

Electors' General Meeting

17 January 2018

Minutes



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

Agendas and Minutes are available on the City's website www.kwinana.wa.gov.au

Vision Statement

Kwinana 2030

***Rich in spirit, alive with opportunities,
surrounded by nature – it's all here!***

Mission

**Strengthen community spirit, lead
exciting growth, respect the environment
- create great places to live.**



We will do this by –

- providing strong leadership in the community;
- promoting an innovative and integrated approach;
- being accountable and transparent in our actions;
- being efficient and effective with our resources;
- using industry leading methods and technology wherever possible;
- making informed decisions, after considering all available information; and
- providing the best possible customer service.

Values

We will demonstrate and be defined by our core values, which are:

- Lead from where you stand – Leadership is within us all.
- Act with compassion – Show that you care.
- Make it fun – Seize the opportunity to have fun.
- Stand Strong, stand true – Have the courage to do what is right.
- Trust and be trusted – Value the message, value the messenger.
- Why not yes? – Ideas can grow with a yes.

Present:

HER WORSHIP MAYOR C ADAMS
 DEPUTY MAYOR P FEASEY
 CR W COOPER
 CR M KEARNEY
 CR S LEE
 CR S MILLS
 CR M ROWSE
 CR D WOOD

MS J ABBISS	-	Chief Executive Officer
MS C MIHOVLOVICH	-	Director City Strategy
MRS B POWELL	-	Director City Living
MS M BELL	-	Director City Legal
MR D ELKINS	-	Director City Infrastructure
MRS M COOKE	-	Director City Regulation
MR T HOSSEN	-	Lawyer
MS A MCKENZIE	-	Council Administration Officer

Members of the Press	0
Members of the Public	1

1. Welcome

The Presiding Member declared the meeting open at 7:00pm and welcomed Councillors, City Officers and gallery in attendance.

2. Apologies/Leave of Absence:

Nil

3. Receiving of the Annual Report for 2016/2017**3.1. The Mayor's Report:**

Mayor Carol Adams presented the Mayor's report for the year ended 30 June 2017.

It is my honour to introduce the City of Kwinana's 2016/17 Annual Report and to reflect on the events and achievements of the last 12 months.

The Kwinana Council and City Officers have facilitated some remarkable milestones over the past year, including construction of the impressive Kwinana Adventure Park and Edge Skatepark, upgrades to various other parks and recreational facilities around the City as well as a revitalisation of some of the City's most historic suburbs.

3 RECEIVING OF THE ANNUAL REPORT FOR 2016/2017

Kwinana's population continues to skyrocket as well. According to data from the Australian Bureau of Statistics' 2016 Census, Kwinana is the second fastest growing local government area in Western Australia, with the population predicted to double in the next 20 years. With our commitment to improving and rejuvenating our City, it's easy to see why so many people are keen to call Kwinana home.

I would like to extend my gratitude to those who have worked closely with the City of Kwinana in the last financial year. Thank you to the countless local community groups and organisations, businesses and politicians, to my fellow Councillors, to our Chief Executive Officer and her hardworking Executive team, and to all the staff at the City for working alongside me and continuing to demonstrate sound leadership.

I'm honoured to work closely with such a dedicated group of people who are truly committed to the betterment of our City.

Carol Adams
Mayor of Kwinana

3.2 The Chief Executive Officer's Report:

The Chief Executive Officer, Ms Joanne Abbiss presented the Chief Executive Officer's report for the year ended 30 June 2017.

The 2016/17 financial year was one of the busiest in recent memory, with new infrastructure such as the award winning Kwinana Adventure Park cementing Kwinana's place as one of WA's most vibrant and forward-thinking metropolitan communities, and a great place to live, visit and do business.

One of the most significant events of 2016/17 was the first major review of the Strategic Community Plan, originally adopted in 2013. Following robust consultation which saw more than 1,300 responses, the City reaffirmed its commitment to four key aspirations: Rich in Spirit; Alive with Opportunities; Surrounded by Nature; It's All Here.

It is an enormous responsibility to deliver the social, environmental and economic desires of an entire City, particularly one as complex as Kwinana. We work hard every day to meet this commitment and I have unwavering confidence the team at City of Kwinana — highly skilled, with a deep understanding and passion for the Kwinana community — have never been better equipped to turn these opportunities into realities.

In many ways, 2016/17 was a year of reflection and rejuvenation. While the Strategic Community Plan confirmed we were still heading in the right direction, we took additional steps to fine tune our trajectory. This included major reviews of service delivery models for areas such as events, safety and security and community engagement. We continue to implement sensible changes to how we do business.

Each year, a Council is faced with a myriad of tough decisions and numerous moments of compromise. We simply can't do everything we'd like to. These facts are not isolated to Kwinana, they are felt by every government agency in all parts of Australia. However the City of Kwinana's ability, over the last 12 months but also the last decade, to continue delivering some of the most ground-breaking work in the local government sector, is something I am incredibly proud of.

3 RECEIVING OF THE ANNUAL REPORT FOR 2016/2017

Kwinana's transformation into one of Western Australia's premium family destinations is something we should all celebrate, and I would like to thank Councillors, City of Kwinana staff, our community and business partners — past and present — for making this possible.

Joanne Abbiss
Chief Executive Officer

4. General Business

4.1. Questions by Electors:

4.1.1 Mr Graham Davey, Medina

Question 1

I am asking a question tonight on behalf of Kwinana Men's Shed Incorporated. We have been advised that we need to do a feasibility study into the viability of our Men's Shed, which requires quite a lot of money, will the City of Kwinana be able to help the Kwinana Men's Shed Incorporated by providing enough money to have the feasibility study undertaken?

Response

The Mayor referred the question to the Director City Living.

The Director City Living advised that the City of Kwinana does have a Capacity Building Grant Program available and the feasibility study that you are suggesting certainly would be eligible, if it was considered a priority as the grants were being assessed. The Director City Living further advised that she is also aware that Lotterywest fund feasibility studies for facilities such as the Men's Shed and suggested that, that would be a very good avenue of funding for the group. The Director City Living mentioned that she is meeting with members of the Kwinana Men's Shed Incorporated on Monday and would be able to talk that process thru further then and assist with guiding the association thru both processes

The Mayor asked when the next round of the City's funding open for applications.

The Director City Living advised applications will open in March 2018.

5. Meeting Closure

The Mayor took the opportunity to sincerely thank all in attendance for taking the time to attend tonight's Electors' General Meeting.

The Mayor declared the meeting closed at 7:10pm.

The background of the cover is a photograph of a natural landscape. In the foreground, there is a small, shallow stream or pond surrounded by tall, green reeds and grasses. In the middle ground, there are various trees and shrubs. In the background, a sunset or sunrise is visible, with a bright orange glow on the horizon and a sky filled with soft, colorful clouds. The overall mood is peaceful and natural.

Annual Report **2016-2017**



Mayor Carol Adams



Deputy Mayor Peter Feasey



Councillor Ruth Alexander



Councillor Wendy Cooper



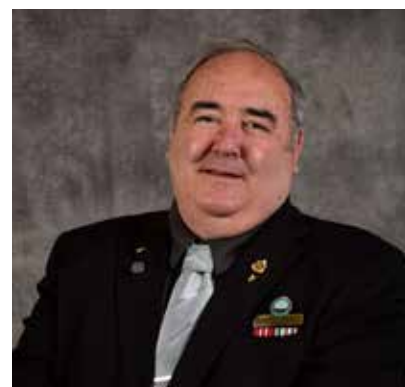
Councillor Sandra Lee



Councillor Sheila Mills



Councillor Bob Thompson



Councillor Dennis Wood

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“With our commitment to improving and rejuvenating our City, it’s easy to see why so many people are keen to call Kwinana home.”

Mayor's Report

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Carol Adams

Mayor of Kwinana



CEO's Report

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One of the most significant events of 2016/17 was the first major review of the Strategic Community Plan, originally adopted in 2013. Following robust consultation which saw more than 1,300 responses, the City reaffirmed its commitment to four key aspirations: Rich in Spirit; Alive with Opportunities; Surrounded by Nature; It's All Here.

It is an enormous responsibility to deliver the social, environmental and economic desires of an entire City, particularly one as complex as Kwinana. We work hard every day to meet this commitment and I have unwavering confidence the team at City of Kwinana — highly skilled, with a deep understanding and passion for the Kwinana community — have never been better equipped to turn these opportunities into realities.

In many ways, 2016/17 was a year of reflection and rejuvenation. While the Strategic Community Plan confirmed we were still heading in the right direction, we took additional steps to fine tune our trajectory. This included major reviews of service delivery models for areas such as events, safety and security and community engagement. We continue to implement sensible changes to how we do business.



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Joanne Abbiss
Chief Executive Officer



Our Vision

The Local Government Act (1995) requires all local governments in Western Australia to adopt a Strategic Community Plan and Corporate Business Plan.

The Strategic Community Plan sets out the long term vision and aspirations of the Kwinana community over the next 10 years. It is a strategic roadmap of where the community want to go and how we are going to get there. To reflect the community's changing aspirations, a minor review of the Strategic Community Plan is undertaken every two years and a major review every four years.

The City completed its first major review of the Strategic Community Plan in 2016/17 after an extensive program of community engagement. The responses gained from the community indicated the original vision is still relevant to the Kwinana community and required no change. The Strategic Community Plan 2017-2027 provides strategic direction aimed at achieving the community's vision. This is reflected in the following vision statement which captures the essence of what it will be like to live in Kwinana in 2030.

*Rich in spirit, alive with opportunities,
surrounded by nature – it's all here*

Rich in spirit

Kwinana 2030 will be a place where the strong community spirit that has historically existed continues to thrive and develop. The City will be alive with an assortment of community events that encourage civic participation and celebrate our multiculturalism.

What we aspire to create:

- a unique identity;
- a City alive with activity;
- a safe and welcoming place;
- services for an active community;
- strong community leaders;
- a community who help each other;
- a vibrant arts culture;
- a sense of place and heritage; and
- accessibility for everyone.

Alive with opportunities

In the coming years, the City of Kwinana will be a place alive with opportunities. The continued prosperity of the local industrial, retail and business community will provide a wide range of employment options for residents.

What we aspire to create:

- varied job opportunities;
- quality education for all ages;
- a bustling retail scene;
- a powerhouse industrial area;
- a thriving local economy; and
- an innovative approval system.

Surrounded by nature

In 2030, the City of Kwinana will still be physically surrounded by nature. A practical, affordable and sustainable balance has been achieved between protection and development. The rich biodiversity of the area has been conserved through the identification and preservation of significant natural areas as well as with the active participation of residents in a range of environmental activities.

What we aspire to create:

- a beautiful natural environment;
- an energy-efficient City;
- a water-wise City; and
- a City adapted to climate change.

It's all here

Kwinana 2030 will see an increasing number of new community and recreation facilities, as well as significant refurbishment of current amenities. These community spaces will be well-planned to meet community needs and constructed to match population growth. They will enable the provision of more services and activities for youth and seniors and have sustainable maintenance and running costs.

What we aspire to create:

- great public places;
- well-kept green spaces;
- a well-serviced City;
- a well-planned City;
- a well-maintained City; and
- a connected transport network.

Key initiatives for 2017/18:

Rich in spirit

- creation of Place Plans for City areas;
- implementation of the Cultural Plan;
- implementation of the Multicultural Action Plan;
- creation of a Reconciliation Action Plan;
- implementation of the Youth Strategy;
- implementation of the Events Strategy;
- implementation of the Community Development Team Business Plan;
- implementation of the Governance and Civic Services Team Business Plan;
- creation of a Community Security Strategy;
- implementation of the Community Safety Plan;
- implementation of the Healthy Lifestyles Plan;
- implementation of the Parks for People Strategy;
- implementation of the Children and Families Strategy;
- creation of an Active Ageing Strategy;
- continued Activation of the City's Community Centres and Public Spaces;
- implementation of the Active Citizenship Strategy;
- creation of a Public Art Strategy;
- implementation of the Economic Development Team Business Plan; and
- implementation of the Disability Access and Inclusion Plan.

Alive with opportunities

- creation of the Economic Development Action Plan;
- implementation of the Workforce Plan;
- progression of the Indian Ocean Gateway Project;
- implementation of the Multicultural Action Plan;
- creation of a Reconciliation Action Plan;
- implementation of District Structure Plans;
- creation of a Lifelong Learning Strategy;
- implementation of the Local Planning Strategy;
- implementation of the City Centre Master Plan;
- implementation of the Land Asset Retention and Disposal Strategy;
- implementation of the Local Commercial and Activity Centres Strategy;
- implementation of the City Centre Vibrancy Strategy;
- creation of an Integrated Transport Strategy;
- implementation of the Public Health Plan; and
- implementation of the IT Strategic Plan.

Surrounded by nature

- implementation of the Natural Areas Management Plan;
- implementation of the Local Biodiversity Strategy;
- alignment with the Perth Natural Resource Management Swan Region Strategy;
- implementation of the Tree Retention Policy;
- implementation of the Emergency Services Team Business Plan;
- creation of an Environmental Education Strategy;
- implementation of the Local Planning Strategy;
- implementation of the Revolving Energy Fund;
- implementation of the Climate Change Mitigation and Adaptation Plan;
- implementation of the Sustainable Water Management Plan;
- implementation of the Groundwater Operating Strategy;
- implementation of the Water Conservation Plan; and
- implementation of the Works Depot Team Business Plan.

It's all here

- implementation of the Community Infrastructure Plan;
- construction of the Kwinana Outdoor Youth Space;
- implementation of the Building Assets Team Business Plan;
- implementation of the Parks for People Strategy;
- implementation of the Parks and Reserves Asset Management Plan;
- implementation of the Public Open Space Infrastructure Asset Management Plan;
- implementation of the Works Depot Team Business Plan;
- implementation of the Healthy Lifestyles Plan;
- creation of a Public Art Strategy;
- implementation of the Strategic Waste Management Plan;
- implementation of the Environmental Health Team Business Plan;
- implementation of the Youth Strategy;
- implementation of the Children and Families Strategy;
- implementation of the Public Open Space Policy;
- creation of a Parking Strategy;
- implementation of the Local Housing Strategy;
- implementation of the Town Planning Scheme;
- creation of Place Plans for City areas;
- implementation of the Engineering Team Business Plan;
- implementation of the Stormwater Drainage Asset Management Plan;
- creation of a Landscape Strategy;
- creation of an Integrated Transport Strategy;
- implementation of the Public Lighting Asset Management Plan;
- implementation of the Roads and Transport Asset Management Plan; and
- creation of a Bike and Walk Plan.

Other Strategic Plans

Corporate Business Plan 2016-2021

This plan outlines the actions required to implement the City's priorities as identified in the Strategic Community Plan and is the result of extensive consultation with the City's business units and careful consideration of the community's needs. The Corporate Business Plan actions include a clear outcome that will deliver each strategy of the Strategic Community Plan which is costed, identifies deliverable dates and resources required.

During the 2016/17 financial year, there was a minor change to the Corporate Business Plan, endorsed by Council on 9 November 2016.

Original:

- Action 1.3.1.5 Advocate for an increased presence of Police in the City (including the feasibility of a 24hr Police Station).

Amended to:

- Action 1.3.1.5 Advocate to the Department of Education and the Minister for Police to reinstate the School Based Community Policing Program at Gilmore College and an education/skills program for troubled youth.

Kwinana Workforce Plan 2016-2021

The City of Kwinana Workforce Plan 2016-2021 considers the future resourcing requirements of the City of Kwinana taking into consideration the Community Infrastructure Plan, community priorities, corporate business plan actions and the prevailing legislative environment.

Long Term Financial Plan

The Long Term Financial Plan is about planning for a positive and sustainable future. The City seeks to maintain and wherever possible, improve service levels into the future, while preserving a healthy financial position. The aim is to achieve this with the least possible financial burden for the Kwinana community. The Workforce Plan and the Corporate Business Plan have been considered in the formulation of the Long Term Financial Plan.

Reporting on the Corporate Business Plan and Organisation Risk

City Officers have been reporting on the actions that were expected to commence or that were to be completed for each quarter. Reports were produced for the quarters ended 30 September 2016, 31 December 2016, 31 March 2017 and 30 June 2017, providing Council with a summary of how City Officers progressed with actions outlined in the Corporate Business Plan.



City Living

This directorate delivers important services to Kwinana which build and enhance the strong communities that already exist throughout the area.

Darius Wells Library and Resource Centre

In its fourth year of operation, the Darius Wells Library and Resource Centre (DWLRC) is an integral part of the Kwinana Community. The Centre offers a diverse range of programs and activities to suit all ages.

The children's programs and events are extremely popular and always well-attended. The 2016/17 outdoor movie nights had an average attendance of 300 people while the Christmas movie saw approximately 500 people attend.

Around 100 children interacted with the educational and fun Science Fair. Many external organisations attended and a seed grant from the International Centre for Radio Astronomy Research provided an amazing display of space and the sky taken by Western Australian photographers. Former Chief Scientist of WA Professor Lyn Beasley also attended.

The West Australian Symphony Orchestra (WASO) children's program EChO is now an annual event with two sessions – one for the general public and one for local primary schools.

The David Nelson Art Room was well-used with adult art classes, a social art group, social network groups and after-school programs.

The team at the Centre continued to work in collaboration with Centre tenants and local organisations. The life-long learning programs assisted in establishing networks, social interactions and developing acceptance among our diverse community including new migrants, people with a disability and people who have become socially isolated.

The community agencies located in the DWLRC provided valuable services including job search assistance, counselling, early childhood development support, education and skill-building workshops, migrant support, family and relationship counselling and legal advice. These services also make use of the onsite crèche regularly.

Chisham Square Christmas Decorations

A 7.5 metre Christmas tree with lights and decorations, together with 10 lamp post motifs were purchased and installed in Chisham Square, Kwinana City Centre along with hired traditional Christmas decorations.

The new tree and decorations were launched on 2 December with a series of pop-up Christmas-themed activities. The evening was enjoyed by local organisations, volunteers and families.

William Bertram Community Centre

Adult programs coordinated by the City were well attended, including the Crochet Group, which has been supported by a pop-up crèche. After-school children's programs remained popular with almost all booked out each term. Two playgroups, including a Japanese playgroup, are being run independently at the Centre along with Baby Rhymetime.

SciTech brought the Planetarium to the Centre during the June school holidays, which was one of many well-attended activities run by the Centre. The Wild Wild West event held in September attracted more than 500 local residents.

Bright outdoor furniture was purchased for the courtyard and a self-service coffee machine is now accessible to residents in the foyer. These additions have helped increase casual use of the Centre.



John Wellard Community Centre

During the 2016/17 year there were a variety of programs at the Centre, which received positive feedback. The community enjoyed the nature-based school holiday activities for children and school holiday Lego Robotics session.

The four public access computers and printer have been well-used throughout the year for job applications and personal work with community members accessing the service on a regular basis, providing a local alternative for internet access.

The Centre’s adult programs remained popular with an emphasis on art and craft themes. The Pin It Made It art group ran for another year with a new group of women joining in on the fun and some regulars who have been attending from the start. This supportive social network provides not just a craft program, but an opportunity to stay connected to like-minded people in the community.

Similarly, the sewing group assisted participants with many making clothing for their family or looking at developing their skills further to sell some of the items as a business. The Centre also featured the Food Sensations series and one-off soap making session.

The range of regular hirers using the Centre continued this year with regular yoga classes, an after-school homework program, regular church groups, Wellard Residents Association Meetings, Toast Masters, Boogie Babes, Playgroup, Return to Work Program and dance classes.

Wellard Twilight Christmas Market

In partnership with Kwinana Rotary, Peet (with Creating Communities) and Colliers, the City hosted the first Wellard Twilight Christmas Market event on 10 December 2016. The event was an overwhelming success with thousands of people enjoying the balmy evening, live music, local entertainment and a Christmas-themed festive street market atmosphere.

As part of the event, the John Wellard Community Centre was turned into a Winter Wonderland with entertainment, crafts, gingerbread decorating and snow machine all delighting children and their families.

Community Centres Crèche

The Community Centres’ crèche services continued at Toddler Town Crèche (Darius Wells Library and Resource Centre) and John Wellard Community Centre, as well as a pop-up crèche at the William Bertram Centre. The three crèches provided over 3,000 child places across the year, which allowed parents to access services and programs.

Community Centres' Hireable Spaces

Across the Community Centres, the team processed a total of 2,909 bookings, which was made up of:

- Darius Wells Library and Resource Centre: 941;
- John Wellard Community Centre: 1,179; and
- William Bertram Community Centre: 789.

All spaces are hired regularly, both internally and by external users. Uses include celebrations, cultural events, meetings, workshops, counselling and training sessions.

Community Events

While the City again presented a vibrant and engaging program of community events throughout the year, a comprehensive review of the overall events program was also undertaken – the outcome of which heralds a new, refreshed and exciting direction for 2017/18.

In 2016/17, the community enjoyed an array of entertaining community festivities, ranging from the Alcoa Children’s Party, to the Kwinana Festival, Australia Day Celebrations, Our Heritage celebrations, Harmony Week and NAIDOC Week events.

Petscapade, presented in partnership with Peet Ltd, was a fun-filled event for pet lovers of all ages. Held on Sunday, 28 May, the wonderful blue skies and warm sunshine attracted hundreds of pets and their owners to the Village at Wellard. Before and after the pet walks, visitors wandered around the specialised pet themed stalls and accessed free professional advice and pet check-ups on offer at the pop-up vet. Pony rides, the animal farm and cuddles with the bunnies were a hit with the younger visitors and the event wrapped up with the pet parade competition winners being announced.





The Alcoa Children's Party was again the biggest party for Kwinana's youngest residents with the theme being 'explore the five senses' and featured hands-on activities to challenge sight, smell, sound, touch and taste. Held on 25 October during Children's Week, the event offered free rides and attractions for young ones, as well as information stalls and local service providers available for parents. The event was a great opportunity for parents to meet other families with children around the same age in their local area.

Kwinana Festival also attracted a big audience who experienced a full day of live entertainment, free rides, a Healthy Lifestyles stadium, stalls and fresh food offerings. Sponsored by LiveLighter, Kwinana Industries Council, Healthway, CSBP and Fremantle Ports, the Festival was held on 12 November at Calista Oval and featured the famous Tyrannosaurus Park, Johnny the Astonishing Strong Man, show rides and bouncy castles, arcade games, Captain Clean Up and Nesian Mana Polynesian Power Dancers.

On Sunday, 7 May, Kwinana's history was celebrated with the Our Heritage event at Sloans Cottage in Leda. The event included bushland planting in the serene natural environment of Sloans Reserve, the ever-popular native seedling sale, Southern Cross Bush Band, a paranormal talk, archery, Veteran Car Club Vehicle display, Devonshire teas, wood-fired pizza and plenty of activities for children.

Perhaps the highlight of the year was the opening of the City's multi-award winning \$5.2m Adventure Park on Calista Oval on Sunday, 16 October. An amazing 10,000 people flocked to experience the enormous 11,000 square metres of play space, including the larger-than-life tree maze, splash pad, sand factory, double flying fox, climbing nets and junior play area.

Picnic tables, shelters and barbeque facilities were enjoyed by all and the free fruit, ice cream, coffee and other treats topped off an enjoyable introduction to this amazing play area in this beautiful natural setting.

The unique Kwinana Christmas morning Lolly Run again brought joy to the children of Kwinana with volunteers delivering over 12,000 lolly bags to households throughout Kwinana, using various modes of transport from fire trucks to heritage cars. Long-time Kwinana residents look forward to the Lolly Run each year while new residents get a lovely surprise on Christmas morning as they experience the rich Kwinana community spirit.

Neighbours got to know each other through eight different Neighbour Day events across the City on Sunday, 26 March, which were organised by local communities with the assistance of the City's Neighbour Day community grants program. The events showcased the unique characteristics of each neighbourhood. Residents came together to build a pizza oven at Sloans Cottage in Leda, there was horse riding in Wandi and the community enjoyed a free outdoor movie in Sunrise Estate. It was an opportunity for friends and neighbours to get together and build relationships.

Seniors' Christmas Party

The Seniors' Christmas Party continues to be a highlight on the event calendar for many older residents in the community. The 2016 Christmas event was attended by 130 residents and was held at the Kwinana Bowling Club in Medina.

Art Exhibitions

The City presented a number of art exhibitions at the Darius Wells Library and Resource Centre During 2016/17 including:

- Kwinana Christian School students exhibition;
- Local artist Dianne Newton;
- Local artist Vanessa Leibenberg: My View exhibition;
- Local artist Tusif Ahmad: Symphony of Paper Cuts exhibition;
- Voices of Kwinana Photography;
- Harmony Exhibition: Memories of Place — Reflections on Gentle Road;
- Local artists Albert Windie and Edith Woods — an annual exhibition; and presenting work by local Aboriginal artists.

Multicultural Action Plan

During 2016/17, the City undertook significant community consultation with residents from diverse cultural backgrounds to develop the City's Multicultural Action Plan and form the Multicultural Advisory Group – a group of local residents whose role is to support, guide and monitor the implementation of the Multicultural Action Plan.

The group also provides advice to the City on issues relating to people of a culturally and linguistically diverse background

The objectives of the plan are to:

- ensure full participation and inclusion of culturally and linguistically diverse communities in social, economic and cultural life;
- remove barriers to equity experienced by culturally and linguistically diverse communities; and
- promote the benefits of Kwinana's cultural and linguistic diversity.

Koorliny Arts Centre

Koorliny Arts Centre, built in 1990, is a major performing arts venue presenting more than 100 performances annually to upwards of 30,000 attendees. In 2016/17, the Koorliny Arts Centre continued to offer the community a variety of opportunities to engage in the visual, literary and performing arts.

Seniors are well catered for with monthly Morning Melodies concerts attracting near full-house numbers. Local artists also get together each week to hone their skills and encourage one another as part of the long-running Koorliny Leisure Painters group. The Centre's successful Stories on Stage program is in its fifth year and offers author conversations over supper.

All in-house and entrepreneurial productions exceeded box office expectations and, combined with the professional touring season, Koorliny saw significant benefits in terms of new and repeat patron attendance and greater community recognition of the Centre. At the 42nd annual Robert Finley awards, Koorliny's 2016 production of The Little Mermaid was awarded Best Musical in Western Australia. The Centre was also the recipient of Runner Up Best Musical for Spamalot and the Best Actor in a Musical and Best Supporting Actress in a Musical awards.

The professional touring season continued to grow during the year and Koorliny was delighted to present professional works for all ages, including the Melbourne International Comedy Festival Roadshow. Thanks to its growing reputation in the Perth theatre community, Koorliny has also been increasingly successful in attracting a wider audience from all over the metropolitan area, appreciating all our City has to offer.

In the coming year, Koorliny is planning the reactivation of the amphitheatre space and the smaller theatre with intimate, cabaret and comedy-style performances. The Centre will be focusing on engaging the people of Kwinana with community arts projects and events and showcasing the positive artistic resources that we have in the City.



Club Development

Sporting and recreational clubs are supported by the City's Club Development Officer, which is part funded by the Department of Sport and Recreation and supports the development and activities of local clubs.

In 2016/17, the Club Development Officer assisted 39 sporting clubs and 13 recreational groups. Management group meetings were held with clubs in shared use agreement facilities to ensure they were well administered, operational requirements were met and they were properly constituted and provided with opportunities to access financial support.

Two open days were held to promote clubs in Kwinana while 10 skills-based workshops were held to upskill and educate club committee and coaches in areas of first aid, financial planning, conflict resolution and many more. The Club Development Officer worked closely with clubs to ensure relevant policies and governance issues were being worked through and updated.

The City also improved sporting infrastructure with improvements to the Kwinana Netball Courts and Kwinana Tennis Club. Stage one of the netball courts saw new court surfacing, new perimeter fencing, new access, a more social environment with low level set-back fencing designed to encourage spectator viewing areas and installation of a dual use netball/basketball court.

The Tennis Club benefitted from a new playing surface and net posts. With assistance from the City, the Tennis Club has also installed a new sun shade.

Health and Wellbeing

Healthy Lifestyles Programs

The City's Healthy Lifestyles team continued to encourage the Kwinana community to be active and eat well during 2016/17. Healthy Lifestyle messages were once again promoted at all of the major events in Kwinana, with all events remaining alcohol and smoke-free.

Children at the Alcoa Children's Party (October 2016) were offered more than 200 fruit kebabs. At the LiveLighter Kwinana Festival Fair Day (November 2016), the Healthy Stadium challenged children to participate in 11 different sporting activities, as well as minute-to-win-it style activities facilitated by the South Metropolitan Population Health Unit, Anglicare WA, MercyCare and KEYS. Pedal-powered smoothies were popular at the Harmony Week Celebration Evening (March 2017) and a series of old fashioned games were played during the Our Heritage event (May 2017). Finally, the Healthy Lifestyles team led the walk at Petscapade (May 2017) and encouraged participants to discover their inner artist and draw a 'paw-trait' of their pet.

Healthy eating workshops such as the FoodREDi and Food Sensations programs were run in October 2016 and February 2017 over a four week period to show participants how to prepare healthy, tasty food on a budget. In addition to these programs, a series of one-off activities were run to celebrate Australia's Healthy Weight Week (February 2017) including a Happiness Diet workshop facilitated by a dietitian and a Pot to Plate Afternoon Tea Party, where parents and children decorated a pot, planted a herb and taste tested a recipe featuring one of the herbs they planted.

The Healthy Lifestyles team also encouraged the community to be physically active, with the Parks Play series continuing for the 2016/17 year. Five events were held from September 2016 to April 2017, with over 175 children and their parents participating. This event continues to be a good opportunity for the City to work with external stakeholders such as Ngala, KEYS, the Kwinana Schools and Community Network (KSCN) as well as other internal teams, such as the Library.

In March 2017 the City partnered with the Southern Districts BMX Club and the Zone's Youth team to host a Pop Up Pedal Party to celebrate Bike Week. Over 50 participants came down to try the BMX track, get their bike checked and make a pedal powered smoothie. For the first time, the Healthy Lifestyles team partnered with the KSCN to run the Kwinana Adventure Race, which encouraged families to visit a local park and complete a checkpoint question. This initiative was incredibly popular and received a lot of positive feedback from the community.

Kwinana also has a virtual reality game available, which encourages children and the young at heart to enjoy electronic devices in our local parks. Magical Park is available at Rhodes Park during 2017 to catch dinosaurs, fairies and the like.

The City continued to promote the importance of keeping mentally healthy too,

with a series of activities such as Tai Chi and Yoga offered during Mental Health Week (October 2016). In addition, the City supported Anglicare WA to run a two-day ASIST (Applied Suicide Intervention Skills Training) program at the Wellard Community Centre (September 2016), with 22 participants completing the course.

In June 2017, the Beat the Winter Blues series was facilitated by the WA Association for Mental Health, with workshops covering topics such as life balance, stress, mindfulness and supporting a friend during tough times. Also hosted in June 2017 was the second Pit Stop program, facilitated during Men's Health Week to encourage men to look after their health. This year the Healthy Lifestyles team partnered with the Kwinana Tigers Hockey Club and 25 men engaged in the quick health check.

The City also won the Heart Foundation's Local Government Award for populations over 25,000 people, in recognition of the great work being done to promote prioritising healthy, active living.



Recquatic

On Saturday 29 October, the Recquatic held its annual Open Day with a successful turn out of over 1,000 attendees. The free event included activities and entertainment such as face painting, large inflatables and climbing walls, animal farms, walking dinosaurs and an appearance from a mermaid in the leisure pool. Kwinana Swim School's mascot Sammy the Seal also put in an appearance, meeting children and taking photos.

The gymnasium has evolved to now offer functional training, which focusses on training movement patterns rather than isolating individual muscles. It provides fantastic fat burning workouts by using full body exercises that improve strength, endurance and boost metabolism. This has also allowed the fitness classes to be expanded and offer a more varied timetable.

In partnership with the Department of Sport and Recreation, the successful pilot program SilverSport offered assistance for seniors to participate in various physical activities. The Recquatic had an overwhelming response with 179 SilverSport participants overall.

Kwinana Swim School was nominated by Royal Life Saving Society of WA as a 2017 Austswim recognised swim centre. The Swim School has expanded to 1,400 students, offering classes to children from three months old through to adults, including Specialised Access and Inclusion Lessons (SAIL).

Individual Sporting Donations

The City supports local elite sportspeople through the provision of the Individual Sporting Donation to assist residents who have been selected to represent Western Australia or Australia in a regional, national or international competition or event. In 2016/17 the City supported 32 athletes to the value of \$5,825. Athletes represented Western Australia in athletics, gridiron, ultimate frisbee, ice skating, sailing, ten pin bowling and many more.

KidSport

The City continued to support young people's access to sporting clubs through the KidSport program. The Department of Sport and Recreation funded the program to help young people play sport with a grant of \$138,000. Of participants, 63% had not been registered with a club before. New members are vital to sporting clubs and their development, as they bring enhanced energy, potential new volunteers and increased participation numbers. Aussie Rules football continues to be the most popular sport followed by hockey, rugby, athletics and netball.

SilverSport

SilverSport was a pilot program run from 1 July 2016 in the local governments of Belmont, Coolgardie, Kalgoorlie-Boulder, Kwinana and Northam and concluded on 30 June 2017. SilverSport seniors had access to up to \$200 for sport and active recreation activities such as swimming, bowls, tennis, pilates, joining a gym, golf and more.

The City of Kwinana had a grant for 400 seniors for \$75,936 throughout the trial program. With the completion of the pilot, the City of Kwinana is supporting all participants to continue their activity where possible or transition into other free or low-cost local options.



Disability Access and Inclusion

The City strives to support all residents, people with a disability and their carers with a range of support services to ensure all residents of Kwinana have equal access and opportunity.

The City continued to hold bi-monthly meetings of the Access and Inclusion Working Group which provided advice on access and inclusion issues affecting the community. Individual issues are raised with the Working Group, which the City seeks to resolve in partnership with local stakeholders.

The City delivers a Disability Access and Inclusion Plan which addresses the key outcomes of service and event delivery, access to buildings, access to information, equal level and quality of service, the same opportunity to make complaints and to be consulted and to receive the same opportunities to be employed.

Practical examples within the City include:

- Newly-built centres and facilities such as the Kwinana Adventure Park and Edge Skatepark, both of which are universally accessible.
- Continued upgrades to local parks which improve access and inclusion
- Installation of connecting pathways to assist access to seating and play areas.
- Provision of Auslan interpretation for better access to local services.
- Specialised rubbish collection services.
- Newly engineered cross walk access in the central business district.
- Provision of large print books and talking cassettes at the Library.
- Access to a floatable wheelchair at Wells Park.
- Access to a wheelchair for users of the Darius Wells Library and Resource Centre.
- Continued to offer the SAIL swimming program at the Kwinana Recquatic.

As per Regulation 8(b) of the Disability Services Regulations 2004, the City has implemented the following strategies to inform its agents and contractors of the Disability Access and Inclusion Plan.

- All tenders and Request for Quote (RFQ) documents include a copy of the City of Kwinana Disability Access and Inclusion Plan or, at a minimum, provide a link to download the Plan.
- Contractors are required to agree to comply with the City of Kwinana Disability Access and Inclusion Plan as part of the compliance criteria assessment undertaken by the City.
- A template is included within the City's documentation to assist contractors in reporting how they have complied with the Disability Access and Inclusion Plan.

Kwinana Volunteer Centre

Our community continues to benefit from the significant input of dedicated volunteers who contribute many hours to making things happen in our City. The Kwinana Volunteer Centre continues to encourage and assist residents to connect to their community through volunteering.

The City facilitated its annual Volunteer Thank You event during National Volunteer Week, with the Volunteer of the Year Award presented at this event. The Kwinana Volunteer Centre consulted with 717 individuals looking for volunteer opportunities, with over 900 referrals made and 73 community groups or not-for-profit organisations registered with the Volunteer Centre.



Youth Welfare and Youth Development

Zone Youth Space

The Zone Youth Space is an inclusive space for all young people in Kwinana. The Drop-in Service was delivered daily after school and provided a range of life skills, leisure and recreational programs such as LAN Gaming, Rock and Water, Master Chef and Multi Sports Sessions.

Youth Advisory Council

Kwinana's Youth Advisory Council (YAC) provides young people aged 12 to 24 years with an opportunity to actively participate in local issues, build community connections and join forces with other like-minded youth to make a positive community impact. The YAC committee got involved in a range of initiatives during the year including volunteering at the Hyperfest Festival and participation in the YACtivate (state level) youth advisory councils conference.

Leadership Youth and Respect in Kwinana (LyriK) Program

The LyriK program provides young people aged 10 to 18 with opportunities to further develop their goals and achieve their aspirations through a range of challenging programs. Young people enter the program by being nominated for a LyriK award with winners announced at an annual awards ceremony. In 2016/17, 38 nominations were received recognising the amazing contributions and efforts of Kwinana's young people.

The LyriK program in conjunction with the Multicultural Youth Advocacy Network also hosted a Multicultural Youth Panel at the Zone Youth Space. Several young people from different cultural backgrounds took up positions on the panel and shared their views and experiences about growing up in Kwinana. The event aimed to create greater awareness and build understanding of the different cultures of young people living in Kwinana.

The LyriK program is proudly supported by sponsors Alcoa and Coogee Chemicals.

Youth Engagement

Volunteering is a great way to build resilience and develop much-needed skills for future employment. A range of youth volunteers joined the team this year to develop skills in the areas of photography, videography, event delivery, stage management and public speaking.

Engaging with youth in a range of community settings provides young people with an avenue to share their views about how to make the City's services and programs youth friendly. The Youth Outreach Live Outdoors (YOLO) program runs fun, engaging activities for young people at a range of locations.

The City works closely with local police, community services, local businesses and state sector agencies to engage with young people and their families to increase awareness about community safety. The multi-agency working group meets monthly to plan community safety initiatives primarily targeting the Kwinana Central Business District.

Community Outreach and Liaison

Ensuring vulnerable groups in the community have access to support services continues to be a focus of the City. The City's Community Outreach Officers provided support to 113 community members, assisting them to access accommodation support, counselling services and other community support services.



Bright Futures Family Day Care

The 2016/17 financial year saw some significant changes to service operation. This resulted in an increase in educator memberships to 108 with an average of 96 educators working per month.

The service has also had a significant focus on developing a strong quality improvement plan in the lead up to an Assessment and Ratings visit by the Education and Care Regulatory Authority. Staff have been working alongside educators to ensure a quality service and the best outcomes for children are achieved.

The service was once again nominated for the Excellence in Family Day Care Award 2016 and 2017 with a number of educators also being nominated by families. This is a fantastic recognition of the continuing quality service provided by Bright Futures.

A focus for the service in the coming year is to increase Bright Futures Children's Service reputation within the community through a strategic marketing plan. This plan is already being implemented with an increase in social media presence which will help to engage with the local community at a higher level and will also target an increase in educator membership within the City of Kwinana, including the recruitment of Aboriginal educators.

In Home Child Care

The In Home Child Care service has continued to build strong relationships with families and other community services such as Department of Child Protection and Family Services, Disability Services, Kwinana Early Years Service and various other community child health services.

The Federal Government will cease funding for the In Home Child Care Program next financial year, so the service is investigating options for continuing to provide this service to eligible families independently.

The In Home Child Care service remains an active member of the Australian In Home Care Association, the peak body for In Home Child Care representation across Australia. National media campaigns continue to be pushed to raise awareness of the program and appeal to the Federal Government to continue funding support.

Moorditj Kulungars My Time Program

We continue to offer the Moorditj Kulungars playgroup, a place where every opportunity is taken to nurture and enhance children's learning in the early years and provide a foundation for a positive future education.

Positive feedback has been provided by parents about how valuable this service is to the Aboriginal community of Kwinana.

Kwinana Public Library

New and improved services, programs and resources included new video games, access to the ComicsPlus online service, improvements to public computer access and to the Voices of Kwinana portal.

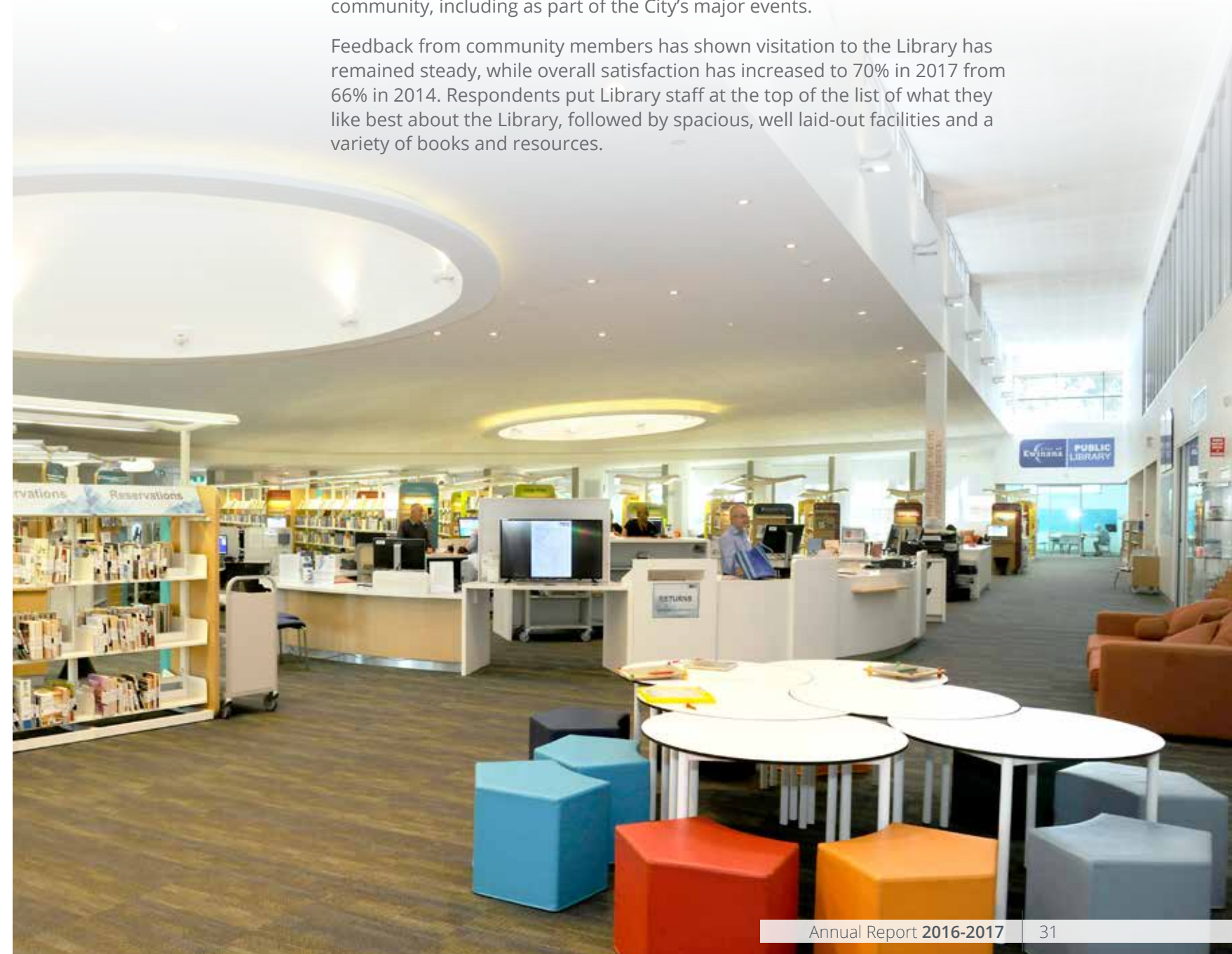
The Library participated in National Novel Writing Month and Write Along the Highway write-ins as well as activities in collaboration with local public libraries such as Paint Kwinana REaD, Find my Ancestry genealogy volunteer workshop, and weekly Toddler time sessions. A second community book has also been created in collaboration with local students and staff from Orelia Primary School.

New furniture is in place in the children's area and reading areas, self-check touchscreens have been upgraded, radio frequency stock take technology was finalised and the book return area was reconfigured to streamline workflows.

Events have been well-attended by the community with highlights including Children's Book Week, eSmart Week and International Games Week.

The Library has continued to work on outreach events across the local community, including as part of the City's major events.

Feedback from community members has shown visitation to the Library has remained steady, while overall satisfaction has increased to 70% in 2017 from 66% in 2014. Respondents put Library staff at the top of the list of what they like best about the Library, followed by spacious, well laid-out facilities and a variety of books and resources.



Environmental Health

Food Quality and Compliance

There are now 274 registered food businesses in the City of Kwinana. The total number of food business inspections in 2016/17 was 275. In addition to this, the team processed 130 notifications and food fit-out plans for new fixed/mobile/temporary food businesses.

Where education measures were unsuccessful to ensure compliance and public safety, nine improvement notices, one prohibition order and two infringement notices were issued.

Water Sampling

As per the legislative requirements, including those of the *Health (Aquatic Facilities) Regulations 2007*, water sampling by Environmental Health Officers resulted in a total of 90 samples being collected and taken for analysis to ensure the water met the required standards for each of the three categories – beach sampling, potable water sampling and pool sampling.

Public Buildings

Under the *Health (Public Buildings) Regulations 1992*, Environmental Health Officers conducted 72 inspections to ensure public health and safety. Public buildings include bars, meeting rooms, community centres and other buildings where members of the public gather for a common purpose. Events are also covered by these regulations and 13 such inspections were conducted.

Other Registrations and Inspections

The Environmental Health team also maintains registers and conducts inspections for lodging houses, offensive trades, hairdressers, skin penetration businesses, equine premises, keepers of poultry, pigeons and bees, traders, contaminated sites, air and water handling systems, demolition permits, fireworks approvals, gaming and liquor licensing permits, dust, odour, noise and waste management plans, infectious disease notifications and pet meat producers.

Noise and Environmental Pollution

Environmental Health Officers handled 124 noise complaints and conducted 76 inspections. Four noise management plans were received, assessed and approved. There were also two noise impact assessments for road and rail noise and 23 noise management plans assessed for development and out of hours works during this period.

The team also responded to four complaints about unauthorised discharges.

Compliance Requests

A large proportion of the Environmental Health team's workload is in assisting residents, businesses and industry with compliance related matters. Some matters attended in 2016/17 include two air quality matters, 17 animal matters, 12 food premises, seven damages to housing, 61 to other housing/property, 22 issues of littering or illegal dumping, 124 noise complaints, eight pest issues and four unauthorised discharges.

Mosquito Management

The City of Kwinana has partnered with the City of Cockburn to form a Contiguous Local Authority Group (CLAG) for the control of mosquito borne disease within the two local communities. The creation of a CLAG allows for partial funding from the WA Department of Health to carry out mosquito control and access to additional funding for mosquito management planning.

A regional strategic mosquito management plan that integrates management for private developments and the City's reserves and drains was drafted and the findings are beginning to be implemented.

Waste Education

The City has introduced new initiatives including a dedicated waste education and promotions officer and the introduction of free community and school tours of the Southern Metropolitan Regional Council (SMRC) and Regional Resource Recovery Centre (RRRC).

The City continues to support the SMRC's Recycle Right education program. The program uses a website and mobile application to advise users how to recycle household materials correctly.

The Garage Sale Trail has once again been featured and heavily promoted within the City. The Garage Sale Trail is a national initiative that sees businesses and households across Australia host garage sales in order to promote the reduce, reuse and recycle message.

Waste Management

During 2016/17, there were a total of 182 customer requests received and assessed by the team with 96 inspections carried out including bin audits, compliance inspections, littering inspections and verge collection inspections.

The City continued to provide residential properties the opportunity to upgrade from a 240litre to a 360litre recycle bin. At 30 June 2017, the total number of 360litre bins in use was 881.

Environment Services

The City of Kwinana Environment team once again ran a number of environmental activities that have had support from volunteers across the community. Over six community planting days were conducted in 2016/17 with native seedlings planted in seven different conservation reserves. This would not have been possible without our dedicated local volunteers, of which 156 participated in the community planting program. The NAB Corporate Day also had 30 volunteers planting 700 seedlings at Lake Magenup. The school planting program saw 275 students from Bertram, Orelia and North Parmelia Primary Schools assist with planting in our conservation reserves. This program gives students the direct opportunity to experience nature, and appreciate the biodiversity contained in our local reserves.

In June 2017, there was an opportunity to provide a series of specialised place making workshops in Wandj, as part of Living Green in Kwinana. These four workshops provided an opportunity for small landholders to learn more practical skills to manage their properties, while also appealing to a wider audience. In particular, Fruit Tree and Food Production, Keeping Backyard Chickens and Preserving the Harvest were popular with over 87 people attending these three workshops.

There has also been a series of events in conjunction with the Walk on the Wild Side including the annual Wildflower Walk in September 2016 and a Nightstalk in Belgravia Dampland. The walk attracted over 70 participants, with a local artist providing a special interpretation of the landscape in her paintings, as part of the walk. Once again this year, the City supported the annual Great

Cocky Count by hosting a workshop. The team has continued to support the Clean Up Australia Day program, by assisting local communities to clean up their areas. This year Rio Tinto assisted the Clean Up of Henley Reserve, as part of a corporate challenge.

The Environment team attended a number of community events, including the Kwinana Festival and the Children's Party, spreading a positive environmental message through the community.

As part of a successful State Natural Resource Management grant, a number of reserves in Kwinana had fauna surveys. The report will make recommendations about future management of these areas to protect species contained within them. It has also provided associated funds to conduct the Kwinana Fauna Watch education project, raising awareness about existing fauna in our reserves.

During 2016/17, the City was awarded funding from the Waterwise Council program run by the Water Corporation. This funding allowed the City to install 11 water efficient toilets and four water efficient urinals in public toilets at Sloans Reserve, Rhodes Park, Medina Oval and Challenger Beach. It also allowed the City to offer free soil conditioner and soil wetter to participants in a Verge Gardening Workshop held in April.

The City also continued its leak detection program using data loggers and has now identified leaks, which would have cost the City approximately \$20,000 if left undetected. Leak detection has saved around 9,000 kilolitres of water in the last 12 months. As a result of these initiatives the City was awarded Gold Waterwise Council status by the Water Corporation and Department of Water at an event in May 2017.

The City successfully installed a 100KW solar panel system on the Darius Wells Library and Resource Centre. These solar panels will save the City over \$40,000 a year in energy costs and save 134.6 tonnes of CO2 per year. In addition, a long term project to install electricity sub-meters and real time monitoring was completed at the Recquatic. This monitoring will allow the City to more effectively manage energy usage at the Centre by identifying unusually high consuming end uses.

A successful Living Smart Sustainable Living Course was run at the Wandj Community Centre with 20 participants.

The City's Environmental Field teams have implemented the City's Natural Area Management Plan in the City's 27 conservation reserves including weed control, feral animal control, revegetation and regeneration works and community engagement.

Building Assets

Milestones for the Building Assets team during the 2016/17 financial year included ongoing restoration works to Wheatfield and Sloans Cottage, restoration of the Chalk Hill lookout, restoration of Hewison Park gazebo, continuation of the asbestos replacement program and scheduled playground equipment replacement at Harrison Way public open space and Casuarina Fire Station Reserve.



City Development

This directorate coordinates services, activities and programs undertaken by Building, Statutory Planning and Strategic Land Use Planning.

Planning and Development

The City's Planning and Development team had another busy year with the continued rapid growth of the City in its residential, commercial and industrial areas. In this respect, a major focus over the past year has been the impact of new development and improving urban amenity coupled with sustainable growth for quality outcomes for the community.

Urban Amenity Strategy, Streetscape Policy and Tree Retention and Landscape Policy

In April 2017, Council adopted its Urban Amenity Strategy along with its Local Planning Policy No 2: Streetscapes. The vision is to ensure that new neighbourhoods and urban environments celebrate the unique characteristics of Kwinana. To seek high quality and leafy landscapes, the City will have a strong focus on street tree planting and urban landscaping. In addition, the City will encourage a diversity of lot typologies and densities, as well as quality, accessible and diverse public open space. The retention of trees and key significant vegetation will also be an important feature of future neighbourhoods and urban areas in keeping with the character of the City's older established suburbs. In this respect, the Council adopted the Tree Retention and Landscape Policy in late 2016 which focuses on the sensible retention of existing mature trees and landscape features within new subdivisions and development.

Development Contribution Plans and Community Infrastructure Plan

The developer contribution scheme amendments progressed further during the year with the six new Development Contribution Plans (DCPs) for standard infrastructure nearly completed pending final consideration by the Minister for Planning prior to gazettal and inclusion in the City's Town Planning Scheme.



The City continues to revise its Community Infrastructure Plan, taking into consideration new growth rates and experience with the City's existing community infrastructure. This plan outlines over \$130million worth of community infrastructure spending to take place in the City over the next 20 years for facilities such as libraries, community centres, sporting pavilions, recreation and youth centres. This work feeds directly into the revision of eight existing DCPs for community infrastructure as part of another separate scheme amendment process. The City aims to have this scheme amendment to the Western Australian Planning Commission for assessment during 2017/18.

Local Structure Plan Approvals and Detailed Area Plans

During 2016/17, final approval was granted for a number of new or modified local structure plans in the City's new urban growth cells, particularly along the Kwinana Freeway. In addition, multiple Detailed Area Plans were either approved or modified by Council to take into account new development opportunities, changes to bushfire requirements, built form and noise impacts.

Bike and Walk Kwinana

The City has been progressing a jointly-funded project examining bike riding and walking across the City, which will make a series of recommendations to improve these transport types for the future. This project has already included public consultation with more to follow in 2017/18. It will lead to more opportunities for healthier lifestyles for the community.

Review of City Centre Masterplan

Work has been ongoing with urban design and planning consultants to review the Kwinana City Centre Masterplan. The review was necessary to bring the Masterplan in line with development that has occurred since the original Masterplan was adopted and to clarify and simplify the planning requirements. The revised Masterplan will also include recommendations for best use of the City's landholdings within the City Centre to promote economic and community growth, as well as considering a more consolidated approach to vehicle parking. The reviewed Masterplan is expected to be advertised for public comment during 2017/18.

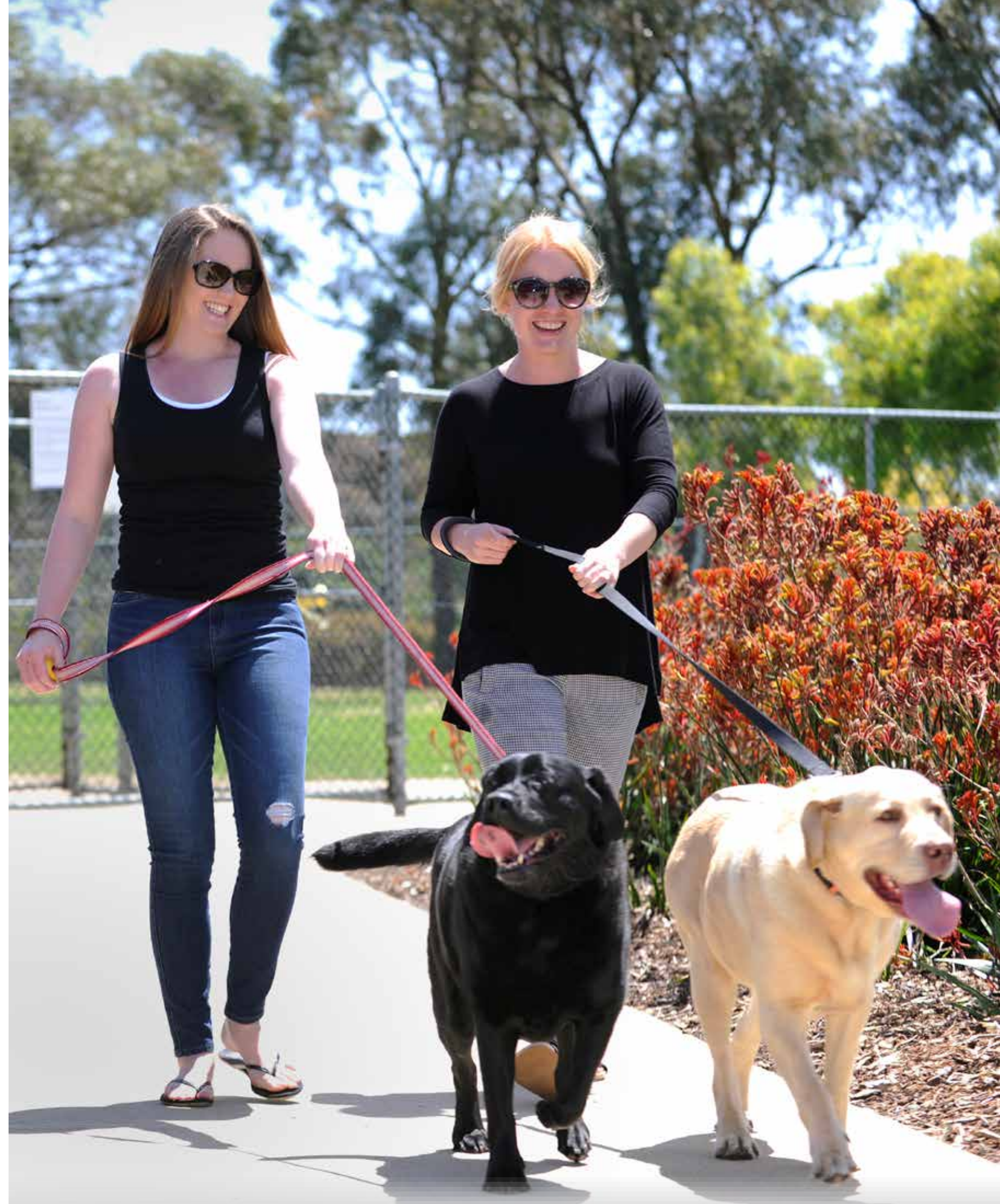
Local Planning Strategy

Work on the new Local Planning Strategy continued with a strong focus on economic and employment factors affecting land use as well as housing opportunities and strategies for the City. These studies will be taking place in 2017/18 and will feed directly into the new Local Planning Strategy.

Building Services

The Building Services team has been encouraging building companies to use the City's website and submit their building applications electronically. The advantage is that once the application is entered online and verified, the application goes straight to a building surveyor to begin the assessment process. To assist in uploading documents for the permit, the document uploads have been revised to minimise individual mandatory uploads, which helps to streamline the service.

The online application portal has also been modified to permit the submission of a verge permit application with a building application for the lot.



Corporate and Engineering Services

This directorate provides vital administrative support functions to all City of Kwinana operations. It includes areas of City Assist, Works Depot, Engineering, Emergency Management, Contracts and Procurement and Fleet Management.

Contracts and Procurement

The Contracts and Procurement team undertake a number of procurement functions for the organisation including Request for Tender, Request for Quotation, Request for Proposal, Expressions of Interests, Request for Consultant and centralised stationery order processing.

The team continues to ensure the City complies with the principles of procurement integrity including fairness and impartiality, accountability and transparency of process, confidentiality and security of information and materials and effective management of conflicts of interest.

During 2016/17, the Contracts and Procurement team conducted the procurement process for the acquisition of goods and services for various community projects and maintenance requirements including:

- provision of bore and irrigation electrical services;
- provision of bore maintenance, testing and construction;
- Kwinana Outdoor Youth Space - detailed design and construction;
- supply and laying of extruded concrete kerbing;

- Banksia Park grounds maintenance and Callistemon Court grounds maintenance;
- provision of traffic management services;
- provision of street and footpath sweeping services;
- provision and installation of various types of fencing and bollards;
- supply and construction of concrete footpaths;
- provision of specialised turf services;
- supply of road construction materials;
- supply and install solar panels - Darius Wells Library and Resources Centre;
- Chisham Avenue, Parmelia Avenue and Moysey Court drainage upgrade;
- bushland reserves contracted weed control program;
- education and cleaning of stormwater drainage structures;
- provision of landscape and irrigation maintenance services;
- Medina Netball Courts resurfacing and auxiliary works;
- provision for mowing services;
- provision of plumbing services;
- provision of electrical services;
- provision of fire equipment servicing and maintenance;
- provision of mechanical services;
- tree supply and planting;
- purchase of three replacement trucks;
- weed control services;
- provision of painting works - various facilities;
- cycling and walking network plan; and
- supply of energy to contestable sites.





Emergency Services

The City of Kwinana Emergency Services, in partnership with internal and external agencies, achieved continual improvements to bushfire mitigation and protection across the City to ensure community safety in Kwinana was maintained during 2016/17.

The City continued to communicate the risks associated with not preparing properties for the fire season and more than 14,000 properties within the City of Kwinana were inspected.

The City and key stakeholders have continued to complete much-needed hazard reduction burning and slashing/mulching in reserves and Crown land as well as chemical treatment for bushfire mitigation in its reserves.

The City's two Bushfire Brigades — Mandogalup and Kwinana South — continued to respond to reports of fire, attend fire fighter training, handle equipment maintenance and undertake hazard reduction burning.

While it was considered a mild fire season within the City's boundaries, the brigades had heavy commitments at other locations throughout the State.

City Assist

The 2016/17 financial year saw service delivery changes and an increase in demand to the City Assist team.

City Assist received 7,782 reports from the community.

The top six issues were:

- Parking related: 755
- Facility or duress alarms: 735
- Dog related: 714
- Cat related: 521
- Litter related: 454
- Bush fire concerns: 250

CCTV

The City's CCTV project continued to expand with new CCTV installed in and around the City's Adventure Park and upgrades to existing CCTV at some of the City key facilities.

Upcoming CCTV instalments will bring the total number of cameras operating within the City to over 60.

Compliance

The team received 228 compliance related enquiries and complaints which included 22 unauthorised developments, 15 unauthorised structures, 14 untidy properties and 10 public thoroughfares and crossover issues.

Over the 2016/17 financial year, the City facilitated three prosecutions for non-compliance and one State Administrative Tribunal attendance.

Works Depot

During 2016/17, the Depot team conducted a comprehensive review and analysis of its operations resulting in a report outlining an optimal future service delivery model and subsequent facility requirements for a new operations centre.



Other significant achievements and projects undertaken by the Depot team include:

- replacement of bore equipment (motors and pumps) in line with asset renewal program;
- installation of new irrigation system to Town Park and extension of irrigation at Kelly Park;
- replacement of 700 metres of chain mesh fencing surrounding Medina Oval;
- successful implementation of the Kwinana Adventure Park Management Plan;
- Tree Replacement Program Implementation – 82 trees replaced under the program this year;
- total groundwater abstraction was less than the licenced allocation for all Department of Water ground water licences;
- Sloans Reserve carpark upgrade – subbase preparation prior to laying of asphalt;
- Kwinana Loop Trail – upgrade of the trail from Sloan’s Reserve to Feilman Drive;
- extension of Duckpond Road, Wellard; and
- introduction of in-field tablet devices to assist with reporting of graffiti vandalism.

Engineering

The Engineering team worked on several prominent projects during 2016/17, including the Kwinana Adventure Park and the Edge Skatepark.

The Medina Netball Courts and Sloans Reserve were both upgraded by the Engineering team, while street tree planting has beautified Johnson Road and Kwinana Industrial Area.

The Chisham Avenue, Parmelia Avenue and Moysey Court drainage upgrade project was scoped and budgeted to address flooding issues experienced by residents near the intersection of Parmelia Avenue and Moysey Court. The project required the installation of over 230 metres of drainage pipe, 17 pits and 16 soak wells. A combination of piped and soak well drainage solutions was required due to the proximity of a high pressure gas main.

Stage 2 of the Lee Road upgrade project was also completed for a total cost of just over \$460,000, which included improved truck turning movements onto Rockingham Road. This project was part-funded by Main Roads’ Metropolitan Regional Road Group Rehabilitation Funding.

Pengilly Road in Orelia received a full upgrade that included road resurfacing, drainage upgrades, new kerb and footpath and the installation of a new bus shelter. This project was funded by the federal government’s Roads to Recovery Program.

New street lighting was installed along Leda Boulevard from Blacksmith Drive to Wellard Road. The project has significantly improved the lighting along the section of Leda Boulevard providing a safer road environment for both pedestrians and motorists.

Adventure Park

Easily the biggest infrastructure achievement of the financial year, the \$5.2m Kwinana Adventure Park was opened to much celebration in October 2016.

The largest of its kind in Perth's South Metropolitan region, the Park features an enormous 11,000 square meters of play space, including the larger-than-life tree maze, splash pad, sand factory, double flying fox, climbing nets and junior play area. The play space is fully fenced and includes a toilet block with accessible toilets and showers. Picnic tables, shelters and barbeque facilities are available throughout the Park, and The Patio is the perfect hireable space for birthday parties or events.

No other playground in Western Australia offers as many varied play opportunities in one free-entry facility. The venue has already cemented itself as a premium destination play space and a major drawcard for Kwinana. Families from far and wide have visited in their thousands to take advantage of the new Park and spend the day in Kwinana's recently redeveloped City Centre, which is already having a positive flow on effect for local businesses.

Accessibility is a key feature of the Park, with each element carefully designed to maximise inclusion for all ages and abilities. In many aspects the Kwinana Adventure Park exceeds Australian standards in terms of providing an accessible play experience. The equipment caters for different levels of mobility and most activities are accessible by wheelchair.

The Adventure Park is themed around the natural beauty of Kwinana, with the whole structure built under a canopy of towering trees. There was a big focus on sustainability throughout the project, with no trees removed during construction. The timber used throughout the play space is reclaimed or recycled.

The Kwinana community were enthusiastic about the project from the outset, with schools and community groups participating in consultation sessions and providing ideas during the planning process. Students from Peter Carnley Anglian Community School helped plant 900 seedlings at the Park and a group of young indigenous children created sculptural timber seats and pillars.

The Adventure Park was made possible thanks to a \$2million grant through the Department of Infrastructure and Regional Development and was originally pursued strongly by the Rotary Club of Kwinana, who were integral to the project's initial development.

In June 2017, the Kwinana Adventure Park was officially named the WA Park of the Year and the WA Playspace of the Year (over \$500k) at the Parks and Leisure Australia Awards.



Edge Skatepark

The Edge Skatepark was nearing final completion at the end of 2016/17. The venue, which is centrally located alongside the multi-award winning Kwinana Adventure Park and opposite the Zone Youth Space and Kwinana Recquatic, has been designed for maximum inclusiveness, featuring separate skating zones to allow participants of all ages to progress their skills safely. The 1800m² of skating space includes:

- competition-level bowl;
- beginners area;
- street area;
- jumps run;
- half pipe;
- parkour area;
- basketball half court; and
- amenities including phone charging stations, free WiFi, drink fountains, bins, lighting, seating and a shelter.

The Edge Skatepark has been designed in consultation with the local community including young people, parents, skaters and a specially-formed Skatepark Reference Group. The Edge Skatepark project is jointly funded by the City of Kwinana, Lotterywest and the Department of Sport and Recreation.



City Strategy

City Strategy looks after the corporate and governance areas of the City and closely links with the Council. The directorate also encompasses Marketing and Communications, Human Resources, Corporate Strategic Planning, Civic Functions, Finance, Customer Services, ICT, Records, and Land and Property Administration.

Governance and Risk

Local Law and Council Policy Review

The Governance team continued the ongoing Council Policy Review which included the review of the Procurement Policy and creation of new policies such as Advocacy and Lobbying and the Multicultural Policy and Action Plan. The Delegated Authority annual review was conducted in June 2017.

Risk and Business Continuity

Risk has been a major focus during the year. City Officers are required to document risk events and carry out an analysis to try and reduce the level of risk to the City. Each business unit has a risk register that requires regular review and risk implications are addressed when presenting Council reports.

Register of Complaints

In accordance with Section 5.121 of the Local Government Act 1995, the City of Kwinana reports that it received no complaints of minor breaches during the period in review.

Quality Management

The internal audit for Quality Management System ISO Certification was conducted and the result was that the City complied. City Officers have commenced the transition to 9001:2015.

Internal Audit

Council adopted an internal audit function to improve the effectiveness of all business processes and to progress towards becoming a best practice local government in good governance. The internal audit function will review current operational practices and identify improvements across the organisation. Council appointed an independent audit committee member to assist in achieving these objectives and improve accountability.

Stakeholder Events

These were held on a quarterly basis to thank local volunteers for their hard work in the local community. The categories recognised were:

- emergency services groups;
- seniors and Kwinana Festival volunteers;
- sporting groups; and
- residents associations and other groups.

New Teachers' Afternoon Tea

This event invited all new teachers and principals from local schools to attend. Various teams at the City did a short presentation about their area and afternoon tea was served. Teachers were then taken on a bus tour of Kwinana.

Citizenship Ceremonies

Over the year, citizenship ceremonies were held each month, welcoming 454 new citizens from 46 different countries. These were held at the Darius Wells Library and Resource Centre and new citizens were able to bring family members and friends to help celebrate this special event.

On Australia Day, this event took place at Calista Oval next to the new Adventure Park. It was held in conjunction with the Australia Day breakfast and awards. After the ceremony, the new citizens and their guests were invited to a private buffet at the new Patio at the Adventure Park and the children attending enjoyed playing at the new facilities.





Marketing and Communications

The Marketing and Communications team had an incredibly productive year, introducing a range of new initiatives while continuing to strengthen existing communication channels with the Kwinana community.

Promotional Marketing

The team developed and delivered marketing and communications plans for all major City events throughout the year, including the Kwinana Festival, Children's Party, PETScapade and the Our Heritage event. The team also continued to implement the marketing plan for the Kwinana Adventure Park.

In order to better promote events that occur in Kwinana, the team began development of a new What's On website. The new site will include a submission system that allows local groups to request their own events be advertised.

Media Liaison

Over 80 press releases relating to important City matters were issued throughout the year. The team continued to maintain strong relationships with the local media.

Corporate Website

One of the team's biggest projects for 2016/17 was the rollout of the new City of Kwinana corporate website. Statistics clearly demonstrate the major impact the new website has had since its launch in July 2016. Total annual page views have increased by 26% to 585,118, while the average time a person spends on each page has decreased by 23%, meaning information is plentiful and simple to understand.

Internal Communications

Focus continued to be placed on internal communications and staff engagement in 2016/17.

A new intranet platform was launched and the team pushed ahead with new employee communication activities via traditional and digital channels.

The team continued to support the Staff Values project team to ensure effective rollout and embedding of the values throughout the organisation.

Social Media

The City continues to manage one of the most engaging social media presences throughout the local government sector, with the City of Kwinana Facebook page surpassing 13,000 followers and the City of Kwinana Twitter Page over 1,700.

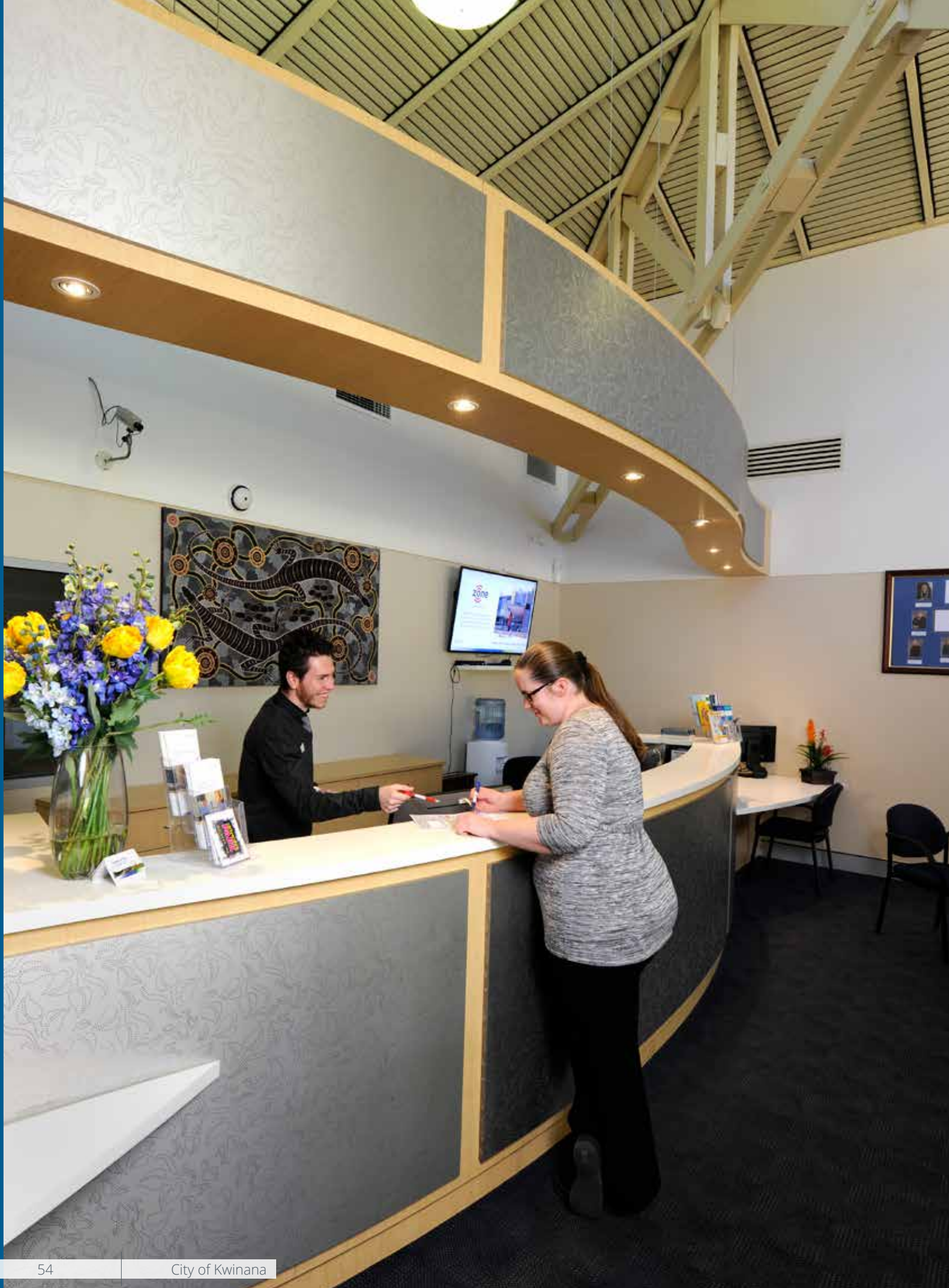
Facebook in particular has become a key communication vehicle for the City and is used extensively to ensure the community is kept informed of and engaged with news, services and events. Key insights from the City's Facebook Page demonstrate its effectiveness (all increases are over previous year):

- page followers: 13,473 (21% increase);
- engagements (reactions, shares, comments): 68,524 (56% increase);
- total Impressions: 8.9 million (120% increase);
- individuals reached: 4.6 million (105% increase); and
- video views: 448,000.

An emphasis was placed on adding value to all content shared online and as a result, visits to the City's corporate website from social media increased by almost 300% over the previous year to more than 22,000.

Signage

The team managed Stage 2 of a comprehensive revitalisation of signage throughout the community, including the continued rollout of new entry statements, directional signage and facility signage.



Customer Services

The Customer Service team's review of processes and work instructions resulted in improvements and efficiencies for various customer experience across multiple teams.

Ensuring prompt, easy access to services and information is delivered by a variety of options has continued to drive the focus on online services and straight forward customer communication. Growing an expansive knowledge information base will be the backbone for these programs and the priority for the team for the upcoming year.

Information and Technology

The IT team completed several major projects over the 2016/17 financial year, including;

- third party audit of all IT systems;
- subsequent development of an IT Strategic Plan covering the next five years;
- investment into recreational technology for youth at the Zone;
- intensive IT Training and Development for IT staff members;
- development of an IT Disaster Recovery Strategy and Plan;
- upgrade of internet services and networking hardware for most offices and outstations; and
- review of existing audio/visual systems.

In addition, planning and procurement for many more major projects has begun, including:

- migration out of the Civica Managed Cloud to a new on-premise IT platform;
- new Wi-Fi network for both the public and staff;
- complete audio/visual technology overhaul for many offices;
- replacement of the library management software system;
- replacement of the Recquatic bookings software system;
- upgrade of internet connectivity at the Works Depot;
- review of computing assets with a view towards better mobility;
- review of existing telephony system with a view towards better internal and external customer service;
- replacement of printing assets with a view towards 20% to 30% reduction in printing costs;
- new communications systems, including Skype for Business and other video conferencing facilities; and
- third party security and penetration testing.

Finance

The Finance team is tasked with the prudent financial management of the City's resources. The team's core outputs include the City's Long Term Financial Plan, Annual Budget, Annual Budget Review, Annual Financial Statements and Rating Services. During the 2016/17 financial year, the finance team achieved the following:

- fair value revaluation of the City's Land and Buildings;
- finalised and implemented the results of the banking services tender;
- external auditors completed a financial management review in addition to the annual and interim audits; and
- all of the City's rateable properties were revalued with the finalisation of the Unimproved (UV) and Gross Rental Value (GRV) valuations provided by Landgate and processed into our rating system.

Annual Salaries

The *Local Government Act 1995* requires the Local Government to provide the number of employees who are entitled to an annual salary of \$100,000 or more and to break those employees into salary bands of \$10,000.

For the period reported in the 2016/17, the City of Kwinana had twenty (20) employees whose salary exceeded \$100,000. Of these employees two (2) had a salary between \$100,000 and \$110,000, six (6) had a salary between \$110,000 and \$120,000, five (5) had a salary between \$120,000 and \$130,000, one (1) had a salary between \$140,000 and \$150,000, one (1) had a salary between \$150,000 and \$160,000, four (4) had a salary between \$190,000 and \$200,000 and one (1) had a salary between \$250,000 and \$260,000.

Records Management

Statutory Reports

This report has been published in accordance with the requirements of the *State Records Act 2000*.

Record Keeping Statement

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

Recordkeeping Plan and System

The City's updated Record Keeping Plan was approved by the State Records Office on 9 December 2016. This Plan describes the City's commitment to good and compliant recordkeeping procedures.

The City upgraded its Record Keeping System in April 2017, which has improved the functionality and integration with other software that the City uses.

Offsite Storage of Records

Since 2013, all hard copy files held by the Records Management team have been assessed, indexed, boxed and are now stored in a secure, compliant and environmentally-acceptable facility. The period of time to retrieve this information can be as little as 30 minutes in an extreme occurrence and under normal circumstances within 24 hours. This change in procedure has resulted in the opportunity to free up office space and has had an occupational health and safety benefit as officers no longer travel offsite or lift and carry boxed files.

Records Training

The City continues to provide training to all staff to inform them of their record keeping obligations and responsibilities. Induction and training programs were revised as required to ensure employees, contractors, elected members and external agencies were also aware of their roles and responsibilities in regard to compliance with the City's Recordkeeping Plan. In 2016/17, records training consisted of:

- a Records Induction Sheet, which was given to all new employees;
- an e-module powered by the National Archives of Australia was delivered to all new employees and existing staff members as required;
- TRIM training, which covers the records management software system used at the City;
- specific TRIM and records management training in a one-on-one format as required by officers; and
- team refresher sessions in conjunction with and as a result of an internal auditing program.

Economic Development

Commercial Activity

The City continued efforts to ensure local businesses were able to provide services and a unique sense of place for the various communities they serve.

As part of that effort, Council approved the Local Commercial Activity Centre Improvement Grant Funding program.

An Expression of Interest was widely distributed and 17 local small businesses from Medina, Parmelia, Calista and Orelia received tentative approval for the grant.

The City also completed the long-awaited Medina Laneway as part of the broader Medina Revitalisation strategy, which has been underway for over five years. The Laneway was designed to create a link between the recently completed houses and the Pace Road shops. The Laneway is adorned with colourful art that reflects the unique flora, fauna and architecture of the area. It also features custom-made locally-manufactured street furniture and fruit trees. The Laneway was opened to the public on 1 April 2017 with a street festival attended by many local residents.

Indian Ocean Gateway

The Indian Ocean Gateway proposal is centred on building a 21st century land-backed port in the Kwinana Industrial Area. The benefits include \$42.4 billion of annual revenue and a further \$28 billion of indirect annual revenue to the state with direct employment of 37,000 employees and indirect employment for another 49,000 employees.

Consultation has included briefings with state government agencies, federal government agencies, state and federal politicians, local governments, resident and community groups, research bodies, industry and industry associations. The City continues to engage with relevant stakeholders to indicate the City's interest in being involved in the planning process.



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Notes to and Forming Part of the Concise Financial Report

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INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE CITY OF KWINANA

Opinion on the Audit of the Concise Financial Report

We have audited the accompanying concise financial report of the City of Kwinana (the City), which comprises the statement of financial position as at 30 June 2017, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, and related notes derived from the financial report of the City for the year ended 30 June 2017 and the statement by Chief Executive Officer. The concise financial report does not contain all disclosures required by Australian Accounting Standards and accordingly, reading the concise financial report is not a substitute for reading the audited financial report.

In our opinion, the concise financial report of the City of Kwinana for the year ended 30 June 2017 complies with Accounting Standard AASB 1039: Concise Financial Reports.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Concise Financial Report* section of our report. We are independent of the City in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Other Legal and Regulatory Requirements

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the City.
- b) No matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

Concise Financial Report

The concise financial report does not contain all the disclosures required by the Australian Accounting Standards in the preparation of the financial report. Reading the concise financial report and the auditor's report thereon, therefore, is not a substitute for reading the financial report and the auditor's report thereon.

Responsibilities of Management and Council for the Financial Report

Management is responsible for the preparation of the concise financial report in accordance with Standard AASB 1039: Concise Financial Reports, and for such internal control as management determines is necessary to enable the preparation of the concise financial report.

MOORE STEPHENS

INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE CITY OF KWINANA (CONTINUED)

Auditor's Responsibilities for the Audit of the Concise Financial Report

Our responsibility is to express an opinion on whether the concise financial report, in all material respects, complies with AASB 1039 Concise Financial Reports and based on our procedures, which were conducted in accordance with Auditing Standard ASA 810 Engagements to Report on Summary Financial Statements.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Date: 27 November 2017
Perth, WA

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed as authorisation of issue on the 27th day of November 2017


Joanne Abbiss
Chief Executive Officer

BASIS OF PREPARATION

The concise financial report has been prepared in accordance with AASB 1039 "Concise Financial Reports". The accounting policies adopted have been consistently applied to all financial periods presented unless otherwise stated. The concise financial report is an extract from the full financial report for the financial year ended 30 June 2017. The financial statements, specific disclosures, and other information included in the concise financial report are derived from and consistent with, the full financial report of the City of Kwinana. The concise financial report cannot be expected to provide a full understanding of the financial performance, financial position, financing and investing activities of the City of Kwinana.

A copy of the full financial report and auditors report can be obtained free of charge via the City's website, www.kwinana.wa.gov.au, or upon request.

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

	2017 \$	2017 Budget \$	2016 \$
Revenue			
Rates	34,367,785	34,912,115	33,835,973
Operating grants, subsidies and contributions	8,909,512	13,789,967	8,326,242
Fees and charges	13,492,239	13,725,456	13,605,449
Interest earnings	1 2,251,635	1,967,000	2,041,745
Other revenue	1 2,183,307	536,982	2,491,278
	<u>61,204,478</u>	<u>64,931,520</u>	<u>60,300,687</u>
Expenses			
Employee costs	(25,332,263)	(27,361,605)	(24,804,808)
Materials and contracts	(23,375,655)	(24,341,197)	(23,318,679)
Utility charges	(2,388,243)	(2,564,418)	(2,432,897)
Depreciation on non-current assets	1 (12,461,397)	(11,316,975)	(11,315,275)
Interest expenses	1 (1,191,217)	(1,223,591)	(1,165,687)
Insurance expenses	(539,510)	(593,600)	(524,890)
Other expenditure	(740,180)	(840,107)	(1,142,175)
	<u>(66,028,465)</u>	<u>(68,241,493)</u>	<u>(64,704,411)</u>
	(4,823,987)	(3,309,973)	(4,403,724)
Non-operating grants, subsidies and contributions	20,004,053	3,881,987	38,009,105
Other non-operating revenue	29,948	0	283,302
Profit on asset disposals	43,484	214,497	87,538
(Loss) on asset disposals	(211,313)	(20,557)	(23,219)
Net result	15,042,185	765,954	33,953,002
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes on revaluation of non-current assets	1,966,674	0	799,828
Total other comprehensive income	1,966,674	0	799,828
Total comprehensive income	17,008,859	765,954	34,752,830

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

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue	1			
Governance		398,955	31,895	227,327
General purpose funding		40,009,005	38,824,295	39,166,809
Law, order, public safety		437,430	446,539	511,117
Health		202,220	384,632	242,987
Education and welfare		7,742,585	6,070,114	7,498,753
Community amenities		7,307,664	13,981,358	7,811,527
Recreation and culture		2,931,537	3,042,950	2,774,943
Transport		311,016	261,984	270,430
Economic services		1,338,552	1,564,439	1,354,003
Other property and services		525,514	323,314	442,791
		<u>61,204,478</u>	<u>64,931,520</u>	<u>60,300,687</u>
Expenses	1			
Governance		(4,938,262)	(5,012,497)	(5,413,510)
General purpose funding		(1,363,247)	(1,580,472)	(1,563,155)
Law, order, public safety		(2,670,214)	(2,914,573)	(2,357,364)
Health		(1,237,340)	(1,394,217)	(1,134,212)
Education and welfare		(10,101,888)	(8,754,118)	(9,960,264)
Community amenities		(8,897,157)	(10,575,604)	(8,737,603)
Recreation and culture		(17,528,733)	(17,845,900)	(16,909,009)
Transport		(12,558,114)	(12,879,280)	(12,280,975)
Economic services		(1,934,499)	(2,052,203)	(1,642,555)
Other property and services		(3,607,794)	(4,009,038)	(3,540,077)
		<u>(64,837,248)</u>	<u>(67,017,902)</u>	<u>(63,538,724)</u>
Finance costs	1			
Governance		(62,679)	(63,009)	(67,751)
Education and welfare		(96,611)	(96,765)	(98,103)
Recreation and culture		(869,687)	(886,255)	(828,506)
Transport		(162,240)	(177,562)	(169,802)
Economic services		0	0	(1,525)
		<u>(1,191,217)</u>	<u>(1,223,591)</u>	<u>(1,165,687)</u>
		<u>(4,823,987)</u>	<u>(3,309,973)</u>	<u>(4,403,724)</u>
Non-operating grants, subsidies and contributions		20,004,053	3,881,987	38,009,105
Other non-operating revenue		29,948	0	283,302
Profit on disposal of assets		43,484	214,497	87,538
(Loss) on disposal of assets		<u>(211,313)</u>	<u>(20,557)</u>	<u>(23,219)</u>
Net result		15,042,185	765,954	33,953,002
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets		1,966,674	0	799,828
Total other comprehensive income		1,966,674	0	799,828
Total comprehensive income		17,008,859	765,954	34,752,830

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

CITY OF KWINANA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	2	53,726,269	55,357,714
Trade and other receivables	3	4,463,080	4,096,861
Inventories	4	36,203	26,162
TOTAL CURRENT ASSETS		58,225,552	59,480,737
NON-CURRENT ASSETS			
Other receivables	3	4,488,131	3,943,449
Property, plant and equipment	5	159,964,117	160,822,364
Infrastructure	6	288,754,573	275,191,387
TOTAL NON-CURRENT ASSETS		453,206,821	439,957,200
TOTAL ASSETS		511,432,373	499,437,937
CURRENT LIABILITIES			
Trade and other payables	7	4,269,486	9,233,372
Current portion of long term borrowings	8	617,723	3,105,457
Provisions	9	4,522,884	4,545,806
TOTAL CURRENT LIABILITIES		9,410,093	16,884,635
NON-CURRENT LIABILITIES			
Payables	7	22,117,000	21,635,000
Long term borrowings	8	22,071,411	20,150,953
Provisions	9	436,010	378,349
TOTAL NON-CURRENT LIABILITIES		44,624,421	42,164,302
TOTAL LIABILITIES		54,034,514	59,048,937
NET ASSETS		457,397,859	440,389,000
EQUITY			
Retained surplus		232,470,241	220,833,639
Reserves - cash backed		50,343,659	46,938,076
Revaluation surplus		174,583,959	172,617,285
TOTAL EQUITY		457,397,859	440,389,000

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2015		191,937,888	41,880,825	171,817,457	405,636,170
Comprehensive income					
Net result		33,953,002	0	0	33,953,002
Changes on revaluation of assets	11	0	0	799,828	799,828
Total comprehensive income		33,953,002	0	799,828	34,752,830
Transfers from/(to) reserves		(5,057,251)	5,057,251	0	0
Balance as at 30 June 2016		220,833,639	46,938,076	172,617,285	440,389,000
Comprehensive income					
Net result		15,042,185	0	0	15,042,185
Changes on revaluation of assets	11	0	0	1,966,674	1,966,674
Total comprehensive income		15,042,185	0	1,966,674	17,008,859
Transfers from/(to) reserves		(3,405,583)	3,405,583	0	0
Balance as at 30 June 2017		232,470,241	50,343,659	174,583,959	457,397,859

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

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		33,186,450	35,272,115	33,622,693
Operating grants, subsidies and contributions		9,063,794	13,789,967	11,396,890
Fees and charges		13,492,243	13,675,456	13,552,673
Interest earnings		2,251,634	1,967,000	2,041,745
Goods and services tax		3,275,733	0	3,247,432
Other revenue		2,183,307	536,982	1,907,421
		63,453,161	65,241,520	65,768,854
Payments				
Employee costs		(25,116,512)	(27,361,605)	(24,094,279)
Materials and contracts		(28,144,211)	(23,945,072)	(25,829,908)
Utility charges		(2,388,243)	(2,564,418)	(2,431,675)
Interest expenses		(1,095,601)	(1,223,591)	(1,167,092)
Insurance expenses		(539,510)	(593,600)	(524,890)
Goods and services tax		(3,158,993)	0	(3,269,789)
Other expenditure		(740,180)	(840,107)	(789,354)
		(61,183,250)	(56,528,393)	(58,106,987)
Net cash provided by (used in) operating activities	12(b)	2,269,911	8,713,127	7,661,867
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of				
Land held for resale		0	0	(90,443)
Payments for purchase of property, plant & equipment		(2,764,010)	(3,953,539)	(3,190,371)
Payments for construction of infrastructure		(7,453,990)	(7,350,951)	(9,818,276)
Non-operating grants, subsidies and contributions		6,440,531	3,881,987	5,337,399
Proceeds from sale of fixed assets		443,979	476,500	360,296
Net cash provided by (used in) investment activities		(3,333,490)	(6,946,003)	(7,401,395)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(3,365,770)	(3,140,453)	(670,480)
Proceeds from/(Repayment of) self supporting loans		(591)	37,590	66,272
Proceeds from new debentures		2,798,494	2,605,500	1,700,000
Net cash provided by (used in) financing activities		(567,867)	(497,363)	1,095,792
Net increase (decrease) in cash held		(1,631,445)	1,269,761	1,356,264
Cash at beginning of year		55,357,714	48,135,005	54,001,450
Cash and cash equivalents at the end of the year	12(a)	53,726,269	49,404,766	55,357,714

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

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

NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at 1 July brought forward	<u>2,844,089</u>	<u>1,000,000</u>	<u>2,917,706</u>
	2,844,089	1,000,000	2,917,706
Revenue from operating activities (excluding rates)			
Governance	398,955	31,895	229,240
General purpose funding	5,641,220	3,912,180	5,330,836
Law, order, public safety	439,886	468,974	520,780
Health	202,220	401,275	250,864
Education and welfare	7,742,585	6,070,114	7,506,888
Community amenities	7,307,664	14,005,754	7,811,994
Recreation and culture	2,931,576	3,069,088	2,774,943
Transport	311,016	261,984	287,703
Economic services	1,338,552	1,621,623	1,358,447
Other property and services	<u>566,504</u>	<u>391,015</u>	<u>480,557</u>
	26,880,178	30,233,902	26,552,252
Expenditure from operating activities			
Governance	(5,005,256)	(5,083,085)	(5,487,452)
General purpose funding	(1,363,247)	(1,580,472)	(1,563,155)
Law, order, public safety	(2,714,408)	(2,914,573)	(2,357,364)
Health	(1,242,379)	(1,394,217)	(1,138,550)
Education and welfare	(10,198,499)	(8,850,883)	(10,058,367)
Community amenities	(8,902,957)	(10,575,604)	(8,740,978)
Recreation and culture	(18,453,873)	(18,732,155)	(17,746,830)
Transport	(12,720,354)	(13,056,842)	(12,450,777)
Economic services	(1,954,927)	(2,052,203)	(1,644,080)
Other property and services	<u>(3,683,879)</u>	<u>(4,022,016)</u>	<u>(3,540,077)</u>
	(66,239,779)	(68,262,050)	(64,727,630)
Operating activities excluded from budget			
(Profit) on disposal of assets	(43,484)	(214,497)	(87,538)
Loss on disposal of assets	211,313	20,557	23,219
Movement in deferred pensioner rates (non-current)	(10,323)	0	(49,318)
Movement in employee benefit provisions	34,739	0	449,107
Movement in Banksia Park deferred management fund receivable	(548,983)	0	352,821
Movement in Banksia Park valuation of unit contribution	482,000	0	0
Depreciation on assets	<u>12,461,397</u>	<u>11,316,975</u>	<u>11,315,275</u>
Amount attributable to operating activities	<u>(23,928,853)</u>	<u>(25,905,113)</u>	<u>(23,254,106)</u>
INVESTING ACTIVITIES			
Non-operating grants, subsidies and contributions	20,004,053	3,881,987	38,009,105
Other non-operating revenue	29,948	0	283,302
Proceeds from disposal of assets	443,979	476,500	360,296
Purchase of land held for resale	0	0	(90,443)
Purchase of property, plant and equipment	(2,764,010)	(5,147,565)	(3,091,834)
Purchase and construction of infrastructure	(7,453,990)	(6,156,925)	(9,881,015)
Contributed infrastructure assets	<u>(13,593,470)</u>	<u>0</u>	<u>(29,397,461)</u>
Amount attributable to investing activities	<u>(3,333,490)</u>	<u>(6,946,003)</u>	<u>(3,808,050)</u>
FINANCING ACTIVITIES			
Repayment of debentures	(3,365,770)	(3,140,453)	(670,480)
Proceeds from new debentures	2,798,494	2,605,550	1,700,000
Proceeds from/(repayment of) self supporting loans	(591)	37,590	66,272
Proceeds from loan borrowings (Unspent)	62,705	0	31,731
Transfers to reserves (restricted assets)	(8,649,520)	(8,640,389)	(10,363,246)
Transfers from reserves (restricted assets)	<u>5,243,937</u>	<u>7,076,703</u>	<u>5,305,995</u>
Amount attributable to financing activities	<u>(3,910,745)</u>	<u>(2,060,999)</u>	<u>(3,929,728)</u>
Surplus(deficiency) before general rates	<u>(31,173,088)</u>	<u>(34,912,115)</u>	<u>(30,991,884)</u>
Total amount raised from general rates	<u>34,367,785</u>	<u>34,912,115</u>	<u>33,835,973</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	<u>3,194,697</u>	<u>0</u>	<u>2,844,089</u>

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

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

1. REVENUE AND EXPENSES	2017 \$	2016 \$
Net Result		
The Net result includes:		
(i) Charging as an expense:		
Auditors remuneration		
- Audit of the Annual Financial Report	24,750	35,050
- Other Engagements	23,060	11,387
Depreciation		
Buildings - Specialised	3,752,342	3,473,011
Furniture and equipment	466,412	496,552
Plant and equipment	758,369	919,614
Infrastructure - Roads	4,489,441	3,830,450
Infrastructure - Footpaths	962,399	813,640
Infrastructure - Drainage	812,914	694,159
Infrastructure - Car Parks	131,701	119,532
Infrastructure - Bus Shelters	69,360	65,155
Infrastructure - Street Lights	54,427	52,769
Infrastructure - Parks & Ovals	894,521	780,881
Infrastructure - Other	<u>69,511</u>	<u>69,512</u>
	<u>12,461,397</u>	<u>11,315,275</u>
Finance Costs		
Debentures	1,033,650	1,037,116
Bank Guarantee Fees	<u>157,567</u>	<u>128,571</u>
	<u>1,191,217</u>	<u>1,165,687</u>
Rental charges		
- Operating leases	<u>324,931</u>	<u>281,620</u>
	<u>324,931</u>	<u>281,620</u>
(ii) Crediting as revenue:		
Significant revenue		
Other Revenue		
Settlement Dividend from Lehman Brothers Australia Ltd (see below)	26,692	1,301,026
Non-Operating Grants, Subsidies & Contributions - Contributed Assets	<u>13,593,470</u>	<u>29,397,461</u>
	<u>13,620,162</u>	<u>30,698,487</u>
Other revenue		
Reimbursements and recoveries	813,526	1,086,307
Significant revenue (refer above)	26,692	1,301,026
Other	<u>1,343,089</u>	<u>103,945</u>
	<u>2,183,307</u>	<u>2,491,278</u>
	2017 Actual \$	2017 Budget \$
Interest earnings		2016 Actual \$
- Reserve funds	1,233,110	800,000
- Other funds	377,996	657,000
Other interest revenue	<u>640,529</u>	<u>510,000</u>
	<u>2,251,635</u>	<u>1,967,000</u>
	<u>2,251,635</u>	<u>2,041,745</u>

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

	2017 \$	2016 \$
2. CASH AND CASH EQUIVALENTS		
Unrestricted	3,382,610	8,356,933
Restricted	<u>50,343,659</u>	<u>47,000,781</u>
	<u>53,726,269</u>	<u>55,357,714</u>
3. TRADE AND OTHER RECEIVABLES		
Current		
Rates outstanding	2,761,590	1,590,578
Sundry debtors	738,586	1,139,002
GST receivable	437,333	554,076
Loans receivable - clubs/institutions	15,645	37,590
Accrued Income	74,118	410,710
DMF Receivable	402,065	364,905
Prepayments	<u>33,743</u>	<u>0</u>
	<u>4,463,080</u>	<u>4,096,861</u>
Non-current		
Rates outstanding - pensioners	599,197	588,874
Loans receivable - clubs/institutions	282,850	260,314
DMF Receivable	<u>3,606,084</u>	<u>3,094,261</u>
	<u>4,488,131</u>	<u>3,943,449</u>
Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
Rates outstanding	2,761,590	1,590,578
Includes:		
Past due and not impaired	2,761,590	1,590,578
Impaired	<u>0</u>	<u>0</u>
Sundry debtors	738,586	1,139,002
Includes:		
Past due and not impaired	204,170	68,340
Impaired	<u>126,024</u>	<u>0</u>
4. INVENTORIES		
Current		
Stores & Materials	<u>36,203</u>	<u>26,162</u>
	<u>36,203</u>	<u>26,162</u>

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

	2017 \$	2016 \$
5. PROPERTY, PLANT AND EQUIPMENT		
Freehold Land at:		
- Independent valuation 2014 - level 2	0	8,320,000
- Independent valuation 2014 - level 3	0	26,693,000
- Independent valuation 2017 - level 2	8,420,000	0
- Independent valuation 2017 - level 3	27,011,000	0
- Additions after valuation - cost	<u>0</u>	<u>206,404</u>
	<u>35,431,000</u>	<u>35,219,404</u>
Land - vested in and under the control of Council at:		
- Independent valuation 2014 - level 3	0	12,140,000
- Independent valuation 2017 - level 3	<u>12,140,000</u>	<u>0</u>
	<u>12,140,000</u>	<u>12,140,000</u>
	<u>47,571,000</u>	<u>47,359,404</u>
Buildings - Specialised at:		
- Independent valuation 2014 - level 2	0	22,335,000
- Independent valuation 2014 - level 3	0	83,206,100
- Independent valuation 2017 - level 3	104,111,403	0
- Additions after valuation - cost	0	6,850,520
Less: accumulated depreciation	<u>0</u>	<u>(6,939,279)</u>
	<u>104,111,403</u>	<u>105,452,341</u>
	<u>104,111,403</u>	<u>105,452,341</u>
Total land and buildings	<u>151,682,403</u>	<u>152,811,745</u>
Furniture and equipment at:		
- Independent Valuation 2016 - level 3	1,408,897	1,422,505
- Management valuation 2016 - level 3	4,624,955	4,635,882
- Additions after valuation - cost	705,507	0
Less: accumulated depreciation	<u>(4,874,511)</u>	<u>(4,421,707)</u>
	<u>1,864,848</u>	<u>1,636,680</u>
Plant and equipment at:		
- Independent Valuation 2016 - level 2	3,207,361	4,019,255
- Independent Valuation 2016 - level 3	1,802,058	2,034,817
- Management Valuation 2016 - level 3	3,271,235	3,271,235
- Additions after valuation - cost	1,357,452	0
Less: accumulated depreciation	<u>(3,221,240)</u>	<u>(2,951,368)</u>
	<u>6,416,866</u>	<u>6,373,939</u>
	<u>159,964,117</u>	<u>160,822,364</u>

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

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

	2017 \$	2016 \$
6. INFRASTRUCTURE		
Infrastructure - Roads		
- Independent valuation 2015 - level 3	224,918,631	224,918,631
- Additions after valuation - cost	34,474,939	23,149,573
Less: accumulated depreciation	<u>(76,756,947)</u>	<u>(72,267,506)</u>
	182,636,623	175,800,698
Infrastructure - Footpaths		
- Independent valuation 2015 - level 3	40,380,270	40,380,270
- Additions after valuation - cost	7,250,021	5,166,511
Less: accumulated depreciation	<u>(12,825,218)</u>	<u>(11,862,819)</u>
	34,805,073	33,683,962
Infrastructure - Drainage		
- Independent valuation 2015 - level 3	55,012,877	55,012,877
- Additions after valuation - cost	9,893,492	6,949,340
Less: accumulated depreciation	<u>(15,685,611)</u>	<u>(14,872,697)</u>
	49,220,758	47,089,520
Infrastructure - Car Parks		
- Independent valuation 2015 - level 3	2,655,110	2,655,110
- Additions after valuation - cost	224,233	131,904
Less: accumulated depreciation	<u>(1,469,995)</u>	<u>(1,338,294)</u>
	1,409,348	1,448,720
Infrastructure - Bus Shelters		
- Independent valuation 2015 - level 3	1,584,000	1,584,000
- Additions after valuation - cost	92,154	45,206
Less: accumulated depreciation	<u>(935,591)</u>	<u>(866,230)</u>
	740,563	762,976
Infrastructure - Street Lights		
- Independent valuation 2015 - level 3	1,483,400	1,483,400
- Additions after valuation - cost	41,430	28,457
Less: accumulated depreciation	<u>(586,609)</u>	<u>(532,183)</u>
	938,221	979,674
Infrastructure - Parks & Ovals		
- Independent valuation 2015 - level 3	19,383,277	19,383,277
- Additions after valuation - cost	8,675,430	1,042,121
Less: accumulated depreciation	<u>(9,582,880)</u>	<u>(8,688,359)</u>
	18,475,827	11,737,039
Infrastructure - Parks & Ovals - Works in Progress		
- At Cost	<u>0</u>	<u>3,091,127</u>
	0	3,091,127
Infrastructure - Other		
- Independent valuation 2015 - level 3	2,853,000	2,853,000
Less: accumulated depreciation	<u>(2,324,840)</u>	<u>(2,255,329)</u>
	528,160	597,671
	<u>288,754,573</u>	<u>275,191,387</u>

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

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

	2017 \$	2016 \$
7. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	3,064,174	4,674,862
Accrued interest on debentures	112,419	16,802
Accrued salaries and wages	1,034,551	853,535
Bond and Deposit Creditors	0	3,408,346
Accrued Expenses	58,342	279,827
	<u>4,269,486</u>	<u>9,233,372</u>
Non Current		
Unit Contribution	22,117,000	21,635,000
	<u>22,117,000</u>	<u>21,635,000</u>

8. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	617,723	3,105,457
	<u>617,723</u>	<u>3,105,457</u>
Non-current		
Secured by floating charge		
Debentures	22,071,411	20,150,953
	<u>22,071,411</u>	<u>20,150,953</u>

9. PROVISIONS

	Provision for Annual Leave \$	Provision for Other Leave (1) \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016				
Current provisions	2,021,297	630,339	1,894,170	4,545,806
Non-current provisions	0	0	378,349	378,349
	<u>2,021,297</u>	<u>630,339</u>	<u>2,272,519</u>	<u>4,924,155</u>
Additional provision	92,877	(42,547)	(15,591)	34,739
Balance at 30 June 2017	<u>2,114,174</u>	<u>587,792</u>	<u>2,256,928</u>	<u>4,958,894</u>
Comprises				
Current	2,114,174	587,792	1,820,918	4,522,884
Non-current	0	0	436,010	436,010
	<u>2,114,174</u>	<u>587,792</u>	<u>2,256,928</u>	<u>4,958,894</u>

(1) - Other leave incorporates a provision for sick leave payable to employees with service years greater than ten (10) years upon termination (\$443,945) and a provision for accrued rostered days off (RDO) payable upon termination (\$143,847).

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

10. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2017 \$	2016 \$
Governance	70,214,891	70,112,431
Law, order, public safety	1,943,919	1,867,446
Health	115,971	112,182
Education and welfare	34,875,180	35,008,257
Community amenities	1,068,015	1,121,006
Recreation and culture	78,311,834	76,632,081
Transport	269,235,234	259,248,561
Economic services	51,777,537	51,711,551
Other property and services	3,889,792	3,624,422
	<u>511,432,373</u>	<u>499,437,937</u>

11. REVALUATION SURPLUS

	30-Jun-17			30-Jun-16			30-Jun-16		
	Opening Balance \$	Revaluation Increment \$	Total Movement on Revaluation \$	Closing Balance \$	Opening Balance \$	Revaluation Increment \$	Total Movement on Revaluation \$	Closing Balance \$	
Land and buildings	76,199,962	1,966,674	1,966,674	78,166,636	76,199,962	0	0	76,199,962	
Furniture and equipment	199,013	0	0	199,013	137,410	61,603	61,603	199,013	
Plant and equipment	1,581,222	0	0	1,581,222	842,997	738,225	738,225	1,581,222	
Infrastructure - Roads	58,351,626	0	0	58,351,626	58,351,626	0	0	58,351,626	
Infrastructure - Footpaths	13,401,415	0	0	13,401,415	13,401,415	0	0	13,401,415	
Infrastructure - Drainage	21,897,256	0	0	21,897,256	21,897,256	0	0	21,897,256	
Infrastructure - Car Parks	311,846	0	0	311,846	311,846	0	0	311,846	
Infrastructure - Bus Shelters	458,799	0	0	458,799	458,799	0	0	458,799	
Infrastructure - Other	216,146	0	0	216,146	216,146	0	0	216,146	
	<u>172,617,285</u>	<u>1,966,674</u>	<u>1,966,674</u>	<u>174,583,959</u>	<u>171,817,457</u>	<u>799,828</u>	<u>799,828</u>	<u>172,617,285</u>	

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus. 40.1.

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

12. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2017 \$	2017 Budget \$	2016 \$
Cash and cash equivalents	<u>53,726,269</u>	<u>49,404,766</u>	<u>55,357,714</u>

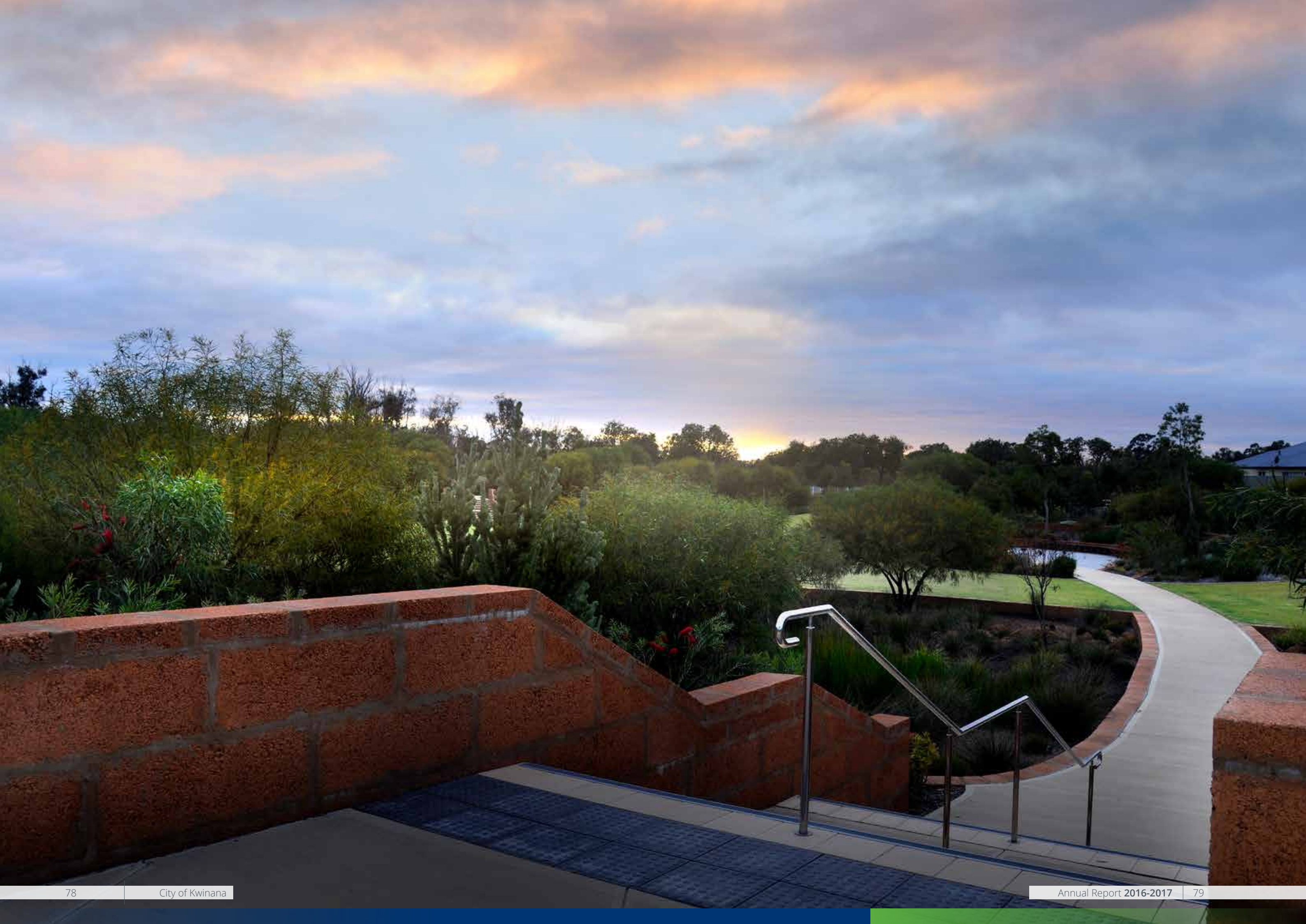
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result

Net result	15,042,185	765,954	33,953,002
Non-cash flows in Net result:			
Depreciation	12,461,397	11,316,975	11,315,275
(Profit)/Loss on sale of asset	167,829	(193,940)	(64,319)
Banksia Park DMF Receivable Movement	548,983	0	352,821
Contributed Assets	(13,593,470)	0	(29,397,461)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(1,795,886)	300,000	(863,230)
(Increase)/Decrease in accrued income/prepayments	336,592	0	265,757
(Increase)/Decrease in inventories	(10,041)	10,000	(5,237)
Increase/(Decrease) in payables	(4,537,034)	396,125	(2,565,093)
Increase/(Decrease) in accrued expenses/income in advance	55,148	0	(441,356)
Increase/(Decrease) in provisions	34,739	0	449,107
Grants/contributions for the development of assets	(6,440,531)	(3,881,987)	(5,337,399)
Net cash from operating activities	<u>2,269,911</u>	<u>8,713,127</u>	<u>7,661,867</u>

(c) Undrawn Borrowing Facilities

	2017 \$	2016 \$
Credit Standby Arrangements		
Credit card limit	71,000	100,000
Credit card balance at balance date	(17,535)	(19,501)
Total amount of credit unused	<u>53,465</u>	<u>80,499</u>
Loan facilities		
Loan facilities - current	617,723	3,105,457
Loan facilities - non-current	22,071,411	20,150,953
Total facilities in use at balance date	<u>22,689,134</u>	<u>23,256,410</u>
Unused loan facilities at balance date	<u>NIL</u>	<u>62,705</u>

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ADMINISTRATION

Cnr Gilmore Ave and Sulphur Rd, Kwinana WA 6167
PO Box 21, Kwinana WA 6966

Hours Mon-Fri 8am-5pm (Cashier hours 8am-4pm)

t: (08) 9439 0200

e: admin@kwinana.wa.gov.au

w: www.kwinana.wa.gov.au

City of Kwinana Annual Financial Report **for the Year Ended 30 June 2017**



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

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Principal place of business:
Cnr Gilmore Avenue and Sulphur Road
Kwinana WA 6167

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

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed as authorisation of issue on the 27th day of November 2017



Joanne Abbiss
Chief Executive Officer

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue				
Rates	22	34,367,785	34,912,115	33,835,973
Operating grants, subsidies and contributions	29	8,909,512	13,789,967	8,326,242
Fees and charges	28	13,492,239	13,725,456	13,605,449
Interest earnings	2(a)	2,251,635	1,967,000	2,041,745
Other revenue	2(a)	2,183,307	536,982	2,491,278
		<u>61,204,478</u>	<u>64,931,520</u>	<u>60,300,687</u>
Expenses				
Employee costs		(25,332,263)	(27,361,605)	(24,804,808)
Materials and contracts		(23,375,655)	(24,341,197)	(23,318,679)
Utility charges		(2,388,243)	(2,564,418)	(2,432,897)
Depreciation on non-current assets	2(a)	(12,461,397)	(11,316,975)	(11,315,275)
Interest expenses	2(a)	(1,191,217)	(1,223,591)	(1,165,687)
Insurance expenses		(539,510)	(593,600)	(524,890)
Other expenditure		(740,180)	(840,107)	(1,142,175)
		<u>(66,028,465)</u>	<u>(68,241,493)</u>	<u>(64,704,411)</u>
		<u>(4,823,987)</u>	<u>(3,309,973)</u>	<u>(4,403,724)</u>
Non-operating grants, subsidies and contributions	29	20,004,053	3,881,987	38,009,105
Other non-operating revenue		29,948	0	283,302
Profit on asset disposals	20	43,484	214,497	87,538
(Loss) on asset disposals	20	(211,313)	(20,557)	(23,219)
Net result		15,042,185	765,954	33,953,002
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	1,966,674	0	799,828
Total other comprehensive income		1,966,674	0	799,828
Total comprehensive income		17,008,859	765,954	34,752,830

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

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

	NOTE	2017 \$	2017 Budget \$	2016 \$
Revenue	2(a)			
Governance		398,955	31,895	227,327
General purpose funding		40,009,005	38,824,295	39,166,809
Law, order, public safety		437,430	446,539	511,117
Health		202,220	384,632	242,987
Education and welfare		7,742,585	6,070,114	7,498,753
Community amenities		7,307,664	13,981,358	7,811,527
Recreation and culture		2,931,537	3,042,950	2,774,943
Transport		311,016	261,984	270,430
Economic services		1,338,552	1,564,439	1,354,003
Other property and services		525,514	323,314	442,791
		<u>61,204,478</u>	<u>64,931,520</u>	<u>60,300,687</u>
Expenses	2(a)			
Governance		(4,938,262)	(5,012,497)	(5,413,510)
General purpose funding		(1,363,247)	(1,580,472)	(1,563,155)
Law, order, public safety		(2,670,214)	(2,914,573)	(2,357,364)
Health		(1,237,340)	(1,394,217)	(1,134,212)
Education and welfare		(10,101,888)	(8,754,118)	(9,960,264)
Community amenities		(8,897,157)	(10,575,604)	(8,737,603)
Recreation and culture		(17,528,733)	(17,845,900)	(16,909,009)
Transport		(12,558,114)	(12,879,280)	(12,280,975)
Economic services		(1,934,499)	(2,052,203)	(1,642,555)
Other property and services		(3,607,794)	(4,009,038)	(3,540,077)
		<u>(64,837,248)</u>	<u>(67,017,902)</u>	<u>(63,538,724)</u>
Finance costs	2(a)			
Governance		(62,679)	(63,009)	(67,751)
Education and welfare		(96,611)	(96,765)	(98,103)
Recreation and culture		(869,687)	(886,255)	(828,506)
Transport		(162,240)	(177,562)	(169,802)
Economic services		0	0	(1,525)
		<u>(1,191,217)</u>	<u>(1,223,591)</u>	<u>(1,165,687)</u>
		<u>(4,823,987)</u>	<u>(3,309,973)</u>	<u>(4,403,724)</u>
Non-operating grants, subsidies and contributions	29	20,004,053	3,881,987	38,009,105
Other non-operating revenue		29,948	0	283,302
Profit on disposal of assets	20	43,484	214,497	87,538
(Loss) on disposal of assets	20	(211,313)	(20,557)	(23,219)
Net result		<u>15,042,185</u>	<u>765,954</u>	<u>33,953,002</u>
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes on revaluation of non-current assets	12	1,966,674	0	799,828
Total other comprehensive income		<u>1,966,674</u>	<u>0</u>	<u>799,828</u>
Total comprehensive income		<u><u>17,008,859</u></u>	<u><u>765,954</u></u>	<u><u>34,752,830</u></u>

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

CITY OF KWINANA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2017

	NOTE	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	3	53,726,269	55,357,714
Trade and other receivables	4	4,463,080	4,096,861
Inventories	5	36,203	26,162
TOTAL CURRENT ASSETS		<u>58,225,552</u>	<u>59,480,737</u>
NON-CURRENT ASSETS			
Other receivables	4	4,488,131	3,943,449
Property, plant and equipment	6	159,964,117	160,822,364
Infrastructure	7	288,754,573	275,191,387
TOTAL NON-CURRENT ASSETS		<u>453,206,821</u>	<u>439,957,200</u>
TOTAL ASSETS		<u>511,432,373</u>	<u>499,437,937</u>
CURRENT LIABILITIES			
Trade and other payables	8	4,269,486	9,233,372
Current portion of long term borrowings	9	617,723	3,105,457
Provisions	10	4,522,884	4,545,806
TOTAL CURRENT LIABILITIES		<u>9,410,093</u>	<u>16,884,635</u>
NON-CURRENT LIABILITIES			
Payables	8	22,117,000	21,635,000
Long term borrowings	9	22,071,411	20,150,953
Provisions	10	436,010	378,349
TOTAL NON-CURRENT LIABILITIES		<u>44,624,421</u>	<u>42,164,302</u>
TOTAL LIABILITIES		<u>54,034,514</u>	<u>59,048,937</u>
NET ASSETS		<u>457,397,859</u>	<u>440,389,000</u>
EQUITY			
Retained surplus		232,470,241	220,833,639
Reserves - cash backed	11	50,343,659	46,938,076
Revaluation surplus	12	174,583,959	172,617,285
TOTAL EQUITY		<u>457,397,859</u>	<u>440,389,000</u>

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

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

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2015		191,937,888	41,880,825	171,817,457	405,636,170
Comprehensive income					
Net result		33,953,002	0	0	33,953,002
Changes on revaluation of assets	12	0	0	799,828	799,828
Total comprehensive income		33,953,002	0	799,828	34,752,830
Transfers from/(to) reserves		(5,057,251)	5,057,251	0	0
Balance as at 30 June 2016		220,833,639	46,938,076	172,617,285	440,389,000
Comprehensive income					
Net result		15,042,185	0	0	15,042,185
Changes on revaluation of assets	12	0	0	1,966,674	1,966,674
Total comprehensive income		15,042,185	0	1,966,674	17,008,859
Transfers from/(to) reserves		(3,405,583)	3,405,583	0	0
Balance as at 30 June 2017		232,470,241	50,343,659	174,583,959	457,397,859

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

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		33,186,450	35,272,115	33,622,693
Operating grants, subsidies and contributions		9,063,794	13,789,967	11,396,890
Fees and charges		13,492,243	13,675,456	13,552,673
Interest earnings		2,251,634	1,967,000	2,041,745
Goods and services tax		3,275,733	0	3,247,432
Other revenue		2,183,307	536,982	1,907,421
		<u>63,453,161</u>	<u>65,241,520</u>	<u>65,768,854</u>
Payments				
Employee costs		(25,116,512)	(27,361,605)	(24,094,279)
Materials and contracts		(28,144,211)	(23,945,072)	(25,829,908)
Utility charges		(2,388,243)	(2,564,418)	(2,431,675)
Interest expenses		(1,095,601)	(1,223,591)	(1,167,092)
Insurance expenses		(539,510)	(593,600)	(524,890)
Goods and services tax		(3,158,993)	0	(3,269,789)
Other expenditure		(740,180)	(840,107)	(789,354)
		<u>(61,183,250)</u>	<u>(56,528,393)</u>	<u>(58,106,987)</u>
Net cash provided by (used in) operating activities	13(b)	2,269,911	8,713,127	7,661,867
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for development of Land held for resale		0	0	(90,443)
Payments for purchase of property, plant & equipment		(2,764,010)	(3,953,539)	(3,190,371)
Payments for construction of infrastructure		(7,453,990)	(7,350,951)	(9,818,276)
Non-operating grants, subsidies and contributions		6,440,531	3,881,987	5,337,399
Proceeds from sale of fixed assets		443,979	476,500	360,296
Net cash provided by (used in) investment activities		<u>(3,333,490)</u>	<u>(6,946,003)</u>	<u>(7,401,395)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of debentures		(3,365,770)	(3,140,453)	(670,480)
Proceeds from/(Repayment of) self supporting loans		(591)	37,590	66,272
Proceeds from new debentures		2,798,494	2,605,500	1,700,000
Net cash provided by (used in) financing activities		<u>(567,867)</u>	<u>(497,363)</u>	<u>1,095,792</u>
Net increase (decrease) in cash held		(1,631,445)	1,269,761	1,356,264
Cash at beginning of year		55,357,714	48,135,005	54,001,450
Cash and cash equivalents at the end of the year	13(a)	<u>53,726,269</u>	<u>49,404,766</u>	<u>55,357,714</u>

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

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

	NOTE	2017 Actual \$	2017 Budget \$	2016 Actual \$
Net current assets at 1 July brought forward		2,844,089	1,000,000	2,917,706
		<u>2,844,089</u>	<u>1,000,000</u>	<u>2,917,706</u>
Revenue from operating activities (excluding rates)				
Governance		398,955	31,895	229,240
General purpose funding		5,641,220	3,912,180	5,330,836
Law, order, public safety		439,886	468,974	520,780
Health		202,220	401,275	250,864
Education and welfare		7,742,585	6,070,114	7,506,888
Community amenities		7,307,664	14,005,754	7,811,994
Recreation and culture		2,931,576	3,069,088	2,774,943
Transport		311,016	261,984	287,703
Economic services		1,338,552	1,621,623	1,358,447
Other property and services		566,504	391,015	480,557
		<u>26,880,178</u>	<u>30,233,902</u>	<u>26,552,252</u>
Expenditure from operating activities				
Governance		(5,005,256)	(5,083,085)	(5,487,452)
General purpose funding		(1,363,247)	(1,580,472)	(1,563,155)
Law, order, public safety		(2,714,408)	(2,914,573)	(2,357,364)
Health		(1,242,379)	(1,394,217)	(1,138,550)
Education and welfare		(10,198,499)	(8,850,883)	(10,058,367)
Community amenities		(8,902,957)	(10,575,604)	(8,740,978)
Recreation and culture		(18,453,873)	(18,732,155)	(17,746,830)
Transport		(12,720,354)	(13,056,842)	(12,450,777)
Economic services		(1,954,927)	(2,052,203)	(1,644,080)
Other property and services		(3,683,879)	(4,022,016)	(3,540,077)
		<u>(66,239,779)</u>	<u>(68,262,050)</u>	<u>(64,727,630)</u>
Operating activities excluded from budget				
(Profit) on disposal of assets	20	(43,484)	(214,497)	(87,538)
Loss on disposal of assets	20	211,313	20,557	23,219
Movement in deferred pensioner rates (non-current)		(10,323)	0	(49,318)
Movement in employee benefit provisions		34,739	0	449,107
Movement in Banksia Park deferred management fund receivable		(548,983)	0	352,821
Movement in Banksia Park valuation of unit contribution		482,000	0	0
Depreciation on assets	2(a)	12,461,397	11,316,975	11,315,275
Amount attributable to operating activities		<u>(23,928,853)</u>	<u>(25,905,113)</u>	<u>(23,254,106)</u>
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		20,004,053	3,881,987	38,009,105
Other non-operating revenue		29,948	0	283,302
Proceeds from disposal of assets	20	443,979	476,500	360,296
Purchase of land held for resale		0	0	(90,443)
Purchase of property, plant and equipment	6(b)	(2,764,010)	(5,147,565)	(3,091,834)
Purchase and construction of infrastructure	7(b)	(7,453,990)	(6,156,925)	(9,881,015)
Contributed infrastructure assets		<u>(13,593,470)</u>	<u>0</u>	<u>(29,397,461)</u>
Amount attributable to investing activities		<u>(3,333,490)</u>	<u>(6,946,003)</u>	<u>(3,808,050)</u>
FINANCING ACTIVITIES				
Repayment of debentures	21(a)	(3,365,770)	(3,140,453)	(670,480)
Proceeds from new debentures	21(a)	2,798,494	2,605,550	1,700,000
Proceeds from/(repayment of) self supporting loans		(591)	37,590	66,272
Proceeds from loan borrowings (Unspent)		62,705	0	31,731
Transfers to reserves (restricted assets)	11	(8,649,520)	(8,640,389)	(10,363,246)
Transfers from reserves (restricted assets)	11	5,243,937	7,076,703	5,305,995
Amount attributable to financing activities		<u>(3,910,745)</u>	<u>(2,060,999)</u>	<u>(3,929,728)</u>
Surplus(deficiency) before general rates		<u>(31,173,088)</u>	<u>(34,912,115)</u>	<u>(30,991,884)</u>
Total amount raised from general rates	22	<u>34,367,785</u>	<u>34,912,115</u>	<u>33,835,973</u>
Net current assets at June 30 c/fwd - surplus/(deficit)	23	<u><u>3,194,697</u></u>	<u><u>0</u></u>	<u><u>2,844,089</u></u>

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

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

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

CRITICAL ACCOUNTING ESTIMATES

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

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

THE LOCAL GOVERNMENT REPORTING ENTITY

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

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

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears at Note 19 to these financial statements.

(a) Goods and Services Tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable.

The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(b) Cash and Cash Equivalents

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business.

Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

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

(d) Inventories

General

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

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

Land held for sale

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

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

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

(e) Fixed Assets

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

Mandatory requirement to revalue non-current assets

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Land under control

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

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

Initial recognition and measurement between mandatory revaluation dates

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

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

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

Revaluation

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

Land under roads

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Fixed Assets (Continued)

Depreciation

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

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

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

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

Asset Class	Asset Description	Useful Life (Years)
Land	Land	Nil
	Vested Land	Nil
	Other Vested Land	Nil
Buildings	Entire Building	15 to 125
	Building Structure	40 to 60
	Roof Cladding	40 to 60
	Floor Coverings	10 to 30
	Finishes & Fittings	10 to 30
	Mechanical	10 to 30
	Fire & Security	10 to 30
	Fencing	10 to 30
	Transportable Buildings	10 to 30
	Vehicles	5 to 10
Plant & Equipment	Major Plant	5 to 20
	Minor Plant & Equipment	3 to 20
Furniture & Equipment	Computing Equipment	2 to 7
	Office Furniture	7 to 13
	Office Equipment	3 to 10
	Audio Visual Equipment	3 to 10
	Specialised Equipment	5 to 13
	White Goods	5 to 13
	Art Works	Nil
	Pavement	60
Infrastructure - Roads	Subgrade	Nil
	Surface	15 to 20
	Kerbs	60
	Barriers	10
Infrastructure - Footpaths	Footpaths	49
Infrastructure - Drainage	Pits	80
	Pipes	80
	Chambers	80
	Culverts	80
	Car Parks	20
Infrastructure - Bus Shelters	Bus Shelters	24
Infrastructure - Street Lights	Street Lights	30
Infrastructure – Parks & Ovals	Playground Equipment/Shade Structures	15
	Bores/Pumps/Irrigation	20 to 40
	BBQ's/Park Furniture	15
	Outdoor Public Art	23
	Fencing	30
	Other Structures	20 to 50

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income in the period in which they arise.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Fair Value of Assets and Liabilities

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

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

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

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

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

Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Income approach

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

Cost approach

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

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

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

(g) Financial Instruments

Initial recognition and measurement

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

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

Classification and subsequent measurement

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

Amortised cost is calculated as:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Classification and subsequent measurement (continued)

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

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

(ii) Loans and receivables

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

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

(iii) Held-to-maturity investments

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

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

(iv) Available-for-sale financial assets

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

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

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

(v) Financial liabilities

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Financial Instruments (Continued)

Impairment

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

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

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

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

Derecognition

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

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

(h) Impairment of Assets

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

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

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

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

(i) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the City prior to the end of the financial year that are unpaid and arise when the City becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Employee Benefits

Short-term employee benefits

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

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

Other long-term employee benefits

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

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

(k) Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

(l) Provisions

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

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

(m) Leases

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Investment in Associates

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

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

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

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

(o) Interests in Joint Arrangements

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

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

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The City's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements. Information about the joint ventures is set out in Note 16.

(p) Rates, Grants, Donations and Other Contributions

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

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

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

(q) Superannuation

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Current and Non-Current Classification

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

(s) Rounding Off Figures

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

(t) Comparative Figures

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

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

(u) Budget Comparative Figures

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the City.

Management's assessment of the new and amended pronouncements that are relevant to the City, applicable to future reporting periods and which have not yet been adopted are set out as follows:

Title	Issued / Compiled	Applicable ⁽¹⁾	Impact
(i) AASB 9 Financial Instruments (incorporating AASB 2014-7 and AASB 2014-8)	December 2014	1 January 2018	Nil – The objective of this Standard is to improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. Given the nature of the financial assets of the City, it is not anticipated the Standard will have any material effect.
(ii) AASB 15 Revenue from Contracts with Customers	December 2014	1 January 2019	This Standard establishes principles for entities to apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The effect of this Standard will depend upon the nature of future transactions the City has with those third parties it has dealings with. It may or may not be significant.
(iii) AASB 16 Leases	February 2016	1 January 2019	Under AASB 16 there is no longer a distinction between finance and operating leases. Lessees will now bring to account a right-to-use asset and lease liability onto their statement of financial position for all leases. Effectively this means the vast majority of operating leases as defined by the current AASB 117 Leases which currently do not impact the statement of financial position will be required to be capitalised on the statement of financial position once AASB 16 is adopted. Currently, operating lease payments are expensed as incurred. This will cease and will be replaced by both depreciation and interest charges. Based on the current number of operating leases held by the City, the impact is not expected to be significant.

Notes:

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

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

1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Notes:

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

(w) Adoption of New and Revised Accounting Standards

During the current year, the City adopted all of the new and revised Australian Accounting Standards and Interpretations which were compiled, became mandatory and which were applicable to its operations.

Whilst many reflected consequential changes associate with the amendment of existing standards, the only new standard with material application is as follows:

<p>(i) AASB 2015-6 Amendments to Australian Accounting Standards - Extending Related Party Disclosures to Not-for-Profit Public Sector Entities</p> <p>[AASB 10, 124 & 1049]</p>	<p>The objective of this Standard was to extend the scope of AASB 124 <i>Related Party Disclosures</i> to include not-for-profit sector entities.</p> <p>The Standard has had a significant disclosure impact on the financial report of the City as both Elected Members and Senior Management are deemed to be Key Management Personnel and resultant disclosures in accordance to AASB 124 have been necessary.</p>
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CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

2. REVENUE AND EXPENSES	2017	2016	
	\$	\$	
(a) Net Result			
The Net result includes:			
(i) Charging as an expense:			
Auditors remuneration			
- Audit of the Annual Financial Report	24,750	35,050	
- Other Engagements	23,060	11,387	
Depreciation			
Buildings - Specialised	3,752,342	3,473,011	
Furniture and equipment	466,412	496,552	
Plant and equipment	758,369	919,614	
Infrastructure - Roads	4,489,441	3,830,450	
Infrastructure - Footpaths	962,399	813,640	
Infrastructure - Drainage	812,914	694,159	
Infrastructure - Car Parks	131,701	119,532	
Infrastructure - Bus Shelters	69,360	65,155	
Infrastructure - Street Lights	54,427	52,769	
Infrastructure - Parks & Ovals	894,521	780,881	
Infrastructure - Other	69,511	69,512	
	<u>12,461,397</u>	<u>11,315,275</u>	
Finance Costs			
Debentures (refer Note 21 (a))	1,033,650	1,037,116	
Bank Guarantee Fees	157,567	128,571	
	<u>1,191,217</u>	<u>1,165,687</u>	
Rental charges			
- Operating leases	324,931	281,620	
	<u>324,931</u>	<u>281,620</u>	
(ii) Crediting as revenue:			
Significant revenue			
Other Revenue			
Settlement Dividend from Lehman Brothers Australia Ltd (see below)	26,692	1,301,026	
Non-Operating Grants, Subsidies & Contributions - Contributed Assets	13,593,470	29,397,461	
	<u>13,620,162</u>	<u>30,698,487</u>	
Other revenue			
Reimbursements and recoveries	813,526	1,086,307	
Significant revenue (refer above)	26,692	1,301,026	
Other	1,343,089	103,945	
	<u>2,183,307</u>	<u>2,491,278</u>	
	2017	2017	2016
	Actual	Budget	Actual
	\$	\$	\$
Interest earnings			
- Reserve funds	1,233,110	800,000	1,088,046
- Other funds	377,996	657,000	441,045
Other interest revenue (refer note 27)	640,529	510,000	512,654
	<u>2,251,635</u>	<u>1,967,000</u>	<u>2,041,745</u>

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective

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

COMMUNITY VISION

Kwinana 2030: Rich in spirit, alive with opportunities, surrounded by nature - it's all here!

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

GOVERNANCE

Objective:

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

Activities:

Members of Council and Governance (includes Audit and other costs associated with reporting to council). Administration, Financial and Computing Services are included.

GENERAL PURPOSE FUNDING

Objective:

To collect revenue to allow for the provision of services.

Activities:

Rates income and expenditure, Grants Commission and Pensioner deferred rates interest and interest on investments.

LAW, ORDER, PUBLIC SAFETY

Objective:

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

Activities:

Supervision of various local laws, fire prevention and animal control.

HEALTH

Objective:

To provide an operational framework for environmental and community health.

Activities:

Prevention and treatment of human illness, including inspection of premises and food control, immunisation and child health.

EDUCATION AND WELFARE

Objective:

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

Activities:

Provision, management and support of services for families, children and the aged and disabled within the community; including pre-school playgroups, day and after school care, assistance to schools, senior citizens support groups, meals on wheels provision and Aged Persons Units and Resident Funded Units.

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

2. REVENUE AND EXPENSES (Continued)

(b) Statement of Objective (Continued)

COMMUNITY AMENITIES

Objective:

To provide services required by the community.

Activities:

Town planning and development, rubbish collection services, stormwater drainage, the provision of public conveniences, bus shelters, roadside furniture and litter control.

RECREATION AND CULTURE

Objective:

To establish and effectively manage infrastructure and resources which will help the social well being of the community.

Activities:

Provision of facilities and support for organisations concerned with leisure time activities and sport, support for the performing and creative arts and the preservation of the national estate. This includes maintenance of halls, aquatic centre, recreation and community centres, parks, garden, sports grounds and the operation of Libraries.

TRANSPORT

Objective:

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

Activities:

Construction, maintenance and clearing of streets, roads, bridges, drainage works, footpaths, parking facilities, traffic signs and the City Depot, including plant purchases and maintenance.

ECONOMIC SERVICES

Objective:

To help promote the City and economic wellbeing.

Activities:

Rural services, pest control and the implementation of building controls.

OTHER PROPERTY AND SERVICES

Objective:

To monitor and control the City's overheads operating accounts.

Activities:

Private works, public works overheads, City plant operations, materials, salaries and wages. With the exception of private works, the above activities listed are mainly summaries of costs that are allocated to all works and services undertaken by the City.

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions

		Opening Balance ⁽¹⁾ 1/07/15	Received ⁽²⁾ 2015/16	Expended ⁽³⁾ 2015/16	Closing Balance ⁽¹⁾ 30/06/16	Received ⁽²⁾ 2016/17	Expended ⁽³⁾ 2016/17	Closing Balance 30/06/17
Grant/Contribution		\$	\$	\$	\$	\$	\$	\$
Cat Sterilisation Subsidy	Law, order, public safety	1,982	0	(709)	1,273	0	(1,273)	0
FESA ESL Grant	Law, order, public safety	0	192,917	(175,560)	17,357	176,843	(170,277)	23,923
CCTV Supply & Installation - Safer Streets	Law, order, public safety	40,000	135,000	(98,764)	76,236	0	(76,236)	0
Connections Your Next Step	Education and welfare	0	2,000	0	2,000	0	(823)	1,177
BP Coastcare	Community amenities	2,939	4,545	(5,672)	1,812	10,000	(7,168)	4,644
Bushcare Projects	Community amenities	0	145	(145)	0	101,250	(90,211)	11,039
Caring for the Coast Kwinana Rockingham Region	Community amenities	1,825	0	(1,379)	446	0	(446)	0
Challenger Beach Coastal Rehabilitation	Community amenities	5,336	16,000	(10,399)	10,937	0	0	10,937
Coastcare in the Kwinana Industrial Area	Community amenities	9,898	10,000	(6,648)	13,250	10,000	(8,476)	14,774
Fauna Survey and Feral Animal Control	Community amenities	0	0	0	0	30,000	(18,832)	11,168
Developer Contributions - Amendment 100	Community amenities	295,707	0	(295,707)	0	0	0	0
Honeywood Wetlands	Community amenities	0	13,636	0	13,636	0	(13,636)	0
Local Government Coastcare Program	Community amenities	5,071	0	0	5,071	0	(5,071)	0
Perth Region NRM Support for South Metro Coast	Community amenities	5,639	5,000	(5,993)	4,646	5,000	(7,310)	2,336
SMCC - Degremont (proAlliance) - Adopt a Beach	Community amenities	3,097	5,000	(2,139)	5,958	5,000	(3,462)	7,496
SMCC - Tronox - Adopt a Beach Community Project	Community amenities	0	5,000	(4,288)	712	5,000	(5,712)	0
SMCC - Challenger Beach Coastal Rehab Project	Community amenities	0	16,000	0	16,000	0	(13,498)	2,502
Street Furniture Maintenance & Bus Shelter Subsidy	Community amenities	0	0	0	0	13,848	(5,149)	8,699
Swan Alcoa Landcare Program - Lake Magenup	Community amenities	0	8,155	(3,606)	4,549	0	(4,549)	0
Swan Alcoa Landcare Program - Revegetation	Community amenities	3,661	0	(3,661)	0	0	0	0
Thomas Oval Res - Revegetation & Erosion Control	Community amenities	2,340	0	(2,340)	0	0	0	0
Verve Energy Community Partnership	Community amenities	2,794	0	(2,794)	0	0	0	0
Water Corporation - Real Time Monitoring	Community amenities	728	0	(728)	0	0	0	0
Water Corporation - Facility Retrofits	Community amenities	9,953	0	(9,953)	0	0	0	0
Community Energy Efficiency	Community amenities	11,186	0	(8,921)	2,265	0	(2,265)	0
Revolving Energy Fund	Community amenities	4,618	0	(4,618)	0	0	0	0
Water Wise Project - Water Efficiency Program	Community amenities	0	7,398	0	7,398	0	(7,398)	0
Freak Fest - October 2015	Recreation and culture	4,545	1,450	(5,995)	0	0	0	0

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

2. REVENUE AND EXPENSES (Continued)

(c) Conditions Over Grants/Contributions (Continued)

		Opening Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance
		1/07/15	2015/16	2015/16	30/06/16	2016/17	2016/17	30/06/17
		\$	\$	\$	\$	\$	\$	\$
Grant/Contribution								
Freak Fest - October 2016	Recreation and culture	0	5,000	0	5,000	0	(5,000)	0
Kidsport - 14/15 Funding	Recreation and culture	8,391	0	(8,391)	0	0	0	0
Naidoc Week Celebrations 2015	Recreation and culture	6,969	0	(6,969)	0	0	0	0
Naidoc Week Celebrations 2016	Recreation and culture	0	10,000	(8,365)	1,635	6,000	(7,635)	0
Noongar Cultural Heritage Program	Recreation and culture	3,649	0	0	3,649	0	(2,043)	1,606
Our Village	Recreation and culture	1,336	2,000	(3,336)	0	0	0	0
Silversport - Pilot Seniors Program	Recreation and culture	0	77,500	0	77,500	10,000	(83,436)	4,064
Youth Friendly Communities - Stage 1	Recreation and culture	1,214	0	(1,214)	0	0	0	0
Youth Friendly Communities - Stage 2	Recreation and culture	10,000	0	(10,000)	0	0	0	0
Prince Regent Park Bertram Play Equipment	Recreation and culture	0	20,000	0	20,000	0	(20,000)	0
Public Open Space Upgrade Strategy Implementation	Recreation and culture	0	18,674	0	18,674	0	(18,674)	0
Anketell Rd	Transport	26,575	1,444,022	(1,470,597)	0	0	0	0
Roads to Recovery 2016 / 2017 Funding	Transport	0	0	0	0	670,432	(589,367)	81,065
State Black Spot	Transport	0	0	0	0	1,203	0	1,203
Gilmore Avenue, Leda - Dual Carriageway	Transport	0	292,331	(292,331)	0	0	0	0
Johnson Road Urban Forrest Streetscape Project	Transport	0	11,000	(7,912)	3,088	0	(3,088)	0
Meares Avenue - Road Rehabilitation	Transport	0	194,904	(194,904)	0	0	0	0
Speed Alert Mobile Trailer for Drive Speed Education	Transport	0	0	0	0	26,290	0	26,290
Developer Contributions - DCA 1 - DCA 15	Community amenities	21,409,541	5,043,900	(1,219,592)	25,233,849	3,354,865	(345,424)	28,243,290
Total		21,878,994	7,541,577	(3,873,630)	25,546,941	4,425,731	(1,516,459)	28,456,213

For grants and contributions where the funds have not been fully expended at 30 June 2017 the balance of the grant has been transferred to the Restricted Grants and Contributions Reserve, relevant Developer Contribution Reserve or remains in net current asset at 30 June surplus. These funds are quarantined as Restricted Cash at year ended 30 June 2017 and will be expended in the 2017/2018 year or as determined by the relevant Developer Contributions Scheme.

Notes:

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

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

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

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

	Note	2017	2016
		\$	\$
3. CASH AND CASH EQUIVALENTS			
Unrestricted		3,382,610	8,356,933
Restricted		<u>50,343,659</u>	<u>47,000,781</u>
		<u>53,726,269</u>	<u>55,357,714</u>
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Aged Persons Units Reserve	11	643,364	528,629
Asset Management Reserve	11	566,868	1,212,394
Asset Replacement Reserve	11	595,442	531,374
Banksia Park Reserve	11	107,840	72,479
CLAG Reserve	11	239,215	246,658
Community Services & Emergency Relief Reserve	11	26,059	25,299
Employee Leave Reserve	11	4,074,338	4,100,853
Family Day Care Reserve	11	1,383,878	1,423,011
Future Community Infrastructure Reserve	11	1,568,683	2,571,524
Golf Course Cottage Reserve	11	27,264	26,469
Infrastructure Reserve	11	128,213	119,703
Rates Strategy Reserve	11	819,692	0
Refuse Reserve	11	8,636,810	8,385,016
Restricted Grants and Contributions Reserve	11	2,644,457	2,303,075
Settlement Agreement Reserve	11	157,743	157,743
Workers Compensation Reserve	11	210,503	0
Youth Engagement Reserve	11	<u>270,000</u>	<u>0</u>
		22,100,369	21,704,227
DCA 1 - Hard Infrastructure - Bertram	11	1,743,837	1,483,289
DCA 2 - Hard Infrastructure - Wellard	11	1,969,898	1,530,683
DCA 5 - Hard Infrastructure - Wandí	11	3,104,086	2,846,531
DCA 7 - Hard Infrastructure - Mandogalup (west)	11	8,567	0
DCA 9 - Soft Infrastructure - Wandí/Anketell	11	9,928,654	9,116,394
DCA 11 - Soft Infrastructure - Wellard East	11	4,374,577	3,647,606
DCA 12 - Soft Infrastructure - Wellard West	11	6,297,347	5,779,219
DCA 13 - Soft Infrastructure - Bertram	11	288,108	286,381
DCA 14 - Soft Infrastructure - Wellard/Leda	11	367,092	406,289
DCA 15 - Soft Infrastructure - Townsite	11	<u>161,124</u>	<u>137,457</u>
		28,243,290	25,233,849
Unspent loans	21(c)	0	62,705
		<u>50,343,659</u>	<u>47,000,781</u>

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

	2017	2016
	\$	\$
4. TRADE AND OTHER RECEIVABLES		
Current		
Rates outstanding	2,761,590	1,590,578
Sundry debtors	738,586	1,139,002
GST receivable	437,333	554,076
Loans receivable - clubs/institutions	15,645	37,590
Accrued Income	74,118	410,710
DMF Receivable	402,065	364,905
Prepayments	33,743	0
	<u>4,463,080</u>	<u>4,096,861</u>
Non-current		
Rates outstanding - pensioners	599,197	588,874
Loans receivable - clubs/institutions	282,850	260,314
DMF Receivable	3,606,084	3,094,261
	<u>4,488,131</u>	<u>3,943,449</u>
Information with respect to the impairment or otherwise of the totals of rates outstanding and sundry debtors is as follows:		
Rates outstanding	2,761,590	1,590,578
Includes:		
Past due and not impaired	2,761,590	1,590,578
Impaired	<u>0</u>	<u>0</u>
Sundry debtors	738,586	1,139,002
Includes:		
Past due and not impaired	204,170	68,340
Impaired	<u>126,024</u>	<u>0</u>
5. INVENTORIES		
Current		
Stores & Materials	36,203	26,162
	<u>36,203</u>	<u>26,162</u>

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

	2017 \$	2016 \$
6 (a). PROPERTY, PLANT AND EQUIPMENT		
Freehold Land at:		
- Independent valuation 2014 - level 2	0	8,320,000
- Independent valuation 2014 - level 3	0	26,693,000
- Independent valuation 2017 - level 2	8,420,000	0
- Independent valuation 2017 - level 3	27,011,000	0
- Additions after valuation - cost	0	206,404
	<u>35,431,000</u>	<u>35,219,404</u>
Land - vested in and under the control of Council at:		
- Independent valuation 2014 - level 3	0	12,140,000
- Independent valuation 2017 - level 3	12,140,000	0
	<u>12,140,000</u>	<u>12,140,000</u>
	<u>47,571,000</u>	<u>47,359,404</u>
Buildings - Specialised at:		
- Independent valuation 2014 - level 2	0	22,335,000
- Independent valuation 2014 - level 3	0	83,206,100
- Independent valuation 2017 - level 3	104,111,403	0
- Additions after valuation - cost	0	6,850,520
Less: accumulated depreciation	0	(6,939,279)
	<u>104,111,403</u>	<u>105,452,341</u>
	<u>104,111,403</u>	<u>105,452,341</u>
Total land and buildings	<u>151,682,403</u>	<u>152,811,745</u>
Furniture and equipment at:		
- Independent Valuation 2016 - level 3	1,408,897	1,422,505
- Management valuation 2016 - level 3	4,624,955	4,635,882
- Additions after valuation - cost	705,507	0
Less: accumulated depreciation	(4,874,511)	(4,421,707)
	<u>1,864,848</u>	<u>1,636,680</u>
Plant and equipment at:		
- Independent Valuation 2016 - level 2	3,207,361	4,019,255
- Independent Valuation 2016 - level 3	1,802,058	2,034,817
- Management Valuation 2016 - level 3	3,271,235	3,271,235
- Additions after valuation - cost	1,357,452	0
Less: accumulated depreciation	(3,221,240)	(2,951,368)
	<u>6,416,866</u>	<u>6,373,939</u>
	<u>159,964,117</u>	<u>160,822,364</u>

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

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Movements in Carrying Amounts

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

	Balance at the Beginning of the Year \$	Additions \$	(Disposals) \$	Revaluation Increments/ (Decrements) Transferred to Revaluation \$	Depreciation (Expense) \$	Transfers \$	Carrying Amount at the End of Year \$
Land - freehold land	35,219,404	0	0	211,596	0	0	35,431,000
Land - vested in and under the control of Council	12,140,000	0	0	0	0	0	12,140,000
Total land	47,359,404	0	0	211,596	0	0	47,571,000
Buildings - Specialised	105,452,341	701,051	(44,725)	1,755,078	(3,752,342)	0	104,111,403
Total buildings	105,452,341	701,051	(44,725)	1,755,078	(3,752,342)	0	104,111,403
Total land and buildings	152,811,745	701,051	(44,725)	1,966,674	(3,752,342)	0	151,682,403
Furniture and equipment	1,636,680	705,507	(10,927)	0	(466,412)	0	1,864,848
Plant and equipment	6,373,939	1,357,452	(556,156)	0	(758,369)	0	6,416,866
Total property, plant and equipment	160,822,364	2,764,010	(611,808)	1,966,674	(4,977,123)	0	159,964,117

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Land:					
Land - freehold land					
- Independent valuation	2	Market approach using recent observable open market values as evidenced by sales transactions of similar property types, adjusted for condition and comparability, at their current use as highest and best use.	Independent registered valuer	June 2017	Price per square metre
- Independent valuation	3	Current replacement cost using both observable and unobservable inputs	Independent registered valuer	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Land - vested in and under the control of Council	3	Improvements to land valued using cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Improvements to land using construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
Buildings					
- Independent valuation	3	Cost approach using depreciated replacement costs	Independent registered valuer	June 2017	Construction costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

6. PROPERTY, PLANT AND EQUIPMENT (Continued)

(c) Fair Value Measurements (Continued)

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Furniture and equipment					
- Independent Valuation	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (level 3) inputs
- Management valuation	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (level 3) inputs
Plant and equipment					
- Independent Valuation	2	Market approach using recent observable market data for similar assets	Independent registered valuer	June 2016	Market price per item
- Independent Valuation	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs
- Management Valuation	3	Cost approach using depreciated replacement cost	Management valuation	June 2016	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (Level 3) inputs

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

During the period there were no changes in the valuation techniques used by the local government to determine the fair value of property, plant and equipment using either level 2 or level 3 inputs.

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

	2017 \$	2016 \$
7 (a). INFRASTRUCTURE		
Infrastructure - Roads		
- Independent valuation 2015 - level 3	224,918,631	224,918,631
- Additions after valuation - cost	34,474,939	23,149,573
Less: accumulated depreciation	<u>(76,756,947)</u>	<u>(72,267,506)</u>
	182,636,623	175,800,698
Infrastructure - Footpaths		
- Independent valuation 2015 - level 3	40,380,270	40,380,270
- Additions after valuation - cost	7,250,021	5,166,511
Less: accumulated depreciation	<u>(12,825,218)</u>	<u>(11,862,819)</u>
	34,805,073	33,683,962
Infrastructure - Drainage		
- Independent valuation 2015 - level 3	55,012,877	55,012,877
- Additions after valuation - cost	9,893,492	6,949,340
Less: accumulated depreciation	<u>(15,685,611)</u>	<u>(14,872,697)</u>
	49,220,758	47,089,520
Infrastructure - Car Parks		
- Independent valuation 2015 - level 3	2,655,110	2,655,110
- Additions after valuation - cost	224,233	131,904
Less: accumulated depreciation	<u>(1,469,995)</u>	<u>(1,338,294)</u>
	1,409,348	1,448,720
Infrastructure - Bus Shelters		
- Independent valuation 2015 - level 3	1,584,000	1,584,000
- Additions after valuation - cost	92,154	45,206
Less: accumulated depreciation	<u>(935,591)</u>	<u>(866,230)</u>
	740,563	762,976
Infrastructure - Street Lights		
- Independent valuation 2015 - level 3	1,483,400	1,483,400
- Additions after valuation - cost	41,430	28,457
Less: accumulated depreciation	<u>(586,609)</u>	<u>(532,183)</u>
	938,221	979,674
Infrastructure - Parks & Ovals		
- Independent valuation 2015 - level 3	19,383,277	19,383,277
- Additions after valuation - cost	8,675,430	1,042,121
Less: accumulated depreciation	<u>(9,582,880)</u>	<u>(8,688,359)</u>
	18,475,827	11,737,039
Infrastructure - Parks & Ovals - Works in Progress		
- At Cost	<u>0</u>	<u>3,091,127</u>
	0	3,091,127
Infrastructure - Other		
- Independent valuation 2015 - level 3	2,853,000	2,853,000
Less: accumulated depreciation	<u>(2,324,840)</u>	<u>(2,255,329)</u>
	528,160	597,671
	<u>288,754,573</u>	<u>275,191,387</u>

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

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

7. INFRASTRUCTURE (Continued)

(b) Movements in Carrying Amounts

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

	Balance as at the Beginning of the Year	Additions	(Disposals)	Revaluation Increments/ (Decrements) Transferred to Revaluation	Depreciation (Expense)	Transfers	Carrying Amount at the End of the Year
	\$	\$	\$	\$	\$	\$	\$
Infrastructure - Roads	175,800,698	11,325,366	0	0	(4,489,441)	0	182,636,623
Infrastructure - Footpaths	33,683,962	2,083,510	0	0	(962,399)	0	34,805,073
Infrastructure - Drainage	47,089,520	2,944,152	0	0	(812,914)	0	49,220,758
Infrastructure - Car Parks	1,448,720	92,329	0	0	(131,701)	0	1,409,348
Infrastructure - Bus Shelters	762,976	46,947	0	0	(69,360)	0	740,563
Infrastructure - Street Lights	979,674	12,974	0	0	(54,427)	0	938,221
Infrastructure - Parks & Ovals	11,737,039	4,542,182	0	0	(894,521)	3,091,127	18,475,827
Infrastructure - Parks & Ovals - Works in Progress	3,091,127	0	0	0	0	(3,091,127)	0
Infrastructure - Other	597,671	0	0	0	(69,511)	0	528,160
Total infrastructure	<u>275,191,387</u>	<u>21,047,460</u>	<u>0</u>	<u>0</u>	<u>(7,484,274)</u>	<u>0</u>	<u>288,754,573</u>

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

7. INFRASTRUCTURE (Continued)

(c) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of valuation	Date of last Valuation	Inputs used
Infrastructure - Roads	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2015	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - Footpaths	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2015	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - Drainage	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2015	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - Car Parks	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2015	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - Bus Shelters	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2015	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - Street Lights	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2015	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - Parks & Ovals	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2015	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)
Infrastructure - Other	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2015	Construction costs and current condition, non-depreciable components and remaining useful life assessments (Level 3 inputs)

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

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

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

	2017 \$	2016 \$
8. TRADE AND OTHER PAYABLES		
Current		
Sundry creditors	3,064,174	4,674,862
Accrued interest on debentures	112,419	16,802
Accrued salaries and wages	1,034,551	853,535
Bond and Deposit Creditors	0	3,408,346
Accrued Expenses	58,342	279,827
	<u>4,269,486</u>	<u>9,233,372</u>
Non Current		
Unit Contribution	22,117,000	21,635,000
	<u>22,117,000</u>	<u>21,635,000</u>

9. LONG-TERM BORROWINGS

Current		
Secured by floating charge		
Debentures	617,723	3,105,457
	<u>617,723</u>	<u>3,105,457</u>
Non-current		
Secured by floating charge		
Debentures	22,071,411	20,150,953
	<u>22,071,411</u>	<u>20,150,953</u>

Additional detail on borrowings is provided in Note 21.

10. PROVISIONS

	Provision for Annual Leave \$	Provision for Other Leave (1) \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2016				
Current provisions	2,021,297	630,339	1,894,170	4,545,806
Non-current provisions	0	0	378,349	378,349
	<u>2,021,297</u>	<u>630,339</u>	<u>2,272,519</u>	<u>4,924,155</u>
Additional provision	92,877	(42,547)	(15,591)	34,739
Balance at 30 June 2017	<u>2,114,174</u>	<u>587,792</u>	<u>2,256,928</u>	<u>4,958,894</u>
Comprises				
Current	2,114,174	587,792	1,820,918	4,522,884
Non-current	0	0	436,010	436,010
	<u>2,114,174</u>	<u>587,792</u>	<u>2,256,928</u>	<u>4,958,894</u>

(1) - Other leave incorporates a provision for sick leave payable to employees with service years greater than ten (10) years upon termination (\$443,945) and a provision for accrued rostered days off (RDO) payable upon termination (\$143,847).

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

11. RESERVES - CASH BACKED

	Actual 2017 Opening Balance \$	Actual 2017 Transfer to \$	Actual 2017 Transfer (from) \$	Actual 2017 Closing Balance \$	Budget 2017 Opening Balance \$	Budget 2017 Transfer to \$	Budget 2017 Transfer (from) \$	Budget 2017 Closing Balance \$	Actual 2016 Opening Balance \$	Actual 2016 Transfer to \$	Actual 2016 Transfer (from) \$	Actual 2016 Closing Balance \$
Aged Persons Units Reserve	528,629	307,621	(192,886)	643,364	426,000	288,802	(188,230)	526,572	404,358	345,013	(220,742)	528,629
Asset Management Reserve	1,212,394	30,515	(676,041)	566,868	1,086,200	24,193	(816,174)	294,219	1,277,498	535,344	(600,448)	1,212,394
Asset Replacement Reserve	531,374	528,902	(464,834)	595,442	528,400	261,767	(559,000)	231,167	457,328	260,510	(186,464)	531,374
Banksia Park Reserve	72,479	111,605	(76,244)	107,840	83,900	1,869	(85,400)	369	173,273	3,813	(104,607)	72,479
CLAG Reserve	246,658	7,407	(14,850)	239,215	206,200	76,899	(83,120)	199,979	180,211	66,447	0	246,658
Community Services & Emergency Relief Reserve	25,299	760	0	26,059	25,200	561	0	25,761	24,542	757	0	25,299
Employee Leave Reserve	4,100,853	110,494	(137,009)	4,074,338	3,695,958	0	0	3,695,958	3,695,958	606,726	(201,831)	4,100,853
Family Day Care Reserve	1,423,011	42,537	(81,670)	1,383,878	1,301,900	28,997	(50,000)	1,280,897	1,282,200	140,811	0	1,423,011
Future Community Infrastructure Reserve	2,571,524	70,508	(1,073,349)	1,568,683	1,515,400	552,381	(1,702,481)	365,300	2,215,240	665,952	(309,668)	2,571,524
Golf Course Cottage Reserve	26,469	795	0	27,264	26,349	577	0	26,926	25,677	792	0	26,469
Infrastructure Reserve	119,703	8,510	0	128,213	116,100	2,586	0	118,686	167,558	7,516	(55,371)	119,703
Rates Strategy Reserve	0	819,692	0	819,692	0	0	0	0	0	0	0	0
Refuse Reserve	8,385,016	251,794	0	8,636,810	6,655,700	148,242	(710,119)	6,093,823	6,351,966	2,081,737	(48,687)	8,385,016
Restricted Grants and Contributions Reserve	2,303,075	2,391,338	(2,049,956)	2,644,457	1,633,383	0	(1,633,383)	0	4,065,475	996,104	(2,758,504)	2,303,075
Settlement Agreement Reserve	157,743	0	0	157,743	0	0	0	0	150,000	150,042	(142,299)	157,743
Workers Compensation Reserve	0	342,176	(131,673)	210,503	0	0	0	0	0	0	0	0
Youth Engagement Reserve	0	270,000	0	270,000	0	0	0	0	0	0	0	0
DCA 1 - Hard Infrastructure - Bertram	1,483,289	304,642	(44,094)	1,743,837	1,255,800	27,970	0	1,283,770	1,758,122	267,385	(542,218)	1,483,289
DCA 2 - Hard Infrastructure - Wellard	1,530,683	439,215	0	1,969,898	1,538,600	860,009	0	2,398,609	816,633	714,050	0	1,530,683
DCA 4 - Hard Infrastructure - Anketell	0	0	0	0	0	305,103	0	305,103	0	0	0	0
DCA 5 - Hard Infrastructure - Wandii	2,846,531	257,555	0	3,104,086	2,637,100	58,736	0	2,695,836	2,634,885	211,646	0	2,846,531
DCA 7 - Hard Infrastructure - Mandogalup (west)	0	8,567	0	8,567	0	0	0	0	0	0	0	0
DCA 8 - Soft Infrastructure Mandogolup	0	0	0	0	0	475,303	(16,119)	459,184	0	0	0	0
DCA 9 - Soft Infrastructure - Wandii/Anketell	9,116,394	875,793	(63,533)	9,928,654	8,623,100	1,926,023	(311,844)	10,237,279	8,422,111	707,256	(12,973)	9,116,394
DCA 10 - Soft Infrastructure - Casuarina/Anketell	0	0	0	0	0	362,462	(24,502)	337,960	0	0	0	0
DCA 11 - Soft Infrastructure - Wellard East	3,647,606	763,915	(36,944)	4,374,577	3,627,500	1,463,109	(64,568)	5,026,041	2,513,635	1,164,597	(30,626)	3,647,606
DCA 12 - Soft Infrastructure - Wellard West	5,779,219	526,209	(8,081)	6,297,347	5,513,900	964,891	(307,302)	6,171,489	4,651,447	638,934	488,838	5,779,219
DCA 13 - Soft Infrastructure - Bertram	286,381	8,465	(6,738)	288,108	295,400	287,758	(86,448)	496,710	260,897	32,147	(6,663)	286,381
DCA 14 - Soft Infrastructure - Wellard/Leda	406,289	53,485	(92,682)	367,092	326,400	198,553	(166,559)	358,394	268,434	574,613	(436,758)	406,289
DCA 15 - Soft Infrastructure - Townsite	137,457	117,020	(93,353)	161,124	129,400	323,598	(271,454)	181,544	83,377	191,054	(136,974)	137,457
	<u>46,938,076</u>	<u>8,649,520</u>	<u>(5,243,937)</u>	<u>50,343,659</u>	<u>41,247,890</u>	<u>8,640,389</u>	<u>(7,076,703)</u>	<u>42,811,576</u>	<u>41,880,825</u>	<u>10,363,246</u>	<u>(5,305,995)</u>	<u>46,938,076</u>

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

Note: At the Ordinary Council Meeting held on 23 November 2016, Council resolved, pursuant to section 6.11 of the Local Government Act 1995, to use \$545,295 of funds held in the Restricted Grants and Contributions Reserve for another purpose, being to subsidise the required budget variations to the Adopted Budget for 2016/17.

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

11. RESERVES - CASH BACKED

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

Name of Reserve	Anticipated date of use	Purpose of the reserve
Aged Persons Units Reserve	Ongoing	This Reserve has been established to provide funds for the capital acquisition and maintenance of the Aged Persons Units, Callistemon Court.
Asset Management Reserve	Ongoing	This Reserve is established to provide funds for asset management renewal projects of the City's building and infrastructure assets, thereby extending the useful economic life of such assets.
Asset Replacement Reserve	Ongoing	This Reserve is utilised to replace existing fleet, plant and other City assets.
Banksia Park Reserve	Ongoing	This Reserve has been established to provide funds for the capital acquisition and maintenance of the Banksia Park Retirement Village.
CLAG Reserve	Ongoing	This Reserve has been established to provide funds for the prevention and education of Mosquito management.
Community Services & Emergency Relief Reserve	Ongoing	This Reserve is established to provide funding to alleviate the effect of any disaster within the City of Kwinana boundaries and to provide funds to develop community services.
Employee Leave Reserve	Ongoing	This Reserve is established for the purpose of ensuring that adequate funds are available to finance employee leave entitlements.
Family Day Care Reserve	Ongoing	This Reserve provides for the capital acquisitions and maintenance of this facility.
Future Community Infrastructure Reserve	Ongoing	This Reserve is established to accumulate the City's contributions for the capital funding of future community infrastructure in accordance with Town Planning Scheme #2.
Golf Course Cottage Reserve	Ongoing	This Reserve was established to provide funds for the maintenance of this building.
Infrastructure Reserve	Ongoing	This Reserve was established to be used to provide funds to create new City assets or for the major upgrade of City assets to increase the service level provided by the asset.
Rates Strategy Reserve	Ongoing	To be used to assist in the future management of the City's rating strategy.
Refuse Reserve	Ongoing	This Reserve was established to provide funds for the costs and subsidy of Waste Management in the City.
Restricted Grants and Contributions Reserve	Ongoing	This Reserve is utilised to restrict funds required to complete projects from prior financial years.
Settlement Agreement Reserve	Ongoing	This Reserve was established to provide funds to account for future negotiated settlement agreement payments.
Workers Compensation Reserve	Ongoing	To be used to fund workers compensation costs incurred by the City where the maximum contribution amount for a previous year has been reached and there is a claim which remains open and requires the City to pay costs relating to the open claims in the current and future years.
Youth Engagement Reserve	Ongoing	To be used to assist with youth engagement and diversion initiatives.
DCA 1 - Hard Infrastructure - Bertram	Ongoing	This Reserve is established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 1 - Hard Infrastructure Bertram.
DCA 2 - Hard Infrastructure - Wellard	Ongoing	This Reserve is established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 2 - Hard Infrastructure Wellard.
DCA 4 - Hard Infrastructure - Anketell	Ongoing	This Reserve is established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 4 - Hard Infrastructure Anketell.
DCA 5 - Hard Infrastructure - Wandl	Ongoing	This Reserve is established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 5 - Hard Infrastructure Wandl.
DCA 7 - Hard Infrastructure - Mandogalup (west)	Ongoing	This Reserve is established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 7 - Hard Infrastructure Mandogalup (west).
DCA 9 - Soft Infrastructure - Wandl/Anketell	Ongoing	This Reserve is established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 9 - Soft Infrastructure Wandl/Anketell.
DCA 10 - Soft Infrastructure - Casuarina/Anketell	Ongoing	This Reserve is established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 10 - Soft Infrastructure Casuarina/Anketell.
DCA 11 - Soft Infrastructure - Wellard East	Ongoing	This Reserve is established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 11 - Soft Infrastructure Wellard East.
DCA 12 - Soft Infrastructure - Wellard West	Ongoing	This Reserve is established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 12 - Soft Infrastructure Wellard West.
DCA 13 - Soft Infrastructure - Bertram	Ongoing	This Reserve is established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 13 - Soft Infrastructure Bertram.
DCA 14 - Soft Infrastructure - Wellard/Leda	Ongoing	This Reserve is established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 14 - Soft Infrastructure Wellard/Leda.
DCA 15 - Soft Infrastructure - Townsite	Ongoing	This Reserve is established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 15 - Soft Infrastructure Townsite.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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12. REVALUATION SURPLUS

	30-Jun-17				30-Jun-16				
	30-Jun-17	30-Jun-17	30-Jun-17	Total	30-Jun-17	30-Jun-16	30-Jun-16	30-Jun-16	30-Jun-16
	Opening	Revaluation	Revaluation	Movement on	Closing	Opening	Revaluation	Revaluation	Movement on
	Balance	Increment	(Decrement)	Revaluation	Balance	Balance	Increment	(Decrement)	Revaluation
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land and buildings	76,199,962	1,966,674	0	1,966,674	78,166,636	76,199,962	0	0	0
Furniture and equipment	199,013	0	0	0	199,013	137,410	61,603	0	61,603
Plant and equipment	1,581,222	0	0	0	1,581,222	842,997	738,225	0	738,225
Infrastructure - Roads	58,351,626	0	0	0	58,351,626	58,351,626	0	0	0
Infrastructure - Footpaths	13,401,415	0	0	0	13,401,415	13,401,415	0	0	0
Infrastructure - Drainage	21,897,256	0	0	0	21,897,256	21,897,256	0	0	0
Infrastructure - Car Parks	311,846	0	0	0	311,846	311,846	0	0	0
Infrastructure - Bus Shelters	458,799	0	0	0	458,799	458,799	0	0	0
Infrastructure - Other	216,146	0	0	0	216,146	216,146	0	0	0
	172,617,285	1,966,674	0	1,966,674	174,583,959	171,817,457	799,828	0	799,828
									172,617,285

Movements on revaluation of fixed assets are not able to be reliably attributed to a program as the assets were revalued by class as provided for by AASB 116 Aus. 40.1.

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

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

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

	2017	2017	2016
	\$	Budget	\$
Cash and cash equivalents	<u>53,726,269</u>	<u>49,404,766</u>	<u>55,357,714</u>
(b) Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	15,042,185	765,954	33,953,002
Non-cash flows in Net result:			
Depreciation	12,461,397	11,316,975	11,315,275
(Profit)/Loss on sale of asset	167,829	(193,940)	(64,319)
Banksia Park DMF Receivable Movement	548,983	0	352,821
Contributed Assets	(13,593,470)	0	(29,397,461)
Changes in assets and liabilities:			
(Increase)/Decrease in receivables	(1,795,886)	300,000	(863,230)
(Increase)/Decrease in accrued income/prepayments	336,592	0	265,757
(Increase)/Decrease in inventories	(10,041)	10,000	(5,237)
Increase/(Decrease) in payables	(4,537,034)	396,125	(2,565,093)
Increase/(Decrease) in accrued expenses/income in advance	55,148	0	(441,356)
Increase/(Decrease) in provisions	34,739	0	449,107
Grants/contributions for the development of assets	(6,440,531)	(3,881,987)	(5,337,399)
Net cash from operating activities	<u>2,269,911</u>	<u>8,713,127</u>	<u>7,661,867</u>
(c) Undrawn Borrowing Facilities			
	2017		2016
	\$		\$
Credit Standby Arrangements			
Credit card limit	71,000		100,000
Credit card balance at balance date	(17,535)		(19,501)
Total amount of credit unused	<u>53,465</u>		<u>80,499</u>
Loan facilities			
Loan facilities - current	617,723		3,105,457
Loan facilities - non-current	22,071,411		20,150,953
Total facilities in use at balance date	<u>22,689,134</u>		<u>23,256,410</u>
Unused loan facilities at balance date	<u>NIL</u>		<u>62,705</u>

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

14. CONTINGENT LIABILITIES

There are no contingent liabilities as at the reporting date.

15. CAPITAL AND LEASING COMMITMENTS

2017
\$ **2016**
\$

(a) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts.

Payable:

- not later than one year	322,602	241,996
- later than one year but not later than five years	473,487	414,631
- later than five years	0	0
	<u>796,089</u>	<u>656,627</u>

(b) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects	43,753	1,676,338
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Payable:

- not later than one year	43,753	1,676,338
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The capital expenditure project outstanding at the end of the current reporting period represents the construction of the Kwinana Outdoor Youth Space and Carpark (the prior year commitment was for the construction of the Kwinana Adventure Playground).

16. JOINT VENTURE ARRANGEMENTS

The City did not have any joint venture arrangements at the reporting date.

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

2017
\$ **2016**
\$

Governance	70,214,891	70,112,431
Law, order, public safety	1,943,919	1,867,446
Health	115,971	112,182
Education and welfare	34,875,180	35,008,257
Community amenities	1,068,015	1,121,006
Recreation and culture	78,311,834	76,632,081
Transport	269,235,234	259,248,561
Economic services	51,777,537	51,711,551
Other property and services	3,889,792	3,624,422
	<u>511,432,373</u>	<u>499,437,937</u>

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

	2017	2016	2015
18. FINANCIAL RATIOS			
Current ratio	1.48	1.21	1.01
Asset sustainability ratio	0.31	0.52	1.06
Debt service cover ratio	1.97	4.43	2.09
Operating surplus ratio	(0.10)	(0.08)	(0.19)
Own source revenue coverage ratio	0.79	0.80	0.72

The above ratios are calculated as follows:

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

Notes:

Information relating to the **asset consumption ratio** and the **asset renewal funding ratio** can be found at Supplementary Ratio Information on Page 62 of this document.

For 2017:-

Three of the 2017 ratios disclosed above were distorted by the following items:-

- 1) The early receipt of half of the allocation of the 2017-18 Financial Assistance Grant in June 2017.
The early payment of the grant increased operating revenue in 2017 by \$782,530.
- 2) The conversion of the Short Term Liquidity Loan of \$ 2,500,000 to a fixed rate 5% year interest only loan.
The debt service ratio has been adjusted to reduce principal loan repayments amount of \$ 2,500,000 to account for this conversion.

For 2016:-

Three of the 2016 ratios disclosed were affected by the following items:-

- 1) The City's Short Term facility for Loans with the Western Australian Treasury Corporation (WATC) which were reported in Current Borrowings for 2016. The City intends to convert the Short Term Loan 101 - City Centre Redevelopment of \$ 2,500,000 into a 5 year interest only loan, with principal repaid at end of 5 years in the 2016/17 financial year. It was not intended to repay principal of \$ 2,500,000 within the following 12 months.
- 2) The early receipt of half of the allocation of the 2015-16 Financial Assistance Grant in the 2014/15 financial year.
The early payment of the grant decreased operating revenue in 2016 by \$ 719,859.

For 2015:-

Four of the 2015 ratios disclosed were affected by the following items:-

- 1) The City's Short Term facility for Loans with the Western Australian Treasury Corporation (WATC) which were reported in Current Borrowings for 2015. The City Centre Redevelopment Loan 101 was being funded by drawing down on the short term liquidity advance which totalled \$ 2,500,000 as at 30 June 2015. This loan was intended to be restructured into a 5 year interest only loan with principal repaid at the end of 5 years.
- 2) The revaluation decrement of \$ 6,501,293 which was recognised in the statement of comprehensive income.
This decrement was due to the implementation of Fair Value on Infrastructure assets during the financial year where the carrying amount of a class of asset decreased as a result of the revaluation.
- 3) The early receipt of half of the allocation of the 2015-16 Financial Assistance Grant in the 2014/15 financial year.
The early payment of the grant increased operating revenue in 2015 by \$ 719,859.

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

18. FINANCIAL RATIOS (Continued)

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

	2017	2016	2015
Current ratio	1.33	n/a	1.15
Debt service cover ratio	4.15	6.89	6.19
Operating surplus ratio	(0.11)	(0.07)	(0.07)
Own source revenue coverage ratio	n/a	n/a	0.80

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

19. TRUST FUNDS

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

	1 July 2016	Amounts Received	Amounts Paid	30 June 2017
	\$	\$	(\$)	\$
Hall Security Bonds	44,541	116,600	(105,800)	55,341
Footpath & Kerbing Security Deposits	1,179,617	0	(322,440)	857,177
Sports Forfeiture Security Deposits	200	0	0	200
Bus Hire Security Deposits	2,000	1,500	(500)	3,000
Demolition Security Deposits	17,790	0	(1,456)	16,334
Quarry Security Deposits	24,283	0	(24,283)	0
Miscellaneous Deposits	70,067	5,787	(5,503)	70,351
Footpath Construction Bonds	10,000	0	(8,000)	2,000
Land Subdivision Bonds	770,520	761,250	(1,024,960)	506,810
Road Maintenance Bonds	319,232	12,104	(38,102)	293,234
Landscaping Subdivision Bonds	125,315	0	0	125,315
Animal Trap Security Deposits	150	106	(256)	0
Planning Advertising Bonds	250	0	0	250
Mortimer Road - Community Trust	10,421	0	0	10,421
ATU Landscaping Bonds	3,168	0	0	3,168
Landscaping Development Bonds	56,822	0	0	56,822
Subdivision Handrails	15,395	0	0	15,395
APU Security Bonds	14,722	1,740	0	16,462
Off Road Vehicles	9,234	0	(9,234)	0
DCA 5 Contingency Bonds	553,642	176,325	0	729,967
Contiguous Local Authorities Group (CLAG)	200	0	0	200
Public Open Space Cash In Lieu	0	49,608	0	49,608
	<u>3,227,569</u>	<u>1,125,020</u>	<u>(1,540,534)</u>	<u>2,812,055</u>

During the financial year ended 30 June 2017, the City received legal advice confirming that monies held as a form of performance bond should be retained in the City's trust funds. The City is the trustee of those funds until such time as the relevant requirement is complied with. Previously the City recognised these funds as 'Bond and Deposit Creditors' (Note 8-Trade and other Payables) held within the Statement of Financial Performance.

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

20. DISPOSALS OF ASSETS - 2016/17 FINANCIAL YEAR

The following assets were disposed of during the year.

	Actual Net Book Value \$	Actual Sale Proceeds \$	Actual Profit \$	Actual Loss \$	Budget Net Book Value \$	Budget Sale Proceeds \$	Budget Profit \$	Budget Loss \$
Buildings								
<i>Recreation and culture</i>								
Mandagalup Public Toilets	44,275	0	0	(44,275)	0	0	0	0
Ticket Booth Medina Oval	450	0	0	(450)	0	0	0	0
Furniture and Equipment								
<i>Law, order, public safety</i>								
Axis wide angle camera	2,091	0	0	(2,091)	0	0	0	0
Axis wide angle camera	1,667	0	0	(1,667)	0	0	0	0
Axis wide angle camera	1,667	0	0	(1,667)	0	0	0	0
Axis wide angle camera	2,046	0	0	(2,046)	0	0	0	0
Axis wide angle camera	2,046	0	0	(2,046)	0	0	0	0
<i>Recreation and culture</i>								
Washtec Dishwasher	1,292	0	0	(1,292)	0	0	0	0
iPhone 16GB	119	0	0	(119)	0	0	0	0
Plant and Equipment								
<i>Governance</i>								
Toyota Kluger Wagon	31,868	27,554	0	(4,314)	27,579	20,000	0	(7,579)
<i>Law, order, public safety</i>								
Mazda Bus Command Post	0	2,455	2,455	0	0	0	0	0
Toyota Landcruiser	31,461	15,000	0	(16,461)	0	0	0	0
Holden Captiva	18,142	12,100	0	(6,042)	10,116	20,000	9,884	0
Volkswagen Amarok Dual Cab	29,812	17,636	0	(12,176)	12,449	25,000	12,551	0
<i>Health</i>								
Holden Colorado Crew Cab	21,874	16,835	0	(5,039)	8,357	25,000	16,643	0
<i>Community amenities</i>								
Ford Ranger Dual Cab	26,395	24,827	0	(1,568)	12,494	25,000	12,506	0
Holden Colorado Crew Cab	28,195	23,964	0	(4,231)	13,110	25,000	11,890	0
<i>Recreation and culture</i>								
Holden VF Evoke Sports wagon	21,092	15,335	0	(5,757)	11,494	20,000	8,506	0
Hyundai i40 Wagon	14,788	14,827	39	0	10,848	20,000	9,152	0
Holden VF Evoke Sports wagon	19,577	16,017	0	(3,560)	11,520	20,000	8,480	0
Recquatic Inflatable	0	0	0	0	5,000	5,000	0	0
<i>Economic services</i>								
Holden Colorado Crew Cab	21,874	14,108	0	(7,766)	11,148	25,000	13,852	0
Ford Ranger Crew Cab	19,344	19,327	0	(17)	11,000	25,000	14,000	0
Holden Colorado Crew Cab	22,212	16,646	0	(5,566)	10,277	25,000	14,723	0
Holden Colorado Crew Cab	22,095	15,017	0	(7,078)	10,391	25,000	14,609	0
<i>Other property and services</i>								
Honda Edger	0	409	409	0	0	0	0	0
Blower Backpack	0	136	136	0	0	0	0	0
Honda Cylinder Mower	0	546	546	0	0	0	0	0
Isuzu Graffiti Truck	25,580	18,984	0	(6,596)	17,500	20,000	2,500	0
Isuzu Tip Truck	34,060	22,616	0	(11,444)	18,571	20,000	1,429	0
Isuzu Tip Truck (Horticulture)	39,793	30,483	0	(9,310)	22,990	16,427	0	(6,563)
Toro Groundmaster 7200	15,300	6,000	0	(9,300)	10,415	4,000	0	(6,415)
Toro Zero Turn Groundmaster	17,000	8,000	0	(9,000)	0	7,573	7,573	0
Deutscher Mower	0	227	227	0	0	1,500	1,500	0
Mitsubishi FUSO Drainage Truck	26,877	59,091	32,214	0	21,250	30,000	8,750	0
Hino Dutro 4 Tonne Truck	28,910	15,455	0	(13,455)	6,875	15,000	8,125	0
Credon Squirrel Platform Cherrypicker	0	7,458	7,458	0	0	0	0	0
Tool Box Attachment	734	0	0	(734)	0	0	0	0
EFFER crane	13,046	0	0	(13,046)	0	0	0	0
Toyota Hiace Van	26,126	22,926	0	(3,200)	10,607	25,000	14,393	0
Ford Ranger Crew Cab	0	0	0	0	7,580	25,000	17,420	0
7x4 Box Trailer	0	0	0	0	0	1,000	1,000	0
Polmac Box Trailer	0	0	0	0	0	1,000	1,000	0
Trailer 2150x1230	0	0	0	0	131	500	369	0
7x4 Box Trailer with water tank	0	0	0	0	291	2,500	2,209	0
S/alloy Bostop heavy duty trailer	0	0	0	0	567	2,000	1,433	0
	<u>611,808</u>	<u>443,979</u>	<u>43,484</u>	<u>(211,313)</u>	<u>282,560</u>	<u>476,500</u>	<u>214,497</u>	<u>(20,557)</u>

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

21. INFORMATION ON BORROWINGS

(a) Repayments - Debentures

Particulars	Principal 1 July 2016	New Loans	Principal Repayments		Principal 30 June 2017		Interest Repayments	
	\$	\$	Actual \$	Budget \$	Actual \$	Budget \$	Actual \$	Budget \$
Governance								
Loan 99 - Administration Office Renovations	925,362	0	79,376	79,376	845,986	845,986	56,533	63,009
Education and welfare								
Loan 96 - Youth Specific Space	193,278	0	21,880	21,880	171,398	171,398	14,091	15,486
Loan 100 - Youth Specific Space Stage 2	1,521,312	0	0	0	1,521,312	1,521,312	71,045	81,279
Recreation and culture								
Loan 94 - Wellard Sports Pavilion	289,483	0	41,000	41,000	248,483	248,483	17,413	19,836
Loan 95 - Orelia Oval Pavilion	463,867	0	52,512	52,512	411,355	411,355	33,818	37,166
Loan 97 - Orelia Oval Pavilion Stage 2	2,047,558	0	175,636	175,636	1,871,922	1,871,922	125,090	139,419
Loan 102 - Resource & Knowledge Centre	7,421,567	0	0	0	7,421,567	7,421,567	336,939	386,856
Loan 104 - Recquatic Centre Upgrade	3,350,000	0	0	0	3,350,000	3,350,000	135,675	159,318
Loan 105 - Bertram Community Centre	1,296,840	0	0	0	1,296,840	1,296,840	42,147	50,851
Loan 106 - Calista Destination Park	1,700,000	0	90,305	90,000	1,609,695	1,610,000	52,622	70,000
Budget - Darius Wells Building Solar Panels	0	0	0	35,302	0	70,248	0	8,994
Transport								
Loan 98 - Industrial Area Streetscape	1,249,239	0	107,157	107,157	1,142,082	1,142,082	76,319	85,062
Loan 101 - City Centre Redevelopment **	2,500,000	0	2,500,000	2,500,000	0	0	13,140	92,500
New - Loan 101 - City Centre Redevelopment	0	2,500,000	0	0	2,500,000	2,500,000	46,984	0
	22,958,506	2,500,000	3,067,866	3,102,863	22,390,640	22,461,193	1,021,816	1,209,776
Self Supporting Loans								
Recreation and culture								
Loan 103 - Kwinana Golf Club Refurbishment *	297,904	0	297,904	37,590	0	260,314	11,184	13,815
New - Loan 103B - Kwinana Golf Club Refurbishment*	0	298,494	0	0	298,494	0	650	0
	297,904	298,494	297,904	37,590	298,494	260,314	11,834	13,815
	23,256,410	2,798,494	3,365,770	3,140,453	22,689,134	22,721,507	1,033,650	1,223,591

*Self supporting loan financed by payments from third parties.

** Short Term Facility Loan

All other loan repayments were financed by general purpose revenue.

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

21. INFORMATION ON BORROWINGS (Continued)

(b) New Debentures - 2016/17

Particulars/Purpose	Amount Borrowed		Institution	Loan Type	Term (Years)	Total Interest & Charges	Interest Rate	Amount Used		Balance Unspent
	Actual \$	Budget \$				\$	%	Actual \$	Budget \$	\$
Darius Wells Building Solar Panels	0	105,550	WATC	Debenture	10	0	0.00%	0	105,550	0
Loan 101 - City Centre Redevelopment	2,500,000	2,500,000	WATC	Debenture	5	308,875	2.47%	2,500,000	2,500,000	0
Loan 103B - Kwinana Golf Club Refurbishment	298,494	0	WATC	Debenture	5	82,889	3.32%	298,494	0	0
	<u>2,798,494</u>	<u>2,605,550</u>				<u>391,764</u>		<u>2,798,494</u>	<u>2,605,550</u>	<u>0</u>

Loan 103 was refinanced under Loan 103B during the year ended 30 June 2017.

(c) Unspent Debentures

Particulars	Date Borrowed	Balance	Borrowed During Year	Expended During Year	Balance
		1 July 16 \$	\$	\$	30 June 17 \$
Loan 99 - Administration Office Renovations	25 Jun 10	62,705	0	(62,705)	0
		<u>62,705</u>	<u>0</u>	<u>(62,705)</u>	<u>0</u>

(d) Overdraft

The City did not have any overdraft facilities as at 30 June 2017.

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

22. RATING INFORMATION - 2016/17 FINANCIAL YEAR

RATE TYPE	Rate in \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
Gross rental value valuations									
Improved Residential	0.07303	10,615	184,561,500	13,478,527	1,001,070	14,479,597	13,478,527	671,600	14,150,127
Vacant Residential	0.17974	555	8,674,147	1,559,091	(310,249)	1,248,842	1,559,091	0	1,559,091
Improved Special Residential	0.06385	716	16,868,756	1,077,070	152,077	1,229,147	1,077,070	0	1,077,070
Light Industrial and Commercial	0.09082	146	22,148,306	2,011,509	14,612	2,026,121	2,011,509	0	2,011,509
General Industry and Service Commercial	0.07961	318	33,469,413	2,664,500	120,992	2,785,492	2,664,500	0	2,664,500
Large Scale General Industry and Service Commercial	0.08260	48	52,329,591	4,322,424	(309,697)	4,012,727	4,322,424	0	4,322,424
Unimproved value valuations									
General Industrial	0.02639	3	121,200,000	3,198,468	0	3,198,468	3,198,468	0	3,198,468
Rural	0.00464	187	184,212,000	854,744	(361,239)	493,505	854,744	0	854,744
Mining	0.00793	13	27,291,000	216,418	13,923	230,341	216,418	0	216,418
Urban/Urban Deferred	0.00612	65	171,510,000	1,049,641	(197,001)	852,640	1,049,641	0	1,049,641
Sub-Total		12,666	822,264,713	30,432,392	124,488	30,556,880	30,432,392	671,600	31,103,992

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

22. RATING INFORMATION - 2016/17 FINANCIAL YEAR

(Continued)

Minimum payment	Minimum \$	Number of Properties	Rateable Value \$	Rate Revenue \$	Interim Rates \$	Total Revenue \$	Budget Rate Revenue \$	Budget Interim Rate \$	Budget Total Revenue \$
Gross rental value valuations									
Improved Residential	943	2,679	31,546,688	2,526,297	0	2,526,297	2,526,297	0	2,526,297
Vacant Residential	943	1,220	5,290,264	1,150,460	0	1,150,460	1,150,460	0	1,150,460
Improved Special Residential	943	5	68,260	4,715	0	4,715	4,715	0	4,715
Light Industrial and Commercial	1,226	18	168,008	22,068	0	22,068	22,068	0	22,068
General Industry and Service Commercial	1,226	37	299,688	45,362	0	45,362	45,362	0	45,362
Unimproved value valuations									
Rural	943	11	1,453,000	10,373	0	10,373	10,373	0	10,373
Mining	1,226	1	15,000	1,226	0	1,226	1,226	0	1,226
Urban/Urban Deferred	1,226	47	7,786,600	57,622	0	57,622	57,622	0	57,622
Sub-Total		4,018	46,627,508	3,818,123	0	3,818,123	3,818,123	0	3,818,123
	16,684	868,892,221	34,250,515	124,488	34,375,003	34,250,515	671,600	34,922,115	
Discounts/concessions/Write-Offs/Incentive Prize (refer note 26)						(7,218)			(10,000)
Total amount raised from general rate						34,367,785			34,912,115

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

23. NET CURRENT ASSETS

Composition of net current assets

	2017	2017	2016
	(30 June 2017	(1 July 2016	(30 June 2016
	Carried	Brought	Carried
	Forward)	Forward)	Forward)
	\$	\$	\$
Surplus	<u>3,194,697</u>	<u>2,844,089</u>	<u>2,844,089</u>
CURRENT ASSETS			
Cash and cash equivalents			
Unrestricted	3,382,610	8,356,933	8,356,933
Restricted	50,343,659	47,000,781	47,000,781
Receivables			
Rates outstanding	2,761,590	1,590,578	1,590,578
Sundry debtors	738,586	1,139,002	1,139,002
GST receivable	437,333	554,076	554,076
Loans receivable - clubs/institutions	15,645	37,590	37,590
Accrued Income	74,118	410,710	410,710
Prepayments	33,743	0	0
Inventories			
Stores & Materials	36,203	26,162	26,162
LESS: CURRENT LIABILITIES			
Trade and other payables			
Sundry creditors	(3,064,174)	(4,674,862)	(4,674,862)
Accrued interest on debentures	(112,419)	(16,802)	(16,802)
Accrued salaries and wages	(1,034,551)	(853,535)	(853,535)
Bond and Deposit Creditors	0	(3,408,346)	(3,408,346)
Accrued Expenses	(58,342)	(279,827)	(279,827)
Current portion of long term borrowings			
Secured by floating charge	(617,723)	(3,105,457)	(3,105,457)
Provisions			
Provision for annual leave	(2,114,174)	(2,018,318)	(2,018,318)
Provision for long service leave	(1,820,918)	(1,894,170)	(1,894,170)
Provision for other leave	(587,792)	(633,318)	(633,318)
Unadjusted net current assets	<u>48,413,394</u>	<u>42,231,197</u>	<u>42,231,197</u>
Adjustments			
Less: Reserves - restricted cash	(50,343,659)	(46,938,076)	(46,938,076)
Less: Loans receivable - clubs/institutions	(15,645)	(37,590)	(37,590)
Less: Restricted (Unspent Loan Funds)	0	(62,705)	(62,705)
Add: Current portion of long term borrowings			
Secured by floating charge	617,723	3,105,457	3,105,457
Add: Current Provisions	4,522,884	4,545,806	4,545,806
Adjusted net current assets - surplus	<u>3,194,697</u>	<u>2,844,089</u>	<u>2,844,089</u>

Difference

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

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

24. SPECIFIED AREA RATE - 2016/17 FINANCIAL YEAR

No specified area rates were imposed by the City during the year ended 30 June 2017.

25. SERVICE CHARGES - 2016/17 FINANCIAL YEAR

No service charges were imposed by the City during the year ended 30 June 2017.

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

	Type	Actual \$	Budget \$
Small Balance Write Off	Write-Off	2,218	5,000
Rates Incentive Prize	Incentive	5,000	5,000
		<u>7,218</u>	<u>10,000</u>

The City did not provide any rates concessions or discounts during the year ended 30 June 2017.

27. INTEREST CHARGES AND INSTALMENTS - 2016/17 FINANCIAL YEAR

	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Instalment Options				
Option One		Nil	Nil	11.00%
Single full payment	26 August 16			
Option Two		7.00	5.50%	11.00%
First Instalment	26 August 16			
Second Instalment	06 January 17			
Option Three		22.00	5.50%	11.00%
First Instalment	26 August 16			
Second Instalment	28 October 16			
Third Instalment	06 January 17			
Fourth Instalment	10 March 17			

	Revenue \$	Budgeted Revenue \$
Interest on unpaid rates	366,711	270,000
Interest on instalment plan	273,818	240,000
Charges on instalment plan	103,542	102,250
	<u>744,071</u>	<u>612,250</u>

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

28. FEES & CHARGES	2017	2016
	\$	\$
Governance	39,791	43,055
General purpose funding	146,924	152,960
Law, order, public safety	172,868	171,812
Health	160,335	171,016
Education and welfare	1,805,620	1,900,777
Community amenities	7,086,464	7,720,286
Recreation and culture	2,410,474	2,125,064
Transport	0	300
Economic services	1,247,212	1,036,994
Other property and services	422,551	283,185
	<u>13,492,239</u>	<u>13,605,449</u>

At the Ordinary Council Meeting held on the 12th of October 2016 an amendment to the fees and charges was made whereby the library photocopy charges adopted during the 2016/17 budget were reduced by \$0.05 per page charged. There were no further changes to the level of adopted fees and charges during the year ended 30 June 2017.

29. GRANT REVENUE

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

By Nature or Type:	2017	2016
	\$	\$
Operating grants, subsidies and contributions		
General purpose funding	2,420,523	1,589,887
Law, order, public safety	225,949	296,172
Health	29,671	60,831
Education and welfare	5,350,878	5,547,105
Community amenities	201,529	100,473
Recreation and culture	375,831	471,169
Transport	304,131	259,214
Other property and services	1,000	1,391
	<u>8,909,512</u>	<u>8,326,242</u>
Non-operating grants, subsidies and contributions		
Governance	0	9,814
Law, order, public safety	129,479	135,000
Community amenities	2,642,913	3,798,045
Recreation and culture	1,702,988	1,161,691
Transport	15,502,383	32,904,555
Other property and services	26,290	0
	<u>20,004,053</u>	<u>38,009,105</u>

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

30. EMPLOYEE NUMBERS

The number of full-time equivalent employees at balance date

2017

2016

236

239

31. ELECTED MEMBERS REMUNERATION

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

	2017	2017 Budget	2016
	\$	\$	\$
Meeting Fees	266,593	266,594	262,650
Mayor's allowance	88,864	88,864	87,550
Deputy Mayor's allowance	22,216	22,216	21,888
Travelling expenses	2,331	8,600	2,833
Telecommunications allowance	28,000	28,000	28,000
Other Reimbursements	4,580	0	4,357
	412,584	414,274	407,278

32. RELATED PARTY TRANSACTIONS

Key Management Personnel (KMP) Compensation Disclosure

2017
\$

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

Short-term employee benefits	1,308,106
Post-employment benefits	142,988
Other long-term benefits	29,393
Termination benefits	85,415
	1,565,902

Short-term employee benefits

These amounts include all salary, paid leave, fringe benefits and cash bonuses awarded to KMP except for details in respect to fees and benefits paid to elected members which may be found at Note 31.

Post-employment benefits

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

Other long-term benefits

These amounts represent long service benefits accruing during the year.

Termination benefits

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

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

32. RELATED PARTY TRANSACTIONS (Continued)

Related Parties

The City's main related parties are as follows:

i. Key management personnel

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

ii. Entities subject to significant influence by the City

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

Transactions with related parties

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

The following transactions occurred with related parties:

2017

\$

Associated companies/individuals:

Sale of goods and services

52,069

Purchase of goods and services

797,636

849,705

Amounts outstanding from related parties:

Trade and other receivables

11,180

Amounts payable to related parties:

Trade and other payables

1,655

Other Related Parties:

One associated person of Key Management Personnel (KMP) is employed by the City of Kwinana under normal employment terms and conditions.

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

33. MAJOR LAND TRANSACTIONS

The City did not participate in any major land transactions during the 2016/2017 financial year.

34. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

The City did not participate in any trading undertakings or major trading undertakings during the 2016/2017 financial year.

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

35. FINANCIAL RISK MANAGEMENT

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

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

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

The City held the following financial instruments at balance date:

	Carrying Value		Fair Value	
	2017	2016	2017	2016
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	53,726,269	55,357,714	53,726,269	55,357,714
Receivables	8,951,211	8,040,310	8,951,211	8,040,310
	<u>62,677,480</u>	<u>63,398,024</u>	<u>62,677,480</u>	<u>63,398,024</u>
Financial liabilities				
Payables	26,386,486	30,868,372	26,386,486	30,868,372
Borrowings	22,689,134	23,256,410	16,026,256	16,055,870
	<u>49,075,620</u>	<u>54,124,782</u>	<u>42,412,742</u>	<u>46,924,242</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 KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2017

35. FINANCIAL RISK MANAGEMENT (Continued)

(a) Cash and Cash Equivalents

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

Cash is subject to interest rate risk - the risk that movements in interest rates could affect returns.

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

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

	2017	Adjusted ⁽²⁾ 2016	2016
	\$	\$	\$
Impact of a 1% ⁽¹⁾ movement in interest rates on cash			
- Equity	537,263	553,577	1,107,154
- Statement of Comprehensive Income	537,263	553,577	1,107,154

Notes:

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

⁽²⁾ Sensitivity percentages used for 2015/16 financial reporting was 2%, adjusted figures have been provided for comparison against current year expectations.

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

35. FINANCIAL RISK MANAGEMENT (Continued)

(b) Receivables

The City's major receivables comprise rates and annual charges and user charges and fees. The major risk associated with these receivables is credit risk – the risk that the debts may not be repaid. The City manages this risk by monitoring outstanding debt and employing debt recovery policies. It also encourages ratepayers to pay rates by the due date through incentives.

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

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

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

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

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

	2017	2016
Percentage of rates and annual charges		
- Current	0%	0%
- Overdue	100%	100%
Percentage of other receivables		
- Current	94%	94%
- Overdue	6%	6%

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

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings

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

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

	Due within 1 year \$	Due between 1 & 5 years \$	Due after 5 years \$	Total contractual cash flows \$	Carrying values \$
<u>2017</u>					
Payables	5,375,336	10,505,575	10,505,575	26,386,486	26,386,482
Borrowings	<u>1,773,779</u>	<u>12,575,100</u>	<u>16,162,644</u>	<u>30,511,523</u>	<u>22,689,134</u>
	<u>7,149,115</u>	<u>23,080,675</u>	<u>26,668,219</u>	<u>56,898,009</u>	<u>49,075,616</u>
<u>2016</u>					
Payables	8,463,020	12,147,852	10,257,500	30,868,372	30,868,372
Borrowings	<u>1,801,296</u>	<u>11,593,202</u>	<u>18,746,850</u>	<u>32,141,348</u>	<u>23,256,410</u>
	<u>10,264,316</u>	<u>23,741,054</u>	<u>29,004,350</u>	<u>63,009,720</u>	<u>54,124,782</u>

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

35. FINANCIAL RISK MANAGEMENT (Continued)

(c) Payables

Borrowings (continued)

Borrowings are also subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City 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
	\$	\$	\$	\$	\$	\$	\$	%
<u>Year ended 30 June 2017</u>								
Borrowings								
Fixed rate								
Debentures	-	-	-	-	2,748,482	19,940,652	22,689,134	4.45%
Weighted average Effective interest rate					2.82%	4.67%		
<u>Year ended 30 June 2016</u>								
Borrowings								
Fixed rate								
Debentures	2,500,000	-	-	-	-	20,756,410	23,256,410	4.46%
Weighted average Effective interest rate	2.18%					4.74%		

INDEPENDENT AUDITOR'S REPORT TO THE ELECTORS OF THE CITY OF KWINANA

Opinion on the Audit of the Financial Report

We have audited the accompanying financial report of the City of Kwinana (the City), which comprises the statement of financial position as at 30 June 2017, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

In our opinion, the financial report of the City of Kwinana is in accordance with the *Local Government Act 1995 (as amended)* and the *Local Government (Financial Management) Regulations 1996 (as amended)*, including:

- a) giving a true and fair view of the City's financial position as at 30 June 2017 and of its financial performance and its cash flows for the year ended on that date; and
- b) complying with Australian Accounting Standards (including Australian Accounting Interpretations).

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the City in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Report on Other Legal and Regulatory Requirements

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

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the City.
- b) No matters indicating non-compliance with Part 6 of the *Local Government Act 1995 (as amended)*, the *Local Government (Financial Management) Regulations 1996 (as amended)* or applicable financial controls of any other written law were noted during the course of our audit.
- c) In relation to the Supplementary Ratio Information presented at page 62 of this report, we have reviewed the calculations as presented and nothing has come to our attention to suggest it is not supported by:
 - i. verifiable information; and
 - ii. reasonable assumptions.
- d) All necessary information and explanations were obtained by us.
- e) All audit procedures were satisfactorily completed in conducting our audit.

**INDEPENDENT AUDITOR'S REPORT
TO THE ELECTORS OF THE CITY OF KWINANA (CONTINUED)**

Other Information

Management is responsible for the other information. The other information comprises the information included in the City's annual report for the year ended 30 June 2017 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Council for the Financial Report

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

In preparing the financial report, management is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

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

Auditor's Responsibilities for the Audit of the Financial Report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_files/ar3.pdf. This description forms part of our auditor's report.

MOORE STEPHENS
CHARTERED ACCOUNTANTS



WEN-SHIEN CHAI
PARTNER

Date: 27 November 2017
Perth, WA

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

RATIO INFORMATION

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

	2017	2016	2015
Asset consumption ratio	0.76	0.80	0.81
Asset renewal funding ratio	1.02	0.99	0.69

The above ratios are calculated as follows:

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