(24,459)
GST Receivable	181,323	215,527
	<u>922,136</u>	<u>1,610,100</u>
<b>Non-Current</b>		
Rates Outstanding - Pensioners	344,540	321,333
	<u>344,540</u>	<u>321,333</u>
<b>6. INVENTORIES</b>		
<b>Current</b>		
Fuel and Oil	15,881	21,942
	<u>15,881</u>	<u>21,942</u>
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>		
Land - Independent Valuation	16,990,000	16,990,000
	<u>16,990,000</u>	<u>16,990,000</u>
Buildings - Cost	14,515,339	13,795,015
Less Accumulated Depreciation	(1,973,717)	(1,633,636)
	<u>12,541,622</u>	<u>12,125,379</u>
Furniture and Equipment - Cost	3,522,626	3,049,604
Less Accumulated Depreciation	(2,355,915)	(2,034,975)
	<u>1,166,711</u>	<u>1,014,629</u>
Plant and Equipment - Cost	4,722,712	4,565,492
Less Accumulated Depreciation	(1,661,476)	(2,012,288)
	<u>3,061,236</u>	<u>2,553,204</u>
	<u>33,759,569</u>	<u>32,683,212</u>

CITY OF NEDLANDS  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2009

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

Movements in Carrying Amounts

The following represents the movement in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the current financial year.

	Land \$	Buildings \$	Furniture & Equipment \$	Plant & Equipment \$	Total \$
Balance as at 1 July 2008	16,990,000	12,125,379	1,014,629	2,553,204	32,683,212
Additions	0	767,565	473,699	1,350,461	2,591,725
(Disposals)	0	0	0	(319,491)	(319,491)
Revaluation - Increments - (Decrements)	0	0	0	0	0
Impairment - (losses) - reversals	0	0	0	0	0
Depreciation (Expense)	0	(351,322)	(321,617)	(522,938)	(1,195,877)
Other Movements	0	0	0	0	0
Balance as at 30 June 2009	<u>16,990,000</u>	<u>12,541,622</u>	<u>1,166,711</u>	<u>3,061,236</u>	<u>33,759,569</u>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	2009	2008
	\$	\$
<b>8. INFRASTRUCTURE</b>		
Roads - management valuation	20,454,065	17,537,691
Less Accumulated Depreciation	<u>(3,190,402)</u>	<u>(2,488,894)</u>
	17,263,663	15,048,797
Footpaths - management valuation	7,413,534	6,606,610
Less Accumulated Depreciation	<u>(1,285,171)</u>	<u>(954,842)</u>
	6,128,363	5,651,768
Drainage - management valuation	5,926,579	5,825,529
Less Accumulated Depreciation	<u>(1,062,037)</u>	<u>(989,218)</u>
	4,864,542	4,836,311
Parks - management valuation	5,065,488	3,846,904
Less Accumulated Depreciation	<u>(867,535)</u>	<u>(675,190)</u>
	4,197,953	3,171,714
Reticulation - management valuation	2,286,674	1,884,448
Less Accumulated Depreciation	<u>(449,310)</u>	<u>(353,634)</u>
	1,837,364	1,530,814
Street Furniture - management valuation	133,936	117,832
Less Accumulated Depreciation	<u>(105,926)</u>	<u>(82,115)</u>
	28,010	35,717
Right of Ways - management valuation	159,987	159,987
Less Accumulated Depreciation	<u>(49,520)</u>	<u>(42,616)</u>
	110,467	117,371
Telecommunications - management valuation	52,685	52,685
Less Accumulated Depreciation	<u>(52,685)</u>	<u>(52,685)</u>
	0	0
	<u>34,430,362</u>	<u>30,392,492</u>

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**8. INFRASTRUCTURE (Continued)**

**Movements in Carrying Amounts**

The following represents the movement in the carrying amounts of each class of infrastructure between the beginning and the end of the current financial year:

	Roads \$	Footpaths \$	Drainage \$	Parks and Ovals \$	Reticulation \$	Street Furniture \$	Right of Ways \$	Work-in- Progress \$	Total \$
Balance as at 1 July 2008	15,048,797	5,651,769	4,836,312	3,171,714	1,530,813	35,716	117,371	4,497,667	34,890,159
Additions / (Disposals)	2,916,374	806,924	101,049	1,218,584	402,227	16,105	0	2,349,578	7,810,841
Revaluation - Increments - (Decrements)									0
Impairment - (losses) - reversals									0
Depreciation (Expense)	(701,508)	(330,330)	(72,819)	(192,345)	(95,676)	(23,811)	(6,904)	0	(1,423,393)
Balance as at 30 June 2009	<u>17,263,663</u>	<u>6,128,363</u>	<u>4,864,542</u>	<u>4,197,953</u>	<u>1,837,364</u>	<u>28,010</u>	<u>110,467</u>	<u>6,847,245</u>	<u>41,277,607</u>

**\*\* WORK-IN-PROGRESS**

Karrakatta Underpass	\$ 6,716,231
Other Roads	15,302
Drainage	38,878
Parks & Ovals	18,018
Buildings	36,682
Furniture & Equipment	21,562
Plant & Equipment	572
Total WIP	<u>6,847,245</u>

Work-in-Progress is consolidated and shown as part of Infrastructure in the Balance Sheet.

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

	<b>2009</b>	<b>2008</b>
	\$	\$
<b>9. TRADE AND OTHER PAYABLES</b>		
<b>Current</b>		
Sundry Creditors	917,559	2,595,862
Bonds and Deposits	1,353,674	1,505,536
Accrued Expenses	496,842	141,060
Accrued Salaries and Wages	197,378	181,807
	<u>2,965,453</u>	<u>4,424,265</u>
<b>10. LONG-TERM BORROWINGS</b>		
<b>Current</b>		
Secured by Floating Charge		
Debentures	1,305,572	1,169,525
HP Loan	13,975	12,705
	<u>1,319,547</u>	<u>1,182,230</u>
<b>Non-Current</b>		
Secured by Floating Charge		
Debentures	2,095,398	1,900,969
HP Loan	7,502	21,477
	<u>2,102,900</u>	<u>1,922,447</u>
Additional detail on borrowings is provided in Note 22.		
<b>11. PROVISIONS</b>		
<b>Current</b>		
Provision for Annual Leave	515,563	415,363
Provision for Long Service Leave	543,471	170,276
	<u>1,059,034</u>	<u>585,639</u>
<b>Non-Current</b>		
Provision for Long Service Leave	<u>213,543</u>	<u>386,350</u>
	<u>213,543</u>	<u>386,350</u>
<b>11a OTHER LIABILITIES</b>		
Income in Advance	<u>241,200</u>	<u>0</u>
<i>Contributions received for four projects to be undertaken in 2009/10 year</i>		

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	2009 \$	2009 Budget \$	2008 \$
<b>12. RESERVES - CASH/INVESTMENT BACKED</b>			
<b>(a) Plant Replacement Reserve</b>			
Opening Balance	92,023	91,366	289,320
Amount Set Aside / Transfer to Reserve	49,894	350,000	302,703
Amount Used / Transfer from Reserve	0	(300,000)	(500,000)
	<u>141,917</u>	<u>141,366</u>	<u>92,023</u>
<b>(b) City Development Reserve</b>			
Opening Balance	1,702,392	2,402,393	2,738,204
Amount Set Aside / Transfer to Reserve	106,339	200,000	360,514
Amount Used / Transfer from Reserve	(420,340)	(500,000)	(1,396,326)
	<u>1,388,391</u>	<u>2,102,393</u>	<u>1,702,392</u>
<b>(c) North Street Reserve</b>			
Opening Balance	836,075	836,075	1,153,118
Amount Set Aside / Transfer to Reserve	46,729	54,345	82,957
Amount Used / Transfer from Reserve	0	0	(400,000)
	<u>882,803</u>	<u>890,420</u>	<u>836,075</u>
<b>(d) Welfare Reserve</b>			
Opening Balance	352,062	352,169	328,058
Amount Set Aside / Transfer to Reserve	49,834	50,000	24,004
Amount Used / Transfer from Reserve	0	0	0
	<u>401,896</u>	<u>402,169</u>	<u>352,062</u>
<b>(e) Services Reserve</b>			
Opening Balance	1,132,661	1,132,661	1,119,496
Amount Set Aside / Transfer to Reserve	65,589	100,000	77,165
Amount Used / Transfer from Reserve	(569,617)	(900,000)	(64,000)
	<u>628,633</u>	<u>332,661</u>	<u>1,132,661</u>
<b>(f) Shenton Underpass Reserve</b>			
Opening Balance	0	0	851,890
Amount Set Aside / Transfer to Reserve	0	0	67,941
Amount Used / Transfer from Reserve	0	0	(919,831)
	<u>0</u>	<u>0</u>	<u>0</u>
<b>(g) Insurance Reserve</b>			
Opening Balance	41,588	41,588	38,841
Amount Set Aside / Transfer to Reserve	2,136	2,703	2,747
Amount Used / Transfer from Reserve	0	0	0
	<u>43,724</u>	<u>44,291</u>	<u>41,588</u>
<b>(h) Underground Power Service Charge Reserve</b>			
Opening Balance	105,128	105,128	97,877
Amount Set Aside / Transfer to Reserve	5,912	6,833	7,251
Amount Used / Transfer from Reserve	0	0	0
	<u>111,040</u>	<u>111,961</u>	<u>105,128</u>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	2009 \$	2009 Budget \$	2008 \$
Opening Balance	111,745	111,745	104,501
Amount Set Aside / Transfer to Reserve	6,285	7,263	7,244
Amount Used / Transfer from Reserve	0	0	0
	<u>118,030</u>	<u>119,008</u>	<u>111,745</u>
<b>(j) Building Replacement Reserve</b>			
Opening Balance	634,472	634,472	595,941
Amount Set Aside / Transfer to Reserve	40,742	200,000	38,531
Amount Used / Transfer from Reserve	0	0	0
	<u>675,214</u>	<u>834,472</u>	<u>634,472</u>
<b>(k) Tresillian Reserve</b>			
Opening Balance	10,462	10,462	9,740
Amount Set Aside / Transfer to Reserve	537	680	722
Amount Used / Transfer from Reserve	0	0	0
	<u>10,999</u>	<u>11,142</u>	<u>10,462</u>
<b>TOTAL CASH BACKED RESERVES</b>	<u>4,402,647</u>	<u>4,989,883</u>	<u>5,018,608</u>

All of the cash backed reserve accounts are supported by money held in financial institutions or in separate investments and match the amounts shown as restricted cash and restricted investments in Notes 3 and 4 to this report.

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 for the replacement of Council'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 fund the improvement of Property, Plant and Equipment. The use of funds in this reserve is ongoing

North Street Reserve

To fund the operational and capital costs of community facilities in Mt Claremont, community and recreation facilities in Swanbourne and infrastructure generally. Use of this reserve is ongoing

Welfare Reserve

To fund 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 buildings maintenance. The use of funds in this reserve is ongoing

Shenton Underpass Reserve

To provide for the Shenton Underpass project partially funded by MRRG and neighbouring councils.

Insurance Reserve

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

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

Underground Power Service Charge Reserve

To set aside surplus underground power (Scheme 2) funds received from Western Power to be refunded to rate payers as a reduction in the final installment in 2007.

Waste Management Infrastructure Reserve

To provide for the replacement of Council'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 Replacment Reserve

To fund the upgrade and/or replacement of Council's buildings. The use of this reserve is ongoing

Tresillian Reserve

To fund the operational and capital costs of the Tresillian Community Centre. The use of funds in this reserve is ongoing.

**13. RESERVES - ASSET REVALUATION**

**2009**  
\$

**2008**  
\$

Asset revaluation reserves arising from revaluation in prior years are as follows:

TOTAL ASSET REVALUATION RESERVES

17,335,347

17,335,347

No Revaluation of assets were undertaken during the year, in view of the impending changes to the "Roman" valuation system for infrastructure assets.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**14. NOTES TO THE CASH FLOW STATEMENT**

**(a) Reconciliation of Cash**

For the purposes of the cash flow statement, 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 balance sheet as follows:

	2009 \$	2009 Budget \$	2008 \$
Cash and Cash Equivalents	<u>9,572,611</u>	<u>8,209,301</u>	<u>12,832,951</u>

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

Net Result	4,131,900	3,096,085	6,513,562
Depreciation	2,619,270	3,484,700	3,471,797
(Profit)/Loss on Sale of Asset	(132,421)		(37,010)
(Increase)/Decrease in Receivables	664,757	510,300	(587,163)
(Increase)/Decrease in Inventories	6,061		(6,424)
Increase/(Decrease) in Payables	(1,217,612)	(1,510,300)	2,329,463
Increase/(Decrease) in Employee Provisions	300,588	50,000	49,682
Grants/Contributions for the Development of Assets	<u>(2,927,913)</u>	<u>(1,991,000)</u>	<u>(3,454,671)</u>
<b>Net Cash from Operating Activities</b>	<u><u>3,444,630</u></u>	<u><u>3,639,785</u></u>	<u><u>8,279,236</u></u>

**(c) Undrawn Borrowing Facilities  
Credit Standby Arrangements**

Bank Overdraft limit	500,000	500,000
Bank Overdraft at Balance Date	0	0
Credit Card limit	25,000	17,000
Credit Card Balance at Balance Date	<u>(4,330)</u>	<u>(7,187)</u>
<b>Total Amount of Credit Unused</b>	<u><u>520,670</u></u>	<u><u>509,813</u></u>

**Loan Facilities**

Loan Facilities - Current	1,319,547	1,169,525
Loan Facilities - Non-Current	<u>2,102,900</u>	<u>1,900,969</u>
<b>Total Facilities in Use at Balance Date</b>	<u><u>3,422,447</u></u>	<u><u>3,070,494</u></u>

<b>Unused Loan Facilities at Balance Date</b>	<u><u>0</u></u>	<u><u>0</u></u>
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**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**15. CONTINGENT LIABILITIES**

The Council is not aware of any contingent liabilities.

<b>16. CAPITAL AND LEASING COMMITMENTS</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>(a) Finance Lease Commitments</b>		
The City did not have any Finance Lease in 2008/09.		
<b>(b) Operating Lease Commitments</b>		
Non-cancellable operating leases contracted for but not capitalised in the accounts.		
Payable:		
- not later than one year	21,114	20,460
- later than one year but not later than five years	8,809	29,780
- later than five years	0	0
	<u>29,923</u>	<u>50,240</u>

**(c) Capital Expenditure Commitments**

Contracted for:		
- capital expenditure projects	517,000	1,800,000
- plant and equipment purchases	0	132,180
Payable:		
- not later than one year	517,000	1,932,180

The capital expenditure project outstanding at the end of the current reporting period represents the City's outstanding commitment to the Broadway streetscaping and traffic management project, lead managed by the City of Subiaco.

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

	2009	2008
	\$	\$
<b>17. JOINT VENTURE</b>		
The City has not entered into any joint venture agreements.		
<b>18. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY</b>		
Governance	18,819,494	18,655,860
Law, Order, Public Safety	1,431,061	1,281,972
Health	891,535	860,871
Education and Welfare	1,174,931	1,102,539
Community Amenities	31,321	10,407
Recreation and Culture	16,265,921	13,676,072
Transport	36,472,991	32,322,894
Economic Services	294,462	288,984
Unallocated	10,510,628	14,160,098
	<u>85,892,344</u>	<u>82,359,697</u>

	2009	2008	2007
<b>19. FINANCIAL RATIOS</b>			
Current Ratio	1.31:1	1.51:1	1.46:1
Untied Cash to Unpaid Trade Creditors Ratio	3.66:1	2.28:1	6.10:1
Debt Ratio	9.20%	10.32%	10.19%
Debt Service Ratio	5.91%	8.23%	10.20%
Gross Debt to Revenue Ratio	14.79%	13.67%	20.97%
Gross Debt to Economically Realisable Assets Ratio	7.62%	6.54%	9.95%
Rate Coverage Ratio	52.90%	55.95%	58.11%
Outstanding Rates Ratio	1.86%	1.66%	4.34%

The above ratios are calculated as follows:

Current Ratio	$\frac{\text{current assets minus restricted current assets}}{\text{current liabilities minus liabilities associated with restricted assets}}$
Untied Cash to Unpaid Trade Creditors Ratio	$\frac{\text{untied cash}}{\text{unpaid trade creditors}}$
Debt Ratio	$\frac{\text{total liabilities}}{\text{total assets}}$
Debt Service Ratio	$\frac{\text{debt service cost}}{\text{available operating revenue}}$
Gross Debt to Revenue Ratio	$\frac{\text{gross debt}}{\text{total revenue}}$
Gross Debt to Economically Realisable Assets Ratio	$\frac{\text{gross debt}}{\text{economically realisable assets}}$
Rate Coverage Ratio	$\frac{\text{net rate revenue}}{\text{operating revenue}}$
Outstanding Rates Ratio	$\frac{\text{rates outstanding}}{\text{rates collectable}}$

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**20. TRUST FUNDS**

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

	Balance 1-Jul-08	Amounts Received	Amounts Paid	Balance 30-Jun-09
	\$	\$	(\$)	\$
Unclaimed Monies	18,876	0	(100)	18,776
Housing Bonds	1,000	346	(346)	1,000
Charity Donation by Staff	0	2,312	(1,547)	765
	<u>19,876</u>	<u>2,658</u>	<u>(1,993)</u>	<u>20,541</u>

**21. DISPOSALS OF ASSETS - 2008/09 FINANCIAL YEAR**

The following assets were disposed of during the year.

	Net Book Value		Sale Price		Profit (Loss)	
	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Plant & Equipment	319,491	466,100	451,912	466,100	132,421	0
	<u>319,491</u>	<u>466,100</u>	<u>451,912</u>	<u>466,100</u>	<u>132,421</u>	<u>0</u>

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**22. INFORMATION ON BORROWINGS**

(a) Debenture Repayments

Particulars	Principal 1-Jul-08 \$	New Loans \$	Principal Repayments 30-Jun-09		Interest Repayments	
		Actual \$	Budget \$	Actual \$	Budget \$	Budget \$
<b>Transport</b>						
Underground Power Scheme 3- 177*	2,299,298	1,115,087	1,115,087	1,184,211	119,930	116,706
<b>Community Amenities</b>						
New bin stock - Loan 178**	771,196	54,438	54,438	716,758	55,911	45,620
<b>Roads Infrastructure - Loan 179**</b>						
		1,500,000	0	1,500,000	11,680	28,000
	3,070,494	1,500,000	1,169,525	3,400,969	187,521	190,326

\* Underground Power Scheme repayments are financed by a Service Charge levied against properties in the relevant scheme areas.

\*\* Loan 178 is financed from general purpose revenue.

(b) New Debentures - 2008/09

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges \$	Interest Rate %	Amount Used		Balance Unspent \$
	Actual \$	Budget \$						Actual \$	Budget \$	
Roads Infrastructure - Loan 179**	1,500,000	1,500,000	Treasury	Fixed Interest	15	804,388	6.04%	1,500,000	1,500,000	0

\*\*Repayment are to be financed by general purpose revenue

(c) **Overdraft**

Council established an overdraft facility of \$500,000 in January 1961 to assist with short term liquidity requirements. The balance of the bank overdraft at 1 July 2008 and 30 June 2009 was \$Nil.

(c) **Unspent Debentures**

The City had no unspent debenture funds as at 30 June 2009.

CITY OF NEDLANDS  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2009

23. RATING INFORMATION - 2008/09 FINANCIAL YEAR

RATE TYPE	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 \$
<b>Differential General Rate</b>											
GRV - Residential	0.04801	5,531	194,480,455	9,338,979	(21,078)	11,415	9,329,316	9,770,000	10,000	0	9,780,000
GRV - Non Residential	0.06680	304	26,161,529	1,748,619	3,196	10,668	1,762,482	1,910,000	0	0	1,910,000
<b>Sub-Totals</b>		5,835	220,641,984	11,087,598	(17,882)	22,083	11,091,799	11,680,000	10,000	0	11,690,000
<b>Minimum Rates</b>											
GRV - Residential	884.00	2,335	32,592,566	2,064,140	(34,100)	(2,282)	2,027,758	2,072,000	0	0	2,072,000
GRV - Non Residential	1200.00	149	1,636,422	178,800	(52,366)	0	126,434	178,000	0	0	178,000
<b>Sub-Totals</b>		2,484	34,228,988	2,242,940	(86,466)	(2,282)	2,154,192	2,250,000	0	0	2,250,000
<b>Ex-Gratia Rates</b>											
Specified Area Rate (refer note 24)							13,245,990				13,940,000
							0				0
							0				0
Discounts (refer note 26)							13,245,990				13,940,000
<b>Totals</b>							13,245,990				13,940,000

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

**24. SPECIFIED AREA RATE - 2008/09 FINANCIAL YEAR**

No Specified Area Rate was levied during the year 2008/2009

**25. SERVICE CHARGES - 2008/09 FINANCIAL YEAR**

	Amount of Charge \$	Revenue Raised \$	Budget Revenue \$	Applied to Service Costs \$	Budget Applied to Costs \$
Underground Power Scheme 3	Note 21(a)	1,051,090	1,231,800	1,051,090	1,231,800
		1,051,090	1,231,800	1,051,090	1,231,800

- (a) Council imposed service charges in the 2008/2009 financial year for the repayment of loans raised to fund Underground Power Stage 3 which were applied towards repayments of interest and principal.
- (b) The object of the service charges for the underground power loan are to raise sufficient funds to pay for the capital and interest repayments of the loan in each financial year.
- (c) Service Charges Levied in 2008/2009 are based on one quarter for Scheme 3 of the following Underground Power connections costs plus interest

		<b>Scheme 3</b>
Single, Duplex and Triplex	Standard Network & full house service connection	\$2,915
	Std. Network & part service connection underground	\$2,685
	Std. Network underground service connection	\$2,500
	Further discounts may apply to partial and shared services.	
Multiple Dwellings	Standard Network & full house service connection	\$1,950
	Std. Network & part service connection underground	\$1,720
	Std. Network & underground service connection	\$1,535
	Further discounts may apply to partial and shared services.	
Adjacent to Transmission Lines	Standard Network & full house service connections	\$2,092
	Std. Network & part service connection underground	\$1,862
	Std. Network & underground service connection	\$1,677
	Further discounts may apply to partial and shared services.	
Non-rateable Property & Service		
Negotiated by Western Power and/or City of Nedlands with public utility/institution		
Commercial	After Diversity Maximum Demand ADMD = (\$2,915) + (\$150 x ADMD Load)	ADMD

- (d) The service charge levied in relation to loan funds raised to fund Underground Power will be imposed on residents whose location is covered by the project areas known as the East Nedlands Underground Power Project (Scheme 3).

It is not intended at this stage that any of the service charges will be applied to or set aside in a Reserve Account. There will be no amounts applied from a Reserve Account established to hold the proceeds of service charges.

- (e) Service charge for the recovery of loan funding for Scheme 2 was completed with the levy in 2007/2008. Council resolved in 2007/2008 to refund \$88 to each of the properties in Scheme 2, being the costs associated with the trolley poles along Stirling Highway; these costs will be met from the City's general fund. A similar reduction will be made in the contributions to be collected from properties in Scheme 3 in 2009/2010.

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**26. DISCOUNTS, INCENTIVES, CONCESSIONS, & WRITE-OFFS  
- 2008/09 FINANCIAL YEAR**

The Council did not offer any discounts or incentives for prompt payment of rates. Concessions provided to eligible Seniors and Pensioners in accordance with the Rates and Charges (Rebates and Deferments) Act 1992 are reimbursed by the State Government.

**27. INTEREST CHARGES AND INSTALMENTS - 2008/09 FINANCIAL YEAR**

	Interest Rate %	Admin. Charge \$	Revenue \$	Budgeted Revenue \$
Interest on Unpaid Rates	11.00%		42,238	40,000
Interest on Instalments Plan	5.50%		65,273	55,000
Charges on Instalment Plan		15.50	30,780	30,000
			138,291	125,000

Ratepayers had the option of paying rates in four equal instalments, due on 14 October 2008, 16 December 2008, 17 February 2009 and 21 April 2009. Administration charges and interest applied for the final three instalments.

<b>28. FEES &amp; CHARGES</b>	<b>2009 \$</b>	<b>2008 \$</b>
Governance	279	733
General Purpose Funding	26,641	42,077
Law, Order, Public Safety	38,034	21,469
Health	67,856	48,209
Education and Welfare	327,156	314,521
Community Amenities	2,919,331	2,681,452
Recreation and Culture	472,745	525,380
Transport	214,208	200,697
Economic Services	564,124	770,918
	<u>4,630,374</u>	<u>4,605,456</u>

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

**CITY OF NEDLANDS**  
**NOTES TO AND FORMING PART OF THE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30TH JUNE 2009**

<b>29. GRANT REVENUE</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>\$</b>
<b>By Nature and Type:</b>		
Operating Grants, Subsidies and Contributions	2,832,277	1,499,286
Non-Operating Grants, Subsidies and Contributions	2,327,913	3,454,671
	<u>5,160,190</u>	<u>4,953,957</u>
<b>By Program:</b>		
General Purpose Funding	838,784	630,063
Law, Order, Public Safety	52,736	31,200
Education and Welfare	846,854	738,829
Community Amenities	32,423	63,981
Recreation and Culture	90,831	35,214
Transport	3,141,820	3,454,671
Other Property Services	156,742	0
	<u>5,160,190</u>	<u>4,953,958</u>

<b>30. COUNCILLORS' REMUNERATION</b>	<b>2009</b>	<b>2009</b>	<b>2008</b>
	<b>\$</b>	<b>Budget</b>	<b>\$</b>
		<b>\$</b>	
The following fees, expenses and allowances were paid to council members and/or the President.			
Meeting Fees	94,705	95,200	88,575
President's Allowance	37,400	37,300	35,880
Deputy President's Allowance	9,154	9,325	8,970
Telecommunications Allowance	11,304	11,375	10,432
	<u>152,563</u>	<u>153,200</u>	<u>143,857</u>

**31. EMPLOYEES' REMUNERATION**

Set out below, in bands of \$10,000, is the number of employees of the Shire entitled to an annual salary of \$100,000 or more.

<b>Salary Range</b>	<b>2009</b>	<b>2008</b>
<b>\$</b>		
100,000 - 109,999	0	1
110,000 - 119,999	1	1
120,000 - 129,999	3	0
130,000 - 139,999	0	0
140,000 - 149,999	0	0
150,000 - 159,999	0	1
160,000 - 169,999	1	0

<b>32. EMPLOYEE NUMBERS</b>	<b>2009</b>	<b>2008</b>
The number of full-time equivalent employees at balance date	<u>124</u>	<u>123</u>

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**33. MAJOR LAND TRANSACTIONS**

The City did not undertake any major land transaction during the 2008/2009 financial year.

**34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS**

Council did not participate in any trading undertakings or major trading undertakings during the 2008/2009 financial year.

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**35. FINANCIAL RISK MANAGEMENT**

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

Council 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 Council held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Financial Assets</b>				
Cash and cash equivalents	9,572,610	12,832,951	9,572,610	12,832,951
Receivables	922,136	1,931,433	922,136	1,931,433
	<u>10,494,746</u>	<u>14,764,384</u>	<u>10,494,746</u>	<u>14,764,384</u>
<b>Financial Liabilities</b>				
Payables	2,965,453	4,424,265	2,965,453	4,424,265
Borrowings	3,422,417	3,104,676	2,726,525	2,624,806
	<u>6,387,870</u>	<u>7,528,941</u>	<u>5,691,978</u>	<u>7,049,071</u>

Fair value is determined as follows:

- Cash and Cash Equivalents, Receivables, Payables – estimated to the carrying value which approximates net market value.
- Borrowings – estimated future cash flows discounted by the current market interest rates applicable to assets and liabilities with similar risk profiles.

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

**35. FINANCIAL RISK MANAGEMENT (Continued)**  
**(a) Cash and Cash Equivalents**

Council's objective is to maximise its return on cash and investments whilst maintaining an adequate level of liquidity and preserving capital. The finance area manages the cash and investments portfolio in line with Council's 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.

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 and investments is credit risk – the risk that a contracting entity will not complete its obligations under a financial instrument resulting in a financial loss to Council.

Council manages these risks by diversifying its portfolio and only placing funds with financial institutions with high credit ratings.

	30-Jun-09 \$	30-Jun-08 \$
Impact of a 1% (*) movement in interest rates on cash and investments:		
- Equity	95,700	128,000
- Income Statement	95,700	128,000

**Notes:**

(\*) Sensitivity percentages based on management's expectation of future possible market movements.

**CITY OF NEDLANDS  
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
FOR THE YEAR ENDED 30TH JUNE 2009**

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

**(b) Receivables**

Council's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. Council manages this risk by monitoring outstanding debt and employing debt recovery policies.

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

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

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

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

The profile of the Council's credit risk at balance date was:

	30-Jun-09	30-Jun-08
Percentage of Rates and Annual Charges		
- Current	57.62%	60.15%
- Overdue	42.38%	39.85%
Percentage of Other Receivables		
- Current	89.71%	90.30%
- Overdue	10.29%	9.70%

Notes:

For Rates, amounts owing to the City which are within the terms of payment arrangements are treated as "current". All other owings are "overdue".

For other Receivables, amounts within 30 days of invoice date are "current"; all others are "overdue".



CITY OF NEDLANDS  
 NOTES TO AND FORMING PART OF THE FINANCIAL REPORT  
 FOR THE YEAR ENDED 30TH JUNE 2009

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Borrowings (Continued)

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

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

	<1 year \$	>1<2 years \$	>2<3 years \$	>3<4 years \$	>4<5 years \$	>5 years \$	Total \$	Weighted Average Effective Interest Rate %
<b>Year Ended 30 June 2009</b>								
<b>Borrowings</b>								
Fixed Rate Debentures	1,184,212	21,477	0	0	0	2,216,757	3,422,446	6.06%
Weighted Average Effective Interest Rate	6.06%	9.64%				6.03%		
<b>Year Ended 30 June 2008</b>								
<b>Borrowings</b>								
Fixed Rate Debentures	0	2,299,299	34,182	0	0	771,196	3,104,677	6.09%
Weighted Average Effective Interest Rate		6.06%	9.64%			6.01%		

**INDEPENDENT AUDIT REPORT**

**TO: RATEPAYERS OF CITY OF NEDLANDS**

**Report on the Financial Report**

We have audited the financial report of the City of Nedlands, which comprises the Balance Sheet as at 30 June 2009 and the Income Statement, Statement of Changes in Equity, Cash Flow Statement, Rate Setting Statement and the notes to and forming part of the financial report for the year ended on that date.

**The Responsibility of the Council for the Financial Report**

The Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**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 the entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, 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 followed applicable independence requirements of Australian professional ethical pronouncements.



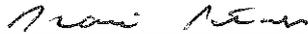
**Auditor's Opinion**

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

- (i) gives a true and fair view of the financial position of the City of Nedlands as at 30 June 2009 and of its financial performance for the year ended on that date; and
- (ii) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including the Australian Accounting Interpretations).

**Statutory Compliance**

We did not during the course of our audit become aware of any instances where the Council did not comply with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).



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**MACRI PARTNERS  
CERTIFIED PRACTISING ACCOUNTANTS  
28 THOROGOOD STREET  
BURSWOOD WA 6100**



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**A MACRI  
PARTNER**

**PERTH  
DATED THIS 14<sup>TH</sup> DAY OF SEPTEMBER 2009.**



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