

Ordinary Council Meeting

9 October 2019

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:

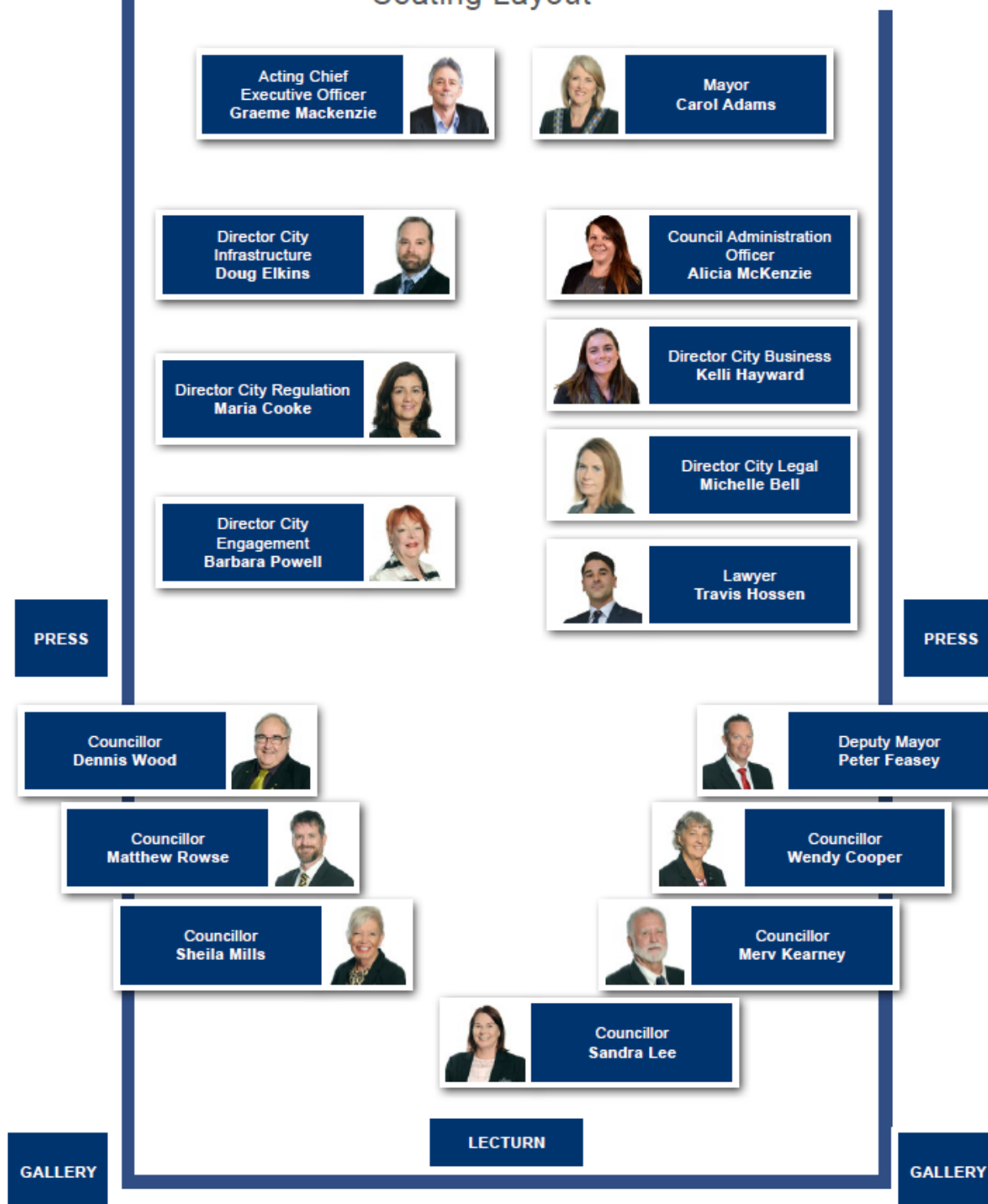
Lead from where you stand – *Leadership is within us all.* | Act with compassion – *Show that you care.* | Make it fun – *Seize the opportunity to have fun.* | Stand Strong, stand true – *Have the courage to do what is right.* | Trust and be trusted – *Value the message, value the messenger.* | Why not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





Council Chambers

Seating Layout



EMERGENCY GUIDE

Council Chambers

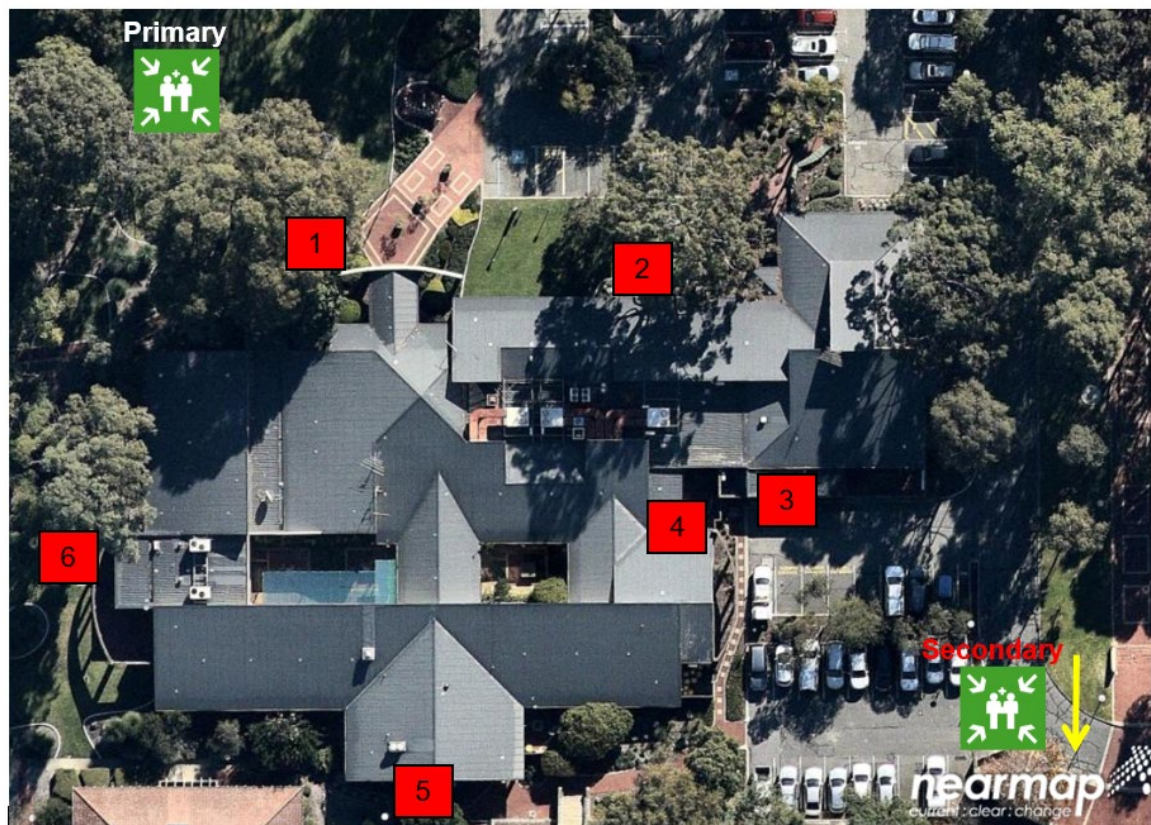


The City of Kwinana values the health and safety of its employees, contractors and visitors. Please ensure you are familiar with the emergency procedures in place at the City of Kwinana to ensure your safe evacuation.

Fire Alarm

On hearing the fire alarm, if you are instructed to evacuate, all individuals must:

- remain calm;
- pay attention to the responsible officer (in charge);
- when instructed to evacuate, leave via the appropriate emergency exit as directed;
- assemble at the designated Muster Point; and
- await the arrival Emergency Services. You must not re-enter the building until the all clear has been given by Emergency Services.



Administration Centre – Access, Egress (Red) and Assembly Points (Green)

Assembly Points:

- ▶ Primary - North-west of the main entrance near Gilmore Avenue.
- ▶ Secondary - South-east of the facility on grass area near Koorliny Arts Centre.

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Present:

MAYOR CAROL ADAMS
DEPUTY MAYOR PETER FEASEY
CR W COOPER
CR S LEE
CR S MILLS
CR M ROWSE
CR D WOOD

MRS B POWELL	-	Acting Chief Executive Officer
MRS M COOKE	-	Director City Regulation
MS K HAYWARD	-	Director City Business
MR D ELKINS	-	Director City Infrastructure
MS M BELL	-	Director City Legal
MR T HOSSEN	-	Lawyer
MS A MCKENZIE	-	Council Administration Officer

Members of the Press	1
Members of the Public	0

1 Declaration of Opening:

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

“IT GIVES ME GREAT PLEASURE TO WELCOME YOU ALL HERE AND BEFORE COMMENCING THE PROCEEDINGS, I WOULD LIKE TO ACKNOWLEDGE THAT WE COME TOGETHER TONIGHT ON THE TRADITIONAL LAND OF THE NOONGAR PD19/53073 PEOPLE”

2 Prayer:

Councillor Sandra Lee read the Prayer

“OH LORD WE PRAY FOR GUIDANCE IN OUR MEETING. PLEASE GRANT US WISDOM AND TOLERANCE IN DEBATE THAT WE MAY WORK TO THE BEST INTERESTS OF OUR PEOPLE AND TO THY WILL. AMEN”

3 Apologies/Leave(s) of absence (previously approved)

Apologies

Nil

Leave(s) of Absence (previously approved):

Councillor Merv Kearney from 14 September 2019 to 10 October 2019 inclusive.

4 Public Question Time:

Nil

5 Applications for Leave of Absence:

Nil

6 Declarations of Interest by Members and City Officers:

Nil

7 Community Submissions:

Nil

8 Minutes to be Confirmed:

8.1 Ordinary Meeting of Council held on 25 September 2019:

COUNCIL DECISION

570

MOVED CR S MILLS

SECONDED CR M ROWSE

That the Minutes of the Ordinary Meeting of Council held on 25 September 2019 be confirmed as a true and correct record of the meeting.

**CARRIED
7/0**

9 Referred Standing / Occasional / Management /Committee Meeting Reports:

Nil

10 Petitions:

Nil

11 Notices of Motion:

Nil

12 Reports - Community

Nil

13 Reports – Economic

Nil

14 Reports – Natural Environment

Nil

15 Reports – Built Infrastructure

Nil

16 Reports – Civic Leadership

16.1 Budget Variations

DECLARATION OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

To amend the 2019/2020 budget to reflect various adjustments to the General Ledger with nil effect to the overall budget as detailed below. Due to the nature of these variations, they fall outside the annual budget review.

OFFICER RECOMMENDATION:

That Council approves the required budget variations to the Adopted Budget for 2019/2020 as outlined in the report.

NOTE: AN ABSOLUTE MAJORITY OF COUNCIL IS REQUIRED

DISCUSSION:

ITEM #	DESCRIPTION	CURRENT BUDGET	INCREASE/ DECREASE	REVISED BUDGET
1	Capital Expense – Infrastructure Roads – Roads to Recovery – Pace Road	(275,000)	275,000	Nil
	Capital Grant Funding – Roads to Recovery – Pace Road	275,000	(275,000)	Nil
	Capital Expense – Infrastructure Roads – Roads to Recovery – Budden Way	Nil	(275,000)	(275,000)
	Capital Grant Funding – Roads to Recovery – Budden Road	Nil	275,000	275,000

Pace Road resurfacing is included in the 2019/2020 annual budget as a capital project item funded by the Roads to Recovery program. Drainage upgrade works were identified in Pace Road following the adoption of the 2019/2020 annual budget. It is necessary to undertake the drainage upgrade works prior to resurfacing Pace Road, however there is no funding available to undertake the drainage upgrade works during 2019/2020 financial year. It is therefore recommended to postpone the resurfacing of Pace Road until the 2020/2021 financial year to coincide with the drainage upgrade works. It is proposed that the Roads to Recovery funding for the Pace Road resurfacing project be allocated to Budden Way (Medina Avenue to Atkinson Road) in the 2019/2020 financial year for the purposes of resurfacing Budden Way, formalising and increasing roadside car parking bays and installing a new shared path and drainage infrastructure.

16.1 BUDGET VARIATIONS

LEGAL/POLICY IMPLICATIONS:

The *Local Government Act 1995* Part 6 Division 4 s 6.8 (1) requires the local government not to incur expenditure from its municipal fund for an additional purpose except where the expenditure-

(b) is authorised in advance by resolution*

“additional purpose” means a purpose for which no expenditure estimate is included in the local government’s annual budget.

*requires an absolute majority of Council.

FINANCIAL/BUDGET IMPLICATIONS:

The financial implications are detailed in this report.

ASSET MANAGEMENT IMPLICATIONS:

The allocation of funds towards the upgrading and purchase of City assets will be included in the City’s Asset Management Strategy.

ENVIRONMENTAL IMPLICATIONS:

No environmental implications have been identified as a result of this report or recommendation.

STRATEGIC/SOCIAL IMPLICATIONS:

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

Plan	Outcome	Objective
Corporate Business Plan	Business Performance	5.4 Ensure the financial sustainability of the City of Kwinana into the future

COMMUNITY ENGAGEMENT:

There are no community engagement implications as a result of this report.

PUBLIC HEALTH IMPLICATIONS

There are no public health implications as a result of this report.

16.1 BUDGET VARIATIONS**RISK IMPLICATIONS:**

The risk implications in relation to this proposal are as follows:

Risk Event	The City does not manage its finances adequately and allows budget expenditure to exceed allocation and the City then finds itself unable to fund its services that have been approved through the budget process
Risk Theme	Failure to fulfil statutory regulations or compliance Providing inaccurate advice/information
Risk Effect/Impact	Financial Reputation Compliance
Risk Assessment Context	Operational
Consequence	Moderate
Likelihood	Rare
Rating (before treatment)	Low
Risk Treatment in place	Reduce (mitigate risk)
Response to risk treatment required/in place	Submit budget variation requests to Council as they arise, identifying financial implications and ensuring there is nil effect on the budget adopted
Rating (after treatment)	Low

COUNCIL DECISION**571****MOVED CR S LEE****SECONDED CR S MILLS**

That Council approves the required budget variations to the Adopted Budget for 2019/2020 as outlined in the report.

CARRIED BY AN ABSOLUTE MAJORITY OF COUNCIL**7/0**

16.2 Monthly Financial Report August 2019

DECLARATION OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

The Monthly Financial Report, which includes the Monthly Statement of Financial Activity and explanation of material variances, for the period ended 31 August 2019 has been prepared for Council acceptance.

OFFICER RECOMMENDATION:

That Council:

1. Accepts the Monthly Statements of Financial Activity for the period ended 31 August 2019, contained within Attachment A; and
2. Accepts the explanations for material variances for the period ended 31 August 2019, contained within Attachment A.

DISCUSSION:

The purpose of this report is to provide a monthly financial report, which includes rating, investment, reserve, debtor, and general financial information to Elected Members in accordance with Section 6.4 of the *Local Government Act 1995*.

The period of review is August 2019. The municipal surplus for this period is \$40,907,506 compared to a budget position of \$39,817,329. This is considered a satisfactory result for the City as it is maintaining a healthy budget surplus position.

Income for the August 2019 period year to date is \$50,050,757. This is made up of \$48,740,648 in operating revenues and \$1,310,109 in non-operating grants, contributions and subsidies received. The budget estimated \$49,534,960 would be received for the same period. The variance to budget is \$515,797. Details of all significant variances are provided in the notes to the Monthly Financial Report contained within Attachment A.

Expenditure for the August 2019 period year to date is \$10,691,209. This is made up of \$8,517,411 in operating expenditure and \$2,173,798 in capital expenditure. The budget estimated \$13,273,206 would be spent for the same period. The variance to budget is \$2,581,997. Details of all significant variances are provided in the notes to the Monthly Financial Report contained within Attachment A.

LEGAL/POLICY IMPLICATIONS:

Section 6.4 of the *Local Government Act 1995* requires a Local Government to prepare an annual financial statement for the preceding year and other financial reports as are prescribed.

16.2 MONTHLY FINANCIAL REPORT AUGUST 2019

Regulation 34 (1) of the *Local Government (Financial Management) Regulations 1996* as amended requires the Local Government to prepare monthly financial statements and report on actual performance against what was set out in the annual budget.

FINANCIAL/BUDGET IMPLICATIONS:

Any material variances that have an impact on the outcome of the budgeted closing surplus position are detailed in the Monthly Financial Report contained within Attachment A.

ASSET MANAGEMENT IMPLICATIONS:

There are no asset management implications associated with this report.

ENVIRONMENTAL IMPLICATIONS:

There are no environmental implications associated with this report.

STRATEGIC/SOCIAL IMPLICATIONS:

This proposal will support the achievement of the following outcome and objective detailed in the Corporate Business Plan.

Plan	Outcome	Objective
Corporate Business Plan	Business Performance	5.4 Ensure the financial sustainability of the City of Kwinana into the future

COMMUNITY ENGAGEMENT:

There are no community engagement implications as a result of this report.

PUBLIC HEALTH IMPLICATIONS

There are no public health implications as a result of this report.

RISK IMPLICATIONS:

The risk implications in relation to this proposal are as follows:

Risk Event	Inadequate management of the City's provisions, revenues and expenditures.
Risk Theme	Failure to fulfil statutory regulations or compliance Providing inaccurate advice/information

16.2 MONTHLY FINANCIAL REPORT AUGUST 2019

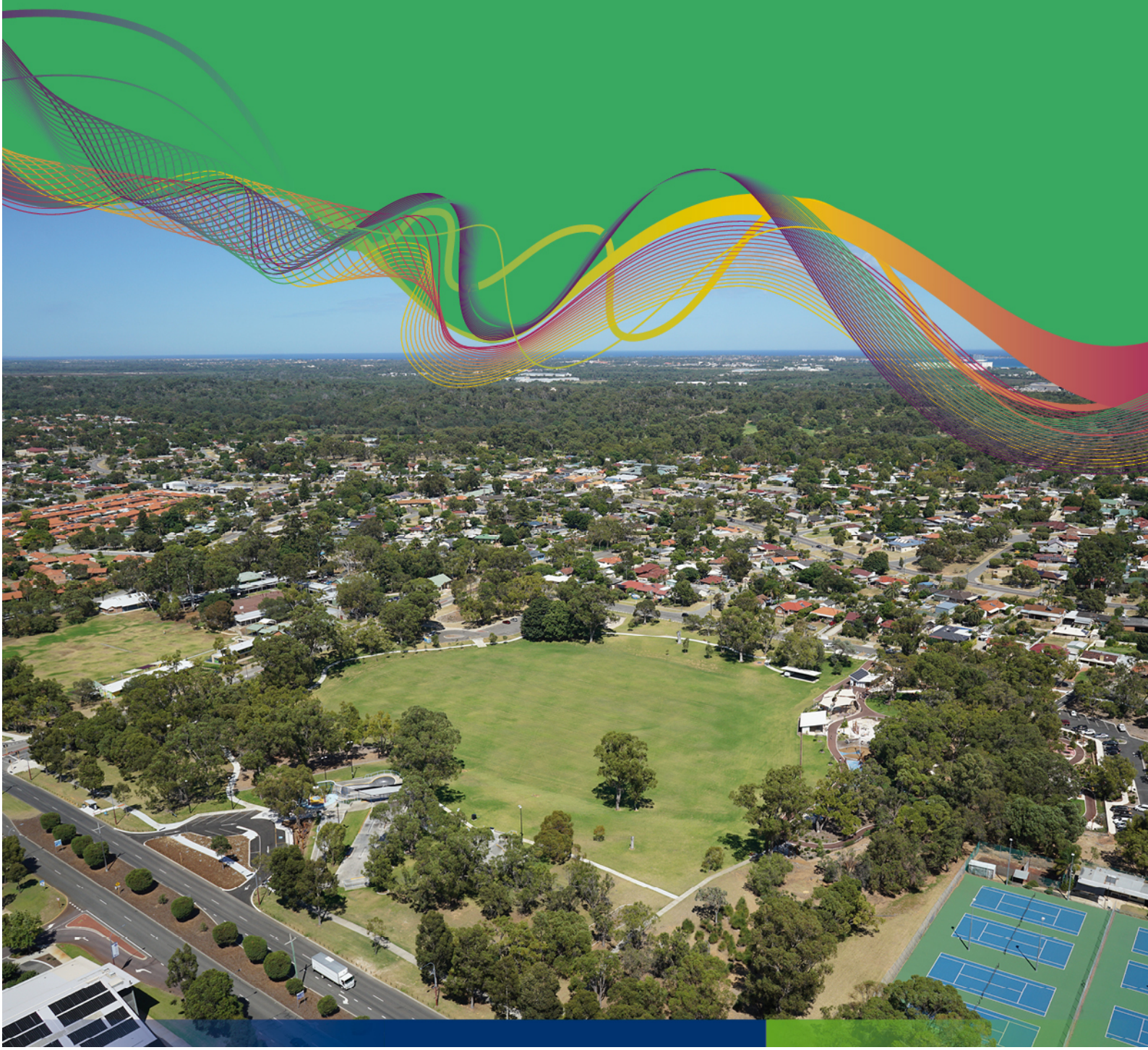
Risk Effect/Impact	Financial Reputation Compliance
Risk Assessment Context	Operational
Consequence	Minor
Likelihood	Unlikely
Rating (before treatment)	Low
Risk Treatment in place	Reduce (mitigate the risk)
Response to risk treatment required/in place	Annual adoption of variance tolerances for reporting purposes.
Rating (after treatment)	Low

COUNCIL DECISION**572****MOVED CR P FEASEY****SECONDED CR D WOOD****That Council:**

- 1. Accepts the Monthly Statements of Financial Activity for the period ended 31 August 2019, contained within Attachment A; and**
- 2. Accepts the explanations for material variances for the period ended 31 August 2019, contained within Attachment A.**

CARRIED
7/0

Monthly Financial Report



CITY OF KWINANA

MONTHLY FINANCIAL REPORT (Containing the Statement of Financial Activity) For the Period Ended 31 August 2019

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

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CITY OF KWINANA
STATEMENT OF FINANCIAL ACTIVITY
(Statutory Reporting Program)
For the Period Ended 31 August 2019

	Note	Adopted Annual Budget	Current Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)
		\$	\$	\$	\$	\$	%
Opening Funding Surplus(Deficit)	2	1,504,912	1,504,912	1,504,912	1,592,295	87,383	6%
Revenue from operating activities							
Governance		37,438	37,438	592	99,712	99,120	16743%
General Purpose Funding - Rates	8	39,802,378	39,802,378	39,802,378	39,436,331	(366,047)	(1%)
General Purpose Funding - Other		3,932,577	3,932,577	720,460	1,078,830	358,370	50%
Law, Order and Public Safety		357,487	357,487	18,872	50,250	31,378	166%
Health		166,229	166,229	124,214	101,594	(22,620)	(18%)
Education and Welfare		8,408,713	8,408,713	1,387,926	1,196,988	(190,938)	(14%)
Community Amenities		6,081,141	6,081,141	5,529,293	5,341,053	(188,240)	(3%)
Recreation and Culture		2,983,042	2,983,042	539,449	626,528	87,079	16%
Transport		324,478	324,478	0	205,054	205,054	0%
Economic Services		1,261,187	1,261,187	264,528	255,721	(8,807)	(3%)
Other Property and Services		490,540	490,540	318,178	348,586	30,408	10%
		63,845,209	63,845,209	48,705,890	48,740,648	34,758	0%
Expenditure from operating activities							
Governance		(4,795,486)	(4,866,799)	(850,601)	(667,722)	182,879	21%
General Purpose Funding		(1,099,586)	(1,099,586)	(149,962)	(156,198)	(6,236)	(4%)
Law, Order and Public Safety		(3,318,431)	(3,318,431)	(566,163)	(516,040)	50,123	9%
Health		(949,882)	(949,882)	(174,858)	(151,302)	23,556	13%
Education and Welfare		(12,735,451)	(12,664,138)	(2,100,304)	(1,598,372)	501,932	24%
Community Amenities		(10,423,143)	(10,423,143)	(1,938,249)	(1,066,341)	871,908	45%
Recreation and Culture		(22,904,017)	(22,904,017)	(3,476,902)	(2,502,519)	974,383	28%
Transport		(15,076,180)	(15,076,180)	(2,255,772)	(927,565)	1,328,207	59%
Economic Services		(1,742,856)	(1,742,856)	(299,460)	(194,332)	105,128	35%
Other Property and Services		(4,293,260)	(4,293,260)	(871,927)	(737,020)	134,907	15%
		(77,338,291)	(77,338,291)	(12,684,198)	(8,517,411)	4,166,787	33%
Operating activities excluded from budget							
Add back Depreciation		14,269,092	14,269,092	2,378,182	0	(2,378,182)	(100%)
Adjust (Profit)/Loss on Asset Disposal	7	59,063	59,063	21,859	13,464	(8,395)	(38%)
Movement in deferred pensioner rates		0	0	0	0	0	
Amount attributable to operating activities		835,073	835,073	38,421,733	40,236,701	1,814,968	5%
Investing Activities							
Non-operating Grants, Subsidies and Contributions	12	10,936,569	10,936,569	829,070	(178,446)	(1,007,516)	122%
Proceeds from Disposal of Assets	7	334,500	347,100	46,500	82,036	35,536	(76%)
Land and Buildings	11	(5,309,694)	(5,309,694)	(73,342)	(127,456)	(54,114)	(74%)
Plant, Furniture and Equipment	11	(2,788,666)	(2,845,166)	(202,892)	(284,436)	(81,544)	(40%)
Infrastructure Assets - Roads	11	(6,882,940)	(4,135,562)	(226,290)	(188,540)	37,750	17%
Infrastructure Assets - Parks and Reserves	11	(1,832,291)	(1,832,291)	(38,344)	(36,344)	2,000	5%
Infrastructure Assets - Footpaths	11	(215,000)	(215,000)	(19,545)	(19,545)	0	0%
Infrastructure Assets - Drainage	11	(2,990,583)	(5,737,961)	(23,068)	(23,068)	0	0%
Infrastructure Assets - Street Lighting	11	(251,000)	(251,000)	0	0	0	0%
Infrastructure Assets - Bus Shelters	11	(19,800)	(19,800)	(1,800)	(1,800)	0	0%
Infrastructure Assets - Car Parks	11	(41,000)	(41,000)	(3,727)	(4,053)	(326)	(9%)
Infrastructure Assets - Other Structures	11	(10,000)	(10,000)	0	0	0	0%
Amount attributable to investing activities		(9,069,905)	(9,113,805)	286,562	(781,652)	(1,068,214)	(373%)
Financing Activities							
Proceeds from New Debentures	9	2,268,000	2,268,000	0	0	0	0%
Self-Supporting Loan Principal		16,709	16,709	2,784	4,143	1,359	49%
Transfer from Reserves	6	21,765,512	21,822,012	3,706,364	43,750	(3,662,614)	(99%)
Repayment of Debentures	9	(1,451,093)	(1,451,093)	0	0	0	0%
Transfer to Reserves	6	(15,869,208)	(15,881,808)	(4,105,026)	(187,731)	3,917,295	95%
Amount attributable to financing activities		6,729,920	6,773,820	(395,878)	(139,838)	256,040	(65%)
Closing Funding Surplus(Deficit)	2	0	0	39,817,329	40,907,506	1,090,177	3%

This statement is to be read in conjunction with the accompanying Financial Statements and notes. All material variances are discussed in Note 1.

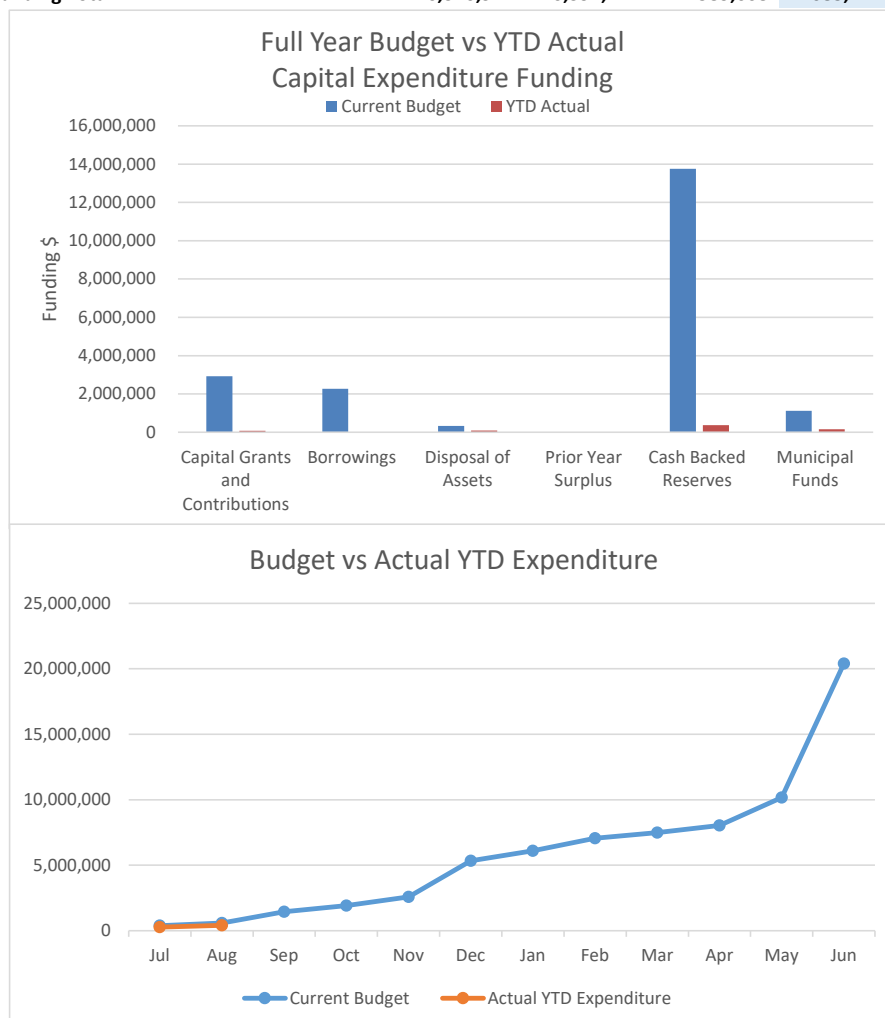
CITY OF KWINANA
STATEMENT OF FINANCIAL ACTIVITY
(By Nature or Type)
For the Period Ended 31 August 2019

	Note	Adopted Annual Budget	Current Annual Budget	YTD Budget (a)	YTD Actual (b)	Var. \$ (b)-(a)	Var. % (b)-(a)/(a)
		\$	\$	\$	\$	\$	%
Opening Funding Surplus (Deficit)	2	1,504,912	1,504,912	1,504,912	1,592,295	87,383	6%
Revenue from operating activities							
Rates	8	39,802,378	39,802,378	39,802,378	39,436,331	(366,047)	(1%)
Operating Grants, Subsidies and Contributions	12	8,971,318	8,971,318	1,521,563	1,377,641	(143,922)	(9%)
Fees and Charges		12,254,403	12,254,403	6,688,363	6,654,014	(34,349)	(1%)
Interest Earnings		2,088,408	2,088,408	348,900	781,326	432,426	124%
Other Revenue		685,839	685,839	344,686	491,335	146,649	43%
Profit on Disposal of Assets	7	42,863	42,863	0	0	0	0%
		63,845,209	63,845,209	48,705,890	48,740,648	34,758	0%
Expenditure from operating activities							
Employee Costs		(29,800,091)	(29,800,091)	(4,661,265)	(4,509,008)	152,257	3%
Materials and Contracts		(29,036,680)	(29,036,680)	(4,895,553)	(3,222,406)	1,673,147	34%
Utility Charges		(2,377,800)	(2,377,800)	(366,579)	(375,953)	(9,374)	(3%)
Depreciation on Non-Current Assets		(14,269,092)	(14,269,092)	(2,378,182)	0	2,378,182	100%
Interest Expenses		(1,054,610)	(1,054,610)	0	0	0	0%
Insurance Expenses		(575,863)	(575,863)	(340,422)	(384,616)	(44,194)	(13%)
Other Expenditure		(122,229)	(122,229)	(20,338)	(11,963)	8,375	41%
Loss on Disposal of Assets	7	(101,926)	(101,926)	(21,859)	(13,464)	8,395	38%
		(77,338,291)	(77,338,291)	(12,684,198)	(8,517,411)	4,166,787	33%
Operating activities excluded from budget							
Add back Depreciation		14,269,092	14,269,092	2,378,182	0	(2,378,182)	(100%)
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Investing activities							
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Transfer from Reserves	6	21,765,512	21,822,012	3,706,364	43,750	(3,662,614)	(99%)
Repayment of Debentures	9	(1,451,093)	(1,451,093)	0	0	0	
Transfer to Reserves	6	(15,869,208)	(15,881,808)	(4,105,026)	(187,731)	3,917,295	95%
Amount attributable to financing activities		6,729,920	6,773,820	(395,878)	(139,838)	256,040	(65%)
Closing Funding Surplus (Deficit)	2	0	0	39,817,329	40,907,506	1,090,177	3%

This statement is to be read in conjunction with the accompanying Financial Statements and notes. All material variances are discussed in Note 1.

CITY OF KWINANA
STATEMENT OF CAPITAL ACQUISITIONS AND CAPITAL FUNDING
For the Period Ended 31 August 2019

Capital Acquisitions	Note	Adopted Annual Budget	Current Annual Budget	YTD Budget (a)	YTD Actual Total (b)	Variance (a) - (b)
		\$	\$	\$	\$	\$
Land and Buildings	11	5,309,694	5,309,694	73,342	127,456	(54,114)
Plant, Furniture and Equipment	11	2,788,666	2,845,166	202,892	284,436	(81,544)
Infrastructure Assets - Roads	11	4,135,562	4,135,562	226,290	188,540	37,750
Infrastructure Assets - Parks and Reserves	11	1,832,291	1,832,291	38,344	36,344	2,000
Infrastructure Assets - Footpaths	11	215,000	215,000	19,545	19,545	0
Infrastructure Assets - Drainage	11	5,737,961	5,737,961	23,068	23,068	0
Infrastructure Assets - Street Lighting	11	251,000	251,000	0	0	0
Infrastructure Assets - Bus Shelters	11	19,800	19,800	1,800	1,800	0
Infrastructure Assets - Car Parks	11	41,000	41,000	3,727	4,053	(326)
Infrastructure Assets - Other Structures	11	10,000	10,000	0	0	0
Capital Expenditure Totals		20,340,974	20,397,474	589,008	685,242	(96,234)
Capital acquisitions funded by:						
Capital Grants and Contributions		1,423,989	2,921,555	330,966	71,180	259,786
Borrowings		2,268,000	2,268,000	0	0	0
Disposal of Assets		334,500	334,500	46,500	82,036	(35,536)
Prior Year Surplus		550,934	0	0	0	0
Cash Backed Reserves		8,133,427	13,752,189	0	376,026	(376,026)
Municipal Funds		7,630,124	1,121,230	211,542	156,000	55,542
Capital Funding Total		20,340,974	20,397,474	589,008	685,242	(96,234)



CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 1: Explanation of Operating Revenue and Expenditure Material Variances by Nature and Type

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially.

The material variance adopted by Council for the 2018/19 year is the greater of \$50,000 or 5%.

Nature and Type Category	Var. \$	Var. %	Var.	Timing/ Permanent	Explanation of Variance
Operating Revenues					
Rates	(366,047)	(1%)		No Material Variance	
Operating Grants, Subsidies and Contributions	(143,922)	(9%)	M	Timing	Childcare subsidies received were less than that expected at the end of August. These subsidies are directly offset by payments to care providers so that there is no overall impact on surplus. Levies associated with this income have not been significantly affected.
Fees and Charges	(34,349)	(1%)		No Material Variance	
Interest Earnings	432,426	124%	M	Timing	Interest earnings to date are more than anticipated. \$334k variance relating to Reserve investments, \$36k relating to municipal fund investments and \$62k relating to interest charged on outstanding rates and cost of payment options.
Other Revenue	146,649	43%	M	Timing	\$38k insurance proceeds for a written off vehicle that will not be replaced. \$28k received for the sale of Small Scale Technology Certificates. \$26k credit from LGIS (insurance provider). \$24k reimbursement of legal expenses charged on outstanding rates. \$16k reimbursement from developer handover of street trees.
Profit on Disposal of Assets	0	0%		No Material Variance	
Operating Expense					
Employee Costs	152,257	3%		No Material Variance	
Materials and Contracts	1,673,147	34%	M	Timing	Costs have been budgeted to be spent over 12 months. Each month, a number of invoices are not received until after period end processing has finished, resulting in the expenditure reported in these statements not reflecting the actual cost in the month the expense was incurred.
Utility Charges	(9,374)	(3%)		No Material Variance	
Depreciation on Non-Current Assets	2,378,182	100%	M	Timing	Timing variance as depreciation will be calculated after the annual financial report has been audited.
Interest Expenses	0	0%		No Material Variance	
Insurance Expenses	(44,194)	(13%)		No Material Variance	
Other Expenditure	8,375	41%		No Material Variance	
Loss on Disposal of Assets	8,395	38%		No Material Variance	

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 1: Explanation of Operating Revenue and Expenditure Material Variances by Nature and Type

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date budget materially.

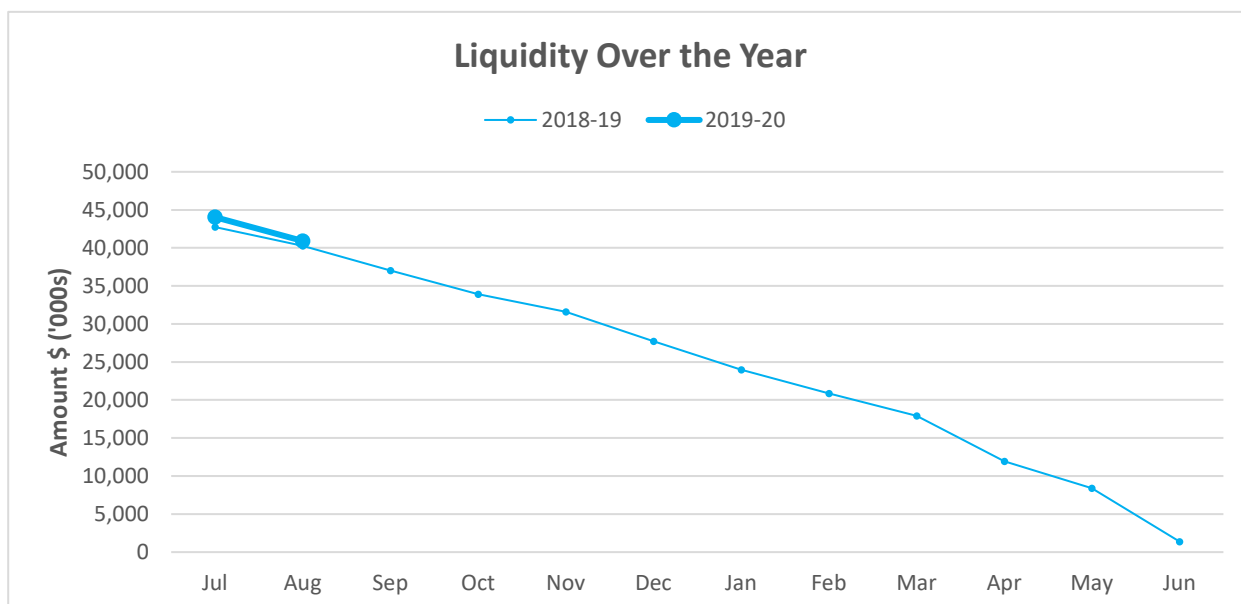
The material variance adopted by Council for the 2018/19 year is the greater of \$50,000 or 5%.

Nature and Type Category	Var. \$	Var. %	Var.	Timing/ Permanent	Explanation of Variance
Capital Revenues					
Grants, Subsidies and Contributions	(1,007,516)	122%		No Material Variance	
Proceeds from Disposal of Assets	35,536	(76%)		No Material Variance	
Capital Expenses					
Land and Buildings	(54,114)	(74%)	M	Timing	Projects are progressing ahead of budgeted timeframes.
Plant, Furniture & Equipment	(81,544)	(40%)	M	Timing	Two fleet vehicles were purchased in August ahead of budgeted timeframe.
Infrastructure - Roads	37,750	17%		No Material Variance	
Infrastructure Assets - Parks and Reserves	2,000	5%		No Material Variance	
Infrastructure Assets - Footpaths	0	0%		No Material Variance	
Infrastructure Assets - Drainage	0	0%		No Material Variance	
Infrastructure Assets - Street Lighting	0	0%		No Material Variance	
Infrastructure Assets - Bus Shelters	0	0%		No Material Variance	
Infrastructure Assets - Car Parks	0	0%		No Material Variance	
Financing					
Proceeds from New Debentures	0	0%		No Material Variance	
Self-Supporting Loan Principal	1,359	49%		No Material Variance	
Transfer from Reserves	(3,662,614)	(99%)	M	Timing	Reserve transfers will be processed once end of year process has been finalised.
Advances to Community Groups	0	0%		No Material Variance	
Repayment of Debentures	0	0%		No Material Variance	
Transfer to Reserves	3,917,295	95%	M	Timing	Reserve transfers will be processed once end of year process has been finalised.

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 2: Net Current Funding Position

		Last Years Closing	This Time Last Year	Current
	Note	30 Jun 2019	31 Aug 2018	31 Aug 2019
		\$	\$	\$
Current Assets				
Cash Unrestricted		560,382	8,219,163	18,806,996
Cash Restricted - Reserves	6	56,676,161	52,320,046	56,820,142
Receivables - Rates	5(a)	3,865,053	36,088,059	26,214,339
Receivables - Sundry Debtors	5(b)	375,339	665,883	444,419
Other Current Assets		329,703	105,687	1,204,263
Accrued Income / Prepayments		627,699	0	423,849
Inventories		32,920	33,321	31,637
		62,467,257	97,432,159	103,945,645
Less: Current Liabilities				
		(4,198,801)	(4,849,379)	(6,217,998)
Less: Cash Reserves	6	(56,676,161)	(52,320,046)	(56,820,142)
Net Current Funding Position - Surplus/(Deficit)				
		1,592,295	40,262,734	40,907,506



CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 3(a): Cash and Investments

	Total Amount	Interest Rate	Calculated Interest Earnings	Institution	S&P Rating	Deposit Date	Maturity Date	Term Days
	\$	%	\$					
CBA Municipal Bank Account	9,253,324	Variable	N/A	CBA	AA	N/A	N/A	N/A
CBA Trust Bank Account	446,133	Variable	N/A	CBA	AA	N/A	N/A	N/A
Cash On Hand - Petty Cash	4,570	N/A	N/A	PC	N/A	N/A	N/A	N/A
Sub-total Cash Deposits	9,704,027							
 (b) Term Deposits - Investments								
CBA - TD35732709.117	2,000,000	1.69%	5,834	CBA	AA	20/08/2019	22/10/2019	63
CBA - TD35732709.117	4,000,000	1.69%	38,893	CBA	AA	22/08/2019	19/03/2020	210
CBA - TD35732709.117	2,000,000	1.62%	24,145	CBA	AA	22/08/2019	20/05/2020	272
BWA - TD4854203	2,000,000	1.80%	5,918	BWA	AA	18/07/2019	16/09/2019	60
NAB - TD40-051-5636	2,000,000	1.70%	11,178	NAB	AA	20/08/2019	18/12/2019	120
NAB - TD40-044-5690	2,000,000	1.70%	16,953	NAB	AA	20/08/2019	18/02/2020	182
Sub-total - Term Deposits - Investments	14,000,000		102,921					
 Reserve Funds Investments (Cash Backed Reserves)								
Aged Persons Units Reserve - TD36-866-8236	807,623	1.65%	6,645	NAB	AA	29/08/2019	27/02/2020	182
Asset Management Reserve - TD36-842-8945	5,432,414	1.68%	22,754	NAB	AA	29/08/2019	28/11/2019	91
Plant and Equipment Replacement Reserve - TD42-972-1062	601,650	2.60%	7,800	NAB	AA	5/03/2019	3/09/2019	182
Banksia Park DMF Reserve - TD42-997-1790	118,009	2.60%	1,530	NAB	AA	5/03/2019	3/09/2019	182
City Infrastructure Reserve - TD4864023	1,565,277	1.60%	6,313	BWA	AA	19/08/2019	19/11/2019	92
Community Services & Emergency Relief Reserve - TD43-069-3230	88,101	2.60%	1,142	NAB	AA	5/03/2019	3/09/2019	182
CLAG Reserve - TD32-591-0424	284,781	2.60%	3,692	NAB	AA	5/03/2019	3/09/2019	182
Workers Compensation Reserve - TD69-136-9789	140,284	2.60%	1,819	NAB	AA	7/03/2019	5/09/2019	182
Settlement Agreement Reserve - TD68-951-1678	163,535	2.60%	2,120	NAB	AA	7/03/2019	5/09/2019	182
Infrastructure Reserve - TD68-832-2429	345,231	2.60%	4,476	NAB	AA	7/03/2019	5/09/2019	182
Golf Course Cottage Reserve - TD68-730-8350	28,652	2.60%	371	NAB	AA	7/03/2019	5/09/2019	182
Family Day Care Reserve - TD4864028	1,489,179	1.65%	12,319	BWA	AA	19/08/2019	18/02/2020	183
Employee Leave Reserve - TD76-099-7157	1,914,567	1.70%	8,025	NAB	AA	23/08/2019	21/11/2019	90
Refuse Reserve - TD80-618-4101	5,644,888	1.68%	23,644	NAB	AA	29/08/2019	28/11/2019	91
Renewable Energy Efficiency Reserve - TD4864024	62,008	1.65%	513	BWA	AA	19/08/2019	18/02/2020	183
Information Technology Reserve - TD3088380	2,068,659	1.60%	8,343	BEN	A	21/08/2019	21/11/2019	92
Sub-total - Term Deposits - (Cash Backed Reserves)	20,754,857		111,505					
 Reserve Funds Investments (Developer Contributions)								
DCA - 1 Hard Infrastructure - Bertram - TD3088370	228,688	1.60%	1,835	BEN	A	21/08/2019	20/02/2020	183
DCA - 2 Hard Infrastructure - Wellard - TD3088375	2,435,413	1.60%	19,537	BEN	A	21/08/2019	20/02/2020	183
DCA - 4 Hard Infrastructure - Anketell TD4864026	533,009	1.65%	4,409	BWA	AA	19/08/2019	18/02/2020	183
DCA 5 - Hard Infrastructure - Wandl - TD74-094-8075	1,076,038	1.67%	8,960	NAB	AA	27/08/2019	25/02/2020	182
DCA - 8 Soft Infrastructure - Mandogalup - TD4864027	471,270	1.65%	3,899	BWA	AA	19/08/2019	18/02/2020	183
DCA - 9 Soft Infrastructure - Wandl/Anketell - TD97-154-6348	11,762,971	1.67%	97,952	NAB	AA	27/08/2019	25/02/2020	182
DCA - 10 Soft Infrastructure - Casuarina/Anketell - TD27-453-1941	225,488	1.75%	1,978	NAB	AA	14/08/2019	13/02/2020	183
DCA - 11 Soft Infrastructure - Wellard East - TD3088365	6,079,450	1.60%	48,769	BEN	A	21/08/2019	20/02/2020	183
DCA - 12 Soft Infrastructure - Wellard West - TD3096135	7,741,470	1.60%	61,762	BEN	A	28/08/2019	26/02/2020	182
DCA - 13 Soft Infrastructure - Bertram - TD27-521-3013	283,533	1.75%	2,488	NAB	AA	14/08/2019	13/02/2020	183
DCA - 14 Soft Infrastructure - Wellard/Leda - TD27-496-1706	614,490	1.75%	5,392	NAB	AA	14/08/2019	13/02/2020	183
DCA - 15 Soft Infrastructure - Townsite - TD27-479-8398	162,566	1.75%	1,426	NAB	AA	14/08/2019	13/02/2020	183
Sub-total - Reserve Funds Investments (Developer Contributions)	31,614,386		258,406					
Total	76,073,270		472,832					
Less Trust Bank	(446,133)							
Total Municipal Controlled Funds	75,627,137		472,832					

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 3(b): Cash and Investments - Compliance with Investment Policy

Portfolio Credit Risk	Funds Held	Actual at Period End	Limit per Policy	
AAA & Bendigo Bank Kwinana Community Branch	18,553,680	6%	100%	✓
AA	57,515,020	94%	100%	✓
A	-	0%	60%	✓
BBB	-	0%	20%	✓
Unrated	-	0%	20%	✓

Counterparty Credit Risk	Funds Held	Actual at Period End	Limit per Policy	
BEN (AAA)	18,553,680	6%	45%	✓
BWA (AA)	6,120,743	29%	45%	✓
CBA (AA)	17,699,457	24%	45%	✓
NAB (AA)	33,694,820	41%	45%	✓

Comments - Investment Policy Compliance

The City's investments are invested in line with Council Policy - Investments. The above tables exclude the total of petty cash (\$4,570) held by the City.
Interest received on the City's investments year to date is \$594,535

5.5.1 Portfolio Credit Framework

To control the credit quality on the investment portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum for category %
AAA and Bendigo Bank Kwinana Community Branch	A-1+ and Bendigo Bank Kwinana Community Branch	100%
AA	A-1+	100%
A	A-1	60%
BBB	A-2	20%

If any of the investments within the portfolio are subject to a credit rating downgrade such that the portfolio credit percentages are no longer compliant with the Investment Policy, or there is a review of this policy, the investment will be divested as soon as practicable.

5.5.2 Counterparty Credit Framework

Exposure to an individual counterparty/institution will be restricted by its credit rating so that single entity exposure is limited, as detailed in the table below:

S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum for category %
AAA and Bendigo Bank Kwinana Community Branch	A-1+ and Bendigo Bank Kwinana Community Branch	45%
AA	A-1+	45%
A	A-1	25%
BBB	A-2	10%

If any of the investments within the portfolio are subject to a credit rating downgrade such that the portfolio credit percentages are no longer compliant with the Investment Policy, or there is a review of this policy, the investment will be divested as soon as practicable.

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

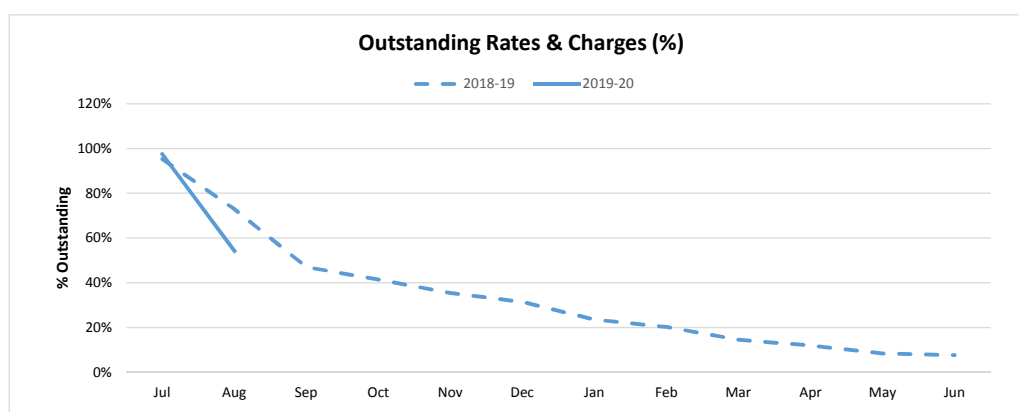
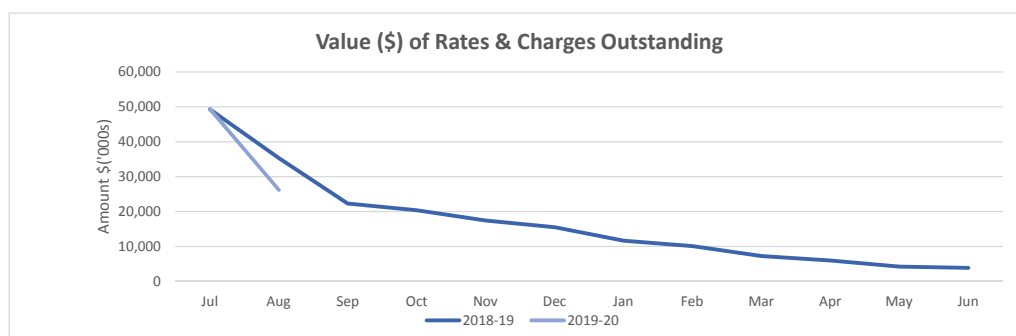
Note 4: Budget Amendments

GL Code	Description	Increase / (Decrease) to Net Surplus Position	Amended Budget Surplus / (Deficit)
		\$	\$
26/06/2019 Annual Budget Adoption			0
<u>Items not requiring Council Approval as per OCM 26/06/2019 Council Decision 480</u>			
Transfer of budget in business unit to cover additional costs of advertising full local laws.			
400053.1106.60	Operating Expense - Governance (City Legal) - Advertising & Promotions	(10,000)	
400053.1830.60	Operating Expense - Governance (City Legal) - Land Administration	10,000	
		0	0
Correction of salary and superannuation to correct business units.			
400087.1031.50	Operating Expense - Events & Stakeholder Management - Salaries	(476,682)	
400087.1035.50	Operating Expense - Events & Stakeholder Management - Superannuation	(57,200)	
400092.1031.50	Operating Expense - Community Engagement & Place - Salaries	476,682	
400092.1035.50	Operating Expense - Community Engagement & Place - Superannuation	57,200	
		0	0
<u>Items approved by Council falling outside Council Decision 480</u>			
24/07/2019 Purchase of new vehicle to replace vehicle that was written off in previous financial year. Insurance reimbursement was received in 2018/2019 and transferred to reserve for purchase in 2019/2020.			
600012.1000.60	Capital Expense - Plant and Equipment - Law Order & Public Safety	(56,500)	
700006.1006.06	Reserve Transfer - Law Order & Public Safety - Plant and Equipment Replacement Reserve	56,500	
		0	0
14/08/2019 Transfer of sale proceeds to reserve for fleet vehicle that will not be replaced.			
800044.1006.07	Reserve Transfer - Computing Infrastructure - Plant and Equipment Replacement Reserve	(12,600)	
500024.1488.05	Capital Revenue - Computing Infrastructure - Asset Sale - Sale of Vehicle	12,600	
		0	0
Amended Budget Surplus / (Deficit)			0

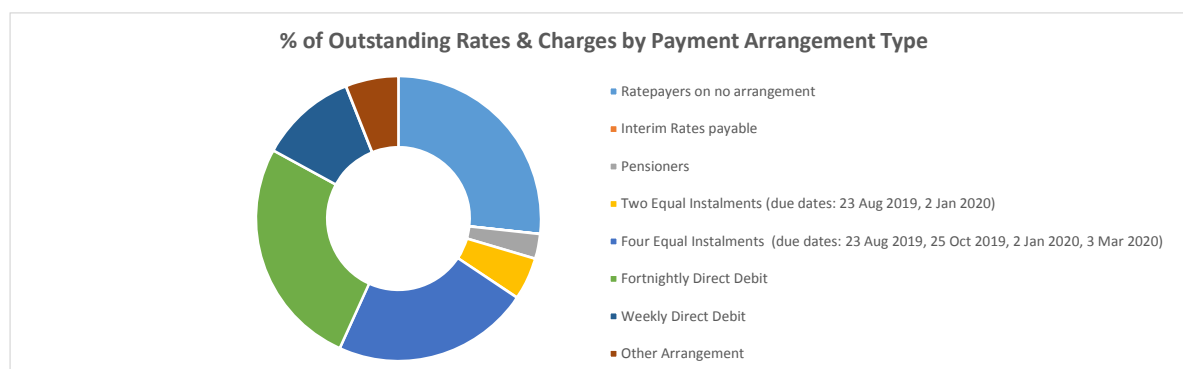
CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 5(a): Receivables - Rates & Charges

Receivables - Rates & Charges Receivable	30 June 2019	31 Aug 2018	31 Aug 2019
	\$		\$
Opening Arrears Previous Years	4,275,903	4,275,903	4,576,703
Levied this year	49,841,706	48,381,884	50,930,468
Rates & Charges to be collected	54,117,609	52,657,787	55,507,172
<u>Less</u> Collections to date	(49,708,330)	(15,898,524)	(27,681,077)
<u>Less</u> Excess Rates received	(799,399)	(799,399)	(904,842)
<u>Less</u> Pensioner Deferred Rates	(608,922)	(671,204)	(706,913)
Net Rates & Charges Collectable	3,000,958	35,288,660	26,214,339
% Outstanding	5.55%	67.02%	47.23%



Outstanding Rates & Charges by Payment Arrangement Type	Number of Assessments	Balance Outstanding	
		\$	%
Ratepayers on no arrangement	2616	7,005,375	26.72%
Interim Rates payable	0	0	0.00%
Pensioners	431	737,643	2.81%
Two Equal Instalments (due dates: 23 Aug 2019, 2 Jan 2020)	951	1,263,306	4.82%
Four Equal Instalments (due dates: 23 Aug 2019, 25 Oct 2019, 2 Jan 2020, 3 Mar 2020)	3112	5,873,933	22.41%
Fortnightly Direct Debit	3746	6,860,232	26.17%
Weekly Direct Debit	1385	2,897,872	11.05%
Other Arrangement	261	1,575,978	6.01%
	12,502	26,214,339	100.00%



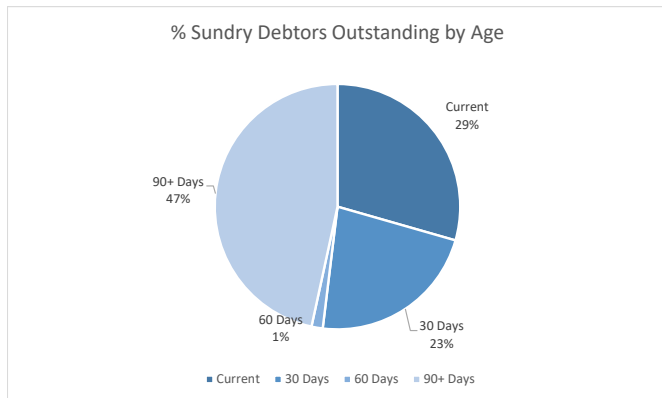
CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 5(b): Receivables - General

Receivables - General

	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$
Sundry Debtors	81,208	62,059	4,077	128,553	275,897
Infringements Register					168,522
Total Receivables General Outstanding					444,419

Amounts shown above include GST (where applicable)



Sundry Debtors Outstanding Over 90 Days Exceeding \$1,000

Debtor #	Description	Status	\$
Debts with Fines Enforcement Registry (FER)			
1825.07	Prosecution Local Law Fencing	Registered with FER. Payments are being received.	1,863
2442.07	Prosecution Dog Act 1976	Registered with FER. No payments received.	5,732
3321.07	Prosecution and Infringement Dog Act 1976	Registered with FER. Regular fortnightly payments.	1,685
3909.07	Prosecution Local Government Act 1995	Registered with FER.	3,652
3936.07	Prosecution Building Act 2011 and Planning and	Registered with FER. Regular fortnightly payments.	5,252
3953.07	Prosecution Local Law Urban Environment Nuisance - Disrepair Vehicle	Registered with FER. Regular fortnightly payments.	1,384
4060.07	Prosecution Littering Act 1979	Payment Arrangement by direct debit fortnightly.	1,212
4131.07	Prosecution Dog Act 1976 Dangerous Dog	Registered with FER. Debtor is making payments to FER. City yet to receive payments due to quantum of fines outstanding.	4,654
4233.07	Prosecution Local Law Fencing	Registered with FER.	2,500
4274.07	Prosecution Dog Act 1976	Registered with FER.	8,827
4275.07	Prosecution Local Law Urban Environment Nuisance - Disrepair Vehicle	Registered with FER.	14,350
4387.07	Prosecution Dog Act	Registered with FER.	10,200
Other Sundry Debtors			
897.04	Deed of Settlement	Review of Deed of Settlement Council meeting 27 June 2019.	50,000
3418.04	Seasonal Tenancy Fees	Payment arrangement in place as approved by Director City Strategy.	1,285
3884.03	Local Government Act 1995 abandoned vehicle	Payment arrangement in place as approved by Director City Strategy.	1,155
Total Debtors 90+ days > \$1,000			113,751

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 6: Cash Backed Reserves

	Adopted Budget				Current Budget				Actual					Variance
	Opening Balance	Transfers In (incl Interest)	Transfers Out	Closing Balance	Opening Balance	Transfers In (incl Interest)	Transfers Out	Current Budget Closing Balance	Opening Balance	Transfers In	Interest Earned	Transfers Out	YTD Closing Balance	Actual vs Current Budget
Reserve	\$	(+)	(-)	\$	\$	(+)	(-)	\$	\$	(+)	(+)	(-)	\$	\$
Municipal Reserves														
Aged Persons Units Reserve	721,244	176,770	(190,000)	708,014	721,244	176,770	(190,000)	708,014	807,623	0	9,857	0	817,480	109,466
Asset Management Reserve	637,921	5,028,582	(1,952,609)	3,713,894	637,921	5,028,582	(1,952,609)	3,713,894	762,988	0	6,419	0	769,407	(2,944,487)
Banksia Park Reserve	120,249	21,268	(90,000)	51,517	120,249	21,268	(90,000)	51,517	190,418	0	0	0	190,418	138,901
City Assist Initiative Reserve	15,083	194	(15,000)	277	15,083	194	(15,000)	277	0	0	0	0	0	(277)
City Infrastructure Reserve	0	1,547,468	(930,511)	616,957	0	1,547,468	(930,511)	616,957	0	0	0	0	0	(616,957)
Community Services & Emergency Relief Reserve	88,063	1,134	0	89,197	88,063	1,134	0	89,197	88,836	0	0	0	88,836	(361)
Contiguous Local Authorities Group Reserve	278,100	13,862	(29,000)	262,962	278,100	13,862	(29,000)	262,962	275,223	0	0	0	275,223	12,261
Employee Leave Reserve	3,729,783	0	(2,119,426)	1,610,357	3,729,783	0	(2,119,426)	1,610,357	4,033,993	0	5,793	0	4,039,786	2,429,429
Family Day Care Reserve	1,400,660	18,036	(246,171)	1,172,525	1,400,660	18,036	(246,171)	1,172,525	1,489,179	0	0	0	1,489,179	316,654
Future Community Infrastructure Reserve	1,032,565	0	(1,032,565)	0	1,032,565	0	(1,032,565)	0	1,067,201	0	0	0	1,067,201	1,067,201
Golf Course Cottage Reserve	28,635	369	0	29,004	28,635	369	0	29,004	28,887	0	0	0	28,887	(117)
Information Technology Reserve	2,145,970	27,633	(974,433)	1,199,170	2,145,970	27,633	(974,433)	1,199,170	2,068,659	0	13,529	0	2,082,188	883,018
Infrastructure Reserve	345,032	198	(345,230)	0	345,032	198	(345,230)	0	348,076	0	0	0	348,076	348,076
Plant and Equipment Replacement Reserve	588,784	514,020	(812,600)	290,204	588,784	526,620	(869,100)	246,304	579,628	0	0	0	579,628	333,324
Refuse Reserve	8,928,629	0	(3,242,000)	5,686,629	8,928,629	0	(3,242,000)	5,686,629	8,844,888	0	28,945	0	8,873,833	3,187,204
Renewable Energy Efficiency Reserve	60,058	773	(25,000)	35,831	60,058	773	(25,000)	35,831	62,008	0	0	0	62,008	26,177
Restricted Grants & Contributions Reserve	1,573,326	0	(1,530,326)	43,000	1,573,326	0	(1,530,326)	43,000	4,007,851	0	0	(43,750)	4,064,101	4,021,101
Settlement Agreement Reserve	163,440	2,105	0	165,545	163,440	2,105	0	165,545	164,874	0	0	0	164,874	(671)
Workers Compensation Reserve	138,404	1,782	0	140,186	138,404	1,782	0	140,186	141,443	0	0	0	141,443	1,257
Youth Engagement Reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sub-Total Municipal Reserves	21,995,946	7,354,194	(13,534,871.0)	15,815,269	21,995,946	7,366,794	(13,591,371)	15,771,369	25,061,775	0	64,543	(43,750)	25,082,568	9,311,199
Developer Contribution Reserves														
DCA 1 - Hard Infrastructure - Bertram	2,131,883	32,766	(695,753)	1,468,896	2,131,883	32,766	(695,753)	1,468,896	228,688	0	6,888	0	235,576	(1,233,320)
DCA 2 - Hard Infrastructure - Wellard	2,574,546	3,940,205	(2,279,000)	4,235,751	2,574,546	3,940,205	(2,279,000)	4,235,751	2,435,413	0	9,107	0	2,444,520	(1,791,231)
DCA 3 - Hard Infrastructure - Casuarina	0	2,747,378	(2,747,378)	0	0	2,747,378	(2,747,378)	0	0	0	0	0	0	0
DCA 4 - Hard Infrastructure - Anketell	633,006	9,729	0	642,735	633,006	9,729	0	642,735	533,009	0	4,745	0	537,753	(104,982)
DCA 5 - Hard Infrastructure - Wandl	1,232,061	1,030,936	(1,453,795)	809,202	1,232,061	1,030,936	(1,453,795)	809,202	1,073,049	0	60	0	1,073,108	263,906
DCA 7 - Hard Infrastructure - Mandogalup West	23,918	368	0	24,286	23,918	368	0	24,286	2,989	0	0	0	2,989	(21,297)
DCA 8 - Soft Infrastructure - Mandogalup	0	0	0	0	0	0	0	0	471,270	0	0	0	471,270	471,270
DCA 9 - Soft Infrastructure - Wandl/Anketell	11,770,673	180,905	(1,004,445)	10,947,133	11,770,673	180,905	(1,004,445)	10,947,133	11,762,971	0	48,205	0	11,811,176	864,043
DCA 10 - Soft Infrastructure - Casuarina/Anketell	233,191	3,584	(4,545)	232,230	233,191	3,584	(4,545)	232,230	225,488	0	692	0	226,180	(6,050)
DCA 11 - Soft Infrastructure - Wellard East	5,642,461	86,721	(4,545)	5,724,637	5,642,461	86,721	(4,545)	5,724,637	6,079,450	0	21,531	0	6,100,981	376,344
DCA 12 - Soft Infrastructure - Wellard West	7,206,957	110,766	(4,545)	7,313,178	7,206,957	110,766	(4,545)	7,313,178	7,741,470	0	28,742	0	7,770,213	457,035
DCA 13 - Soft Infrastructure - Bertram	291,237	4,476	(4,545)	291,168	291,237	4,476	(4,545)	291,168	283,533	0	865	0	284,398	(6,770)
DCA 14 - Soft Infrastructure - Wellard/Leda	622,193	9,563	(16,045)	615,711	622,193	9,563	(16,045)	615,711	614,490	0	1,847	0	616,338	627
DCA 15 - Soft Infrastructure - City Site	170,270	357,617	(16,045)	511,842	170,270	357,617	(16,045)	511,842	162,566	0	506	0	163,072	(348,771)
Sub-Total Developer Contribution Reserves	32,532,396	8,515,014	(8,230,641)	32,816,769	32,532,396	8,515,014	(8,230,641)	32,816,769	31,614,386	0	123,188	0	31,737,573	(1,079,196)
Total Reserves	54,528,342	15,869,208	(21,765,512)	48,632,038	54,528,342	15,881,808	(21,822,012)	48,588,138	56,676,161	0	187,731	(43,750)	56,820,142	8,232,004

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 7: Disposal of Assets

Asset Number		YTD Actual				Budget			
		Net Book Value	Proceeds	Profit	(Loss)	Net Book Value	Proceeds	Profit	(Loss)
		\$	\$	\$	\$	\$	\$	\$	\$
Motor Vehicles									
5603	Plant Replacement - P429 KWN1956					19,777	13,500		(6,277)
5830	Plant Replacement - P456 KWN1986					24,291	15,500		(8,791)
5837	Plant Replacement - P454 1EWO610					24,291	17,500		(6,791)
5873	Plant Replacement - P452 KWN2023	22,000	19,145		(2,855)	21,554	16,500		(5,054)
6069	Plant Replacement - P482 1GDA257					9,550	10,000	450	
5903	Plant Replacement - P450 KWN2063					15,997	22,500	6,503	
5882	Plant Replacement - P451 KWN2025					12,058	16,000	3,942	
5905	Plant Replacement - P480 KWN2027					12,610	16,000	3,390	
5059	Plant Replacement - P409 KWN1896					18,750	12,500		(6,250)
6145	Plant Replacement - P520 KWN2049					19,545	19,500		(45)
5978	Plant Replacement - P491 1GCH843					11,784	14,000	2,216	
6068	Plant Replacement - P486 KWN2067					14,329	17,500	3,171	
6018	Plant Replacement - P496 1GDR926					15,848	21,500	5,652	
5869	Plant Replacement - P453 KWN1989	24,500	21,873		(2,627)	23,666	18,000		(5,666)
5931	Plant Replacement - P449 KWN2061					10,961	16,500	5,539	
5870	Plant Replacement - P458 KWN1991	27,000	21,191		(5,809)	26,443	17,500		(8,943)
5053	Plant Replacement - P408 KWN1899	22,000	19,827		(2,173)	20,000	10,500		(9,500)
5629	Plant Replacement - P431 KWN1982					26,610	14,000		(12,610)
5628	Plant Replacement - P434 KWN1981					26,610	13,500		(13,110)
5876	Plant Replacement - P457 KWN1981					12,600	12,600		
Plant & Equipment									
3842	Plant Replacement - P333 KWN1835 Signage Truck					28,250	15,000		(13,250)
2452	Plant Disposal Only - P51 KWN650 Massey Ferguson 362 Tractor					0	10,000	10,000	
2850	Plant Replacement - P208 3 PTL Hyd Drive Road Broom Hyd Angle					0	1,000	1,000	
3724	Plant Replacement - P325 1TLL524 Flat Top Trailer					2,390	2,000		(390)
3130	Plant Replacement - P235 1TJO798 Mowing Dovetail Trailer					1,000	2,000	1,000	
3723	Plant Replacement - P323 1TLN489 Mowing Trailer Industrial Crew					2,284	2,000		(284)
6153	Plant Replacement - P530 1GJU179 Toro Ground Master Ride On Mower					2,482	0		(2,482)
6154	Plant Replacement - P532 1GJU178 Toro Ground Master Mower					2,482	0		(2,482)
		95,500	82,036	0	(13,464)	406,162	347,100	42,863	(101,926)
Net Profit/(Loss)					(13,464)	(59,063)			

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 8: Rating Information	YTD Actual							Budget					
	Rate in	Number of Properties	Rateable Value	Rate Revenue	Interim Rates	Back Rates	Total Revenue	Number of Properties	Rateable Value	Rate Revenue	Interim Rate	Back Rate	Total Revenue
RATE TYPE	\$		\$	\$	\$	\$	\$		\$	\$	\$	\$	\$
Differential General Rate													
Gross Rental Value (GRV)													
Improved Residential	0.08199	13,959	241,837,544	19,718,902	109,360	17,396	19,845,656	13,885	240,503,744	19,718,902	500,000	0	20,218,903
Improved Special Residential	0.07518	826	19,715,471	1,477,596	4,613	23	1,482,232	824	19,654,111	1,477,596	0	0	1,477,596
Improved Commercial and Industrial	0.09269	516	108,492,248	10,017,187	35,079	30,101	10,082,367	512	108,071,932	10,017,187	0	0	10,017,187
Vacant Residential	0.17249	375	7,531,150	1,324,927	(25,879)	(4,492)	1,294,556	387	7,681,180	1,324,927	0	0	1,324,927
Vacant Non Residential	0.12193	38	2,573,000	353,095	(39,369)	(33,270)	280,457	43	2,895,880	353,095	0	0	353,095
Unimproved Value (UV)													
General Industrial	0.01803	3	121,200,000	2,185,236	0	0	2,185,236	3	121,200,000	2,185,236	0	0	2,185,236
Mining & Industrial	0.00868	25	39,960,000	346,853	0	0	346,853	25	39,960,000	346,853	0	0	346,853
Rural	0.00518	141	237,557,000	1,260,537	(25,227)	(7,435)	1,227,875	144	243,347,000	1,260,537	0	0	1,260,537
Sub-Totals		15,883	778,866,413	36,684,333	58,578	2,323	36,745,232	15,823	783,313,847	36,684,333	500,000	0	37,184,334
Minimum Payment	Minimum												
Gross Rental Value (GRV)	\$												
Improved Residential	\$1,062	1,432	16,962,648	1,520,784	0	0	1,520,784	1,432	16,962,648	1,520,784	0	0	1,520,784
Improved Special Residential	\$1,062	4	54,600	4,248	0	0	4,248	4	54,600	4,248	0	0	4,248
Improved Commercial and Industrial	\$1,382	61	588,183	84,302	0	0	84,302	61	588,183	84,302	0	0	84,302
Vacant Residential	\$1,062	876	4,522,113	917,568	12,744	2,572	932,884	864	4,463,193	917,568	0	0	917,568
Vacant Non Residential	\$1,062	3	4,770	3,186	0	0	3,186	3	4,770	3,186	0	0	3,186
Unimproved Value (UV)													
Mining & Industrial	\$1,382	1	156,000	22,112	0	0	22,112	16	187,173	22,112	0	0	22,112
Rural	\$1,062	103	14,514,600	65,844	43,542	14,197	123,583	62	8,872,600	65,844	0	0	65,844
Sub-Totals		2,480	36,802,914	2,618,044	56,286	16,769	2,691,099	2,442	31,133,167	2,618,044	0	0	2,618,044
		18,363	815,669,327	39,302,377	114,864	19,092	39,436,331	18,265	814,447,014	39,302,377	500,000	0	39,802,378
Concession							0						0
Amount from General Rates							39,436,331						39,802,378
Ex-Gratia Rates							0						0
Specified Area Rates							0						0
Totals							39,436,331						39,802,378

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 9: Information on Borrowings

(a) Debenture Repayments

Particulars	01 Jul 2019	New Loans		Principal Repayments		Principal Outstanding		Interest Repayments	
		Actual	Current Budget	Actual	Current Budget	Actual	Current Budget	Actual	Current Budget
		\$		\$	\$	\$	\$	\$	\$
Governance									
Loan 99 - Administration Office Renovations	671,799	0	0	0	95,471	671,799	576,328	0	45,130
Loan 107 - Administration / Chambers Building Refurbishment	0	0	2,268,000	0	0	0	2,268,000	0	0
Education & Welfare									
Loan 96 - Youth Specific Space	122,474	0	0	0	27,312	122,474	95,162	0	9,555
Loan 100 - Youth Specific Space	1,398,797	0	0	0	128,303	1,398,797	1,270,494	0	73,138
Recreation and Culture									
Loan 94 - Wellard Sports Pavilion	158,337	0	0	0	49,501	158,337	108,836	0	10,406
Loan 95 - Orelia Oval Pavilion	293,937	0	0	0	65,549	293,937	228,388	0	22,933
Loan 97 - Orelia Oval Pavilion Extension	1,486,493	0	0	0	211,250	1,486,493	1,275,243	0	99,859
Loan 102 - Library & Resource Centre	7,421,567	0	0	0	601,391	7,421,567	6,820,176	0	379,164
Loan 104 - Recquatic Refurbishment	3,350,000	0	0	0	0	3,350,000	3,350,000	0	159,190
Loan 105 - Bertram Community Centre	1,296,840	0	0	0	27,568	1,296,840	1,269,272	0	50,846
Loan 106 - Destination Park - Calista	1,420,421	0	0	0	99,153	1,420,421	1,321,268	0	53,613
Transport									
Loan 98 - Streetscape Beautification	906,930	0	0	0	128,886	906,930	778,044	0	60,927
Loan 101 - City Centre Redevelopment	2,500,000	0	0	0	0	2,500,000	2,500,000	0	79,298
Self Supporting Loans									
Recreation and Culture									
Loan 103B - Golf Club Refurbishment	266,682	0	0	0	16,709	266,682	249,973	0	10,551
	21,294,277	0	2,268,000	0	1,451,093	21,294,277	22,111,184	0	1,054,610

(b) New Debentures

No new debentures were raised during the reporting period.

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019































Note 10: Trust Fund

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

Description	Opening Balance 01 Jul 2019	Amount Received	Amount Paid	Closing Balance 31 Aug 2019
	\$	\$	\$	\$
APU Security Bonds	15,591		(423)	15,168
DCA Contingency Bonds	223,133			223,133
Contiguous Local Authorities Group (CLAG)	3,594			3,594
Public Open Space Cash In Lieu	204,239			204,239
	446,556	0	(423)	446,133

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 11: Capital Acquisitions

Assets	Budget					Comment
	Total YTD Actual	Adopted Annual Budget	Current Annual Budget	YTD Budget	YTD Variance	
	\$	\$		\$	\$	
 <i>Level of completion indicator, please see table at the end of this note for further detail.</i>						
Buildings						
 Administration Building & Civic Centre Refurbishment	849	2,268,000	2,268,000	0	(849)	
 Arts & Cultural Centre Upgrade - Stage 2 of 3 Works Studio 1 & 2, MA studio and training room, maintenance work, upgrade little theatre	2,700	92,700	92,700	2,700	0	
 Budden Way carpet replacement	0	8,800	8,800	8,800	8,800	
 Budden Way ceiling replacement	0	25,000	25,000	25,000	25,000	
 Building Contingency	38,116	102,000	102,000	12,360	(25,756)	
 Building Upgrade CCTV - Administration Building	0	15,000	15,000	0	0	
 Building Upgrades - Medina Centre - CCTV and lighting improvements	0	100,000	100,000	0	0	
 DCA 9 - Local Sports Ground Clubroom - Honeywood Primary School Oval Pavilion 1% City 99% DCA Funded	0	1,010,000	1,010,000	0	0	
 DCA 9 - Local Sports Ground Clubroom (Clubroom construction cost)	4,973	88,411	88,411	0	(4,973)	
 District C Sporting Ground (Medina Oval Extension/Upgrade) - Changeroom Development	9,500	326,166	326,166	9,500	0	
 District C Sporting Ground (Medina Oval Extension/Upgrade) - Masterplan	0	100,000	100,000	0	0	
 Installation of water / energy monitoring equipment	0	9,000	9,000	0	0	
 Kwinana Tennis Club Ablutions	0	15,000	15,000	0	0	
 Kwinana South VBFB Station Extensions - Meeting / Training Room, kitchen, office, store and ablutions	26,240	356,000	356,000	0	(26,240)	
 Kwinana South VBFB Station Upgrade	0	30,000	30,000	0	0	
 Mandogalup VBFB Station Extensions - Ablutions	19,940	275,000	275,000	0	(19,940)	
 Mandogalup VBFB Station Upgrade	0	25,000	25,000	7,062	7,062	
 Recquatic Centre - Stadium Re-roof	7,062	242,462	242,462	0	(7,062)	
 Recquatic Front Counter - Automated Gates	0	90,000	90,000	0	0	
 Recquatic Pool Hall Window Tinting	0	14,935	14,935	0	0	
 Sloan Heritage Cottage - internal paint	210	7,210	7,210	210	0	
 Sloan Reserve ablutions - Renovation of existing toilet block to cater for DDA compliance	8,590	52,530	52,530	1,530	(7,060)	
 Smirks Heritage Artefacts Shed	2,568	20,000	20,000	0	(2,568)	
 Wandl Resource Centre - Installation of a UV water filter for potable water supply	180	6,180	6,180	6,180	6,000	
 Wellard Pavilion Solar Panels	0	15,000	15,000	0	0	
 William Bertram Auto Door Conversion	0	10,300	10,300	0	0	
 Works Depot - new PA system	0	5,000	5,000	0	0	
 Kwinana Recquatic - Strip and Seal Stadium Flooring	6,528	0	0	0	(6,528)	
 Buildings Total	127,456	5,309,694	5,309,694	73,342	(54,114)	

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 11: Capital Acquisitions

Assets	Budget					Comment
	Total YTD Actual	Adopted Annual Budget	Current Annual Budget	YTD Budget	YTD Variance	
Plant, Furniture and Equipment						
Furniture and Equipment	0	8,000	8,000	0		
Design and Replacement of Mayoral Chains	0	20,000	20,000	0	0	
Library - self returns shelves	0	55,000	55,000	0	0	
Removal of Library Circulation Desk	0	7,000	7,000	0	0	
Library - Self Check Touchscreen Computer & Workstation					0	
Computing Equipment	25,486	193,000	193,000	36,218		
City Website Redevelopment	5,628	23,000	23,000	0	(5,628)	
Computing Equipment - Various purchases as per ICT / City Requirements	39,272	1,298,566	1,298,566	33,074	(6,198)	
Corporate Business System Renewal - Implementation					0	
Plant and Equipment						
Recquatic - Hydro pool cleaner replacement, upgrade to pool solar system heating	0	25,000	25,000	0	0	
Recquatic - Pool plant renewals	0	11,600	11,600	11,600	11,600	
Recquatic - Scoreboard installation and replacement	0	10,000	10,000	0	0	
Sound Level Meter for Environmental Health Team	0	12,000	12,000	0	0	
Plant Disposal Only - P51 KWN650 Massey Ferguson 362 Tractor	0	0	0	0	0	
Plant Replacement - P208 3 PTL Hyd Drive Road Broom Hyd Angle (New Plant 554)	0	17,000	17,000	0	0	
Plant Replacement - P235 1TJO798 Mowing Dovetail Trailer (New Plant 562)	0	18,000	18,000	0	0	
Plant Replacement - P323 1TLN489 Mowing Trailer Industrial Crew (New Plant 583)	0	18,000	18,000	0	0	
Plant Replacement - P325 1TLL524 Flat Top Trailer (New Plant 584)	0	18,000	18,000	0	0	
Plant Replacement - P333 KWN1835 Signage Truck (New Plant 585)	0	120,000	120,000	0	0	Cancelled.
Plant Replacement Program - Mitsubishi Canter Tip Truck - Infra - P333 (New Plant 559)	0	120,000	120,000	0	0	
Motor Vehicles						
Plant Replacement - P408 KWN1899	34,984	38,500	38,500	0	(34,984)	
Plant Replacement - P409 KWN1896	0	54,000	54,000	0	0	
Plant Replacement - P429 KWN1956	0	45,000	45,000	45,000	45,000	
Plant Replacement - P431 KWN1982	0	54,000	54,000	0	0	
Plant Replacement - P434 KWN1981	0	54,000	54,000	0	0	
Plant Replacement - P449 KWN2061	0	56,500	56,500	0	0	
Plant Replacement - P450 KWN2063	0	56,500	56,500	0	0	
Plant Replacement - P451 KWN2025	37,378	38,500	38,500	0	(37,378)	
Plant Replacement - P452 KWN2023	36,993	38,500	38,500	0	(36,993)	
Plant Replacement - P453 KWN1989	36,993	38,500	38,500	0	(36,993)	
Plant Replacement - P454 1EWO610	0	41,500	41,500	41,500	41,500	
Plant Replacement - P456 KWN1986	33,374	35,500	35,500	35,500	2,126	
Plant Replacement - P458 KWN1991	34,329	36,500	36,500	0	(34,329)	
Plant Replacement - P480 KWN2027	0	45,000	45,000	0	0	
Plant Replacement - P482 1GDA257	0	25,500	25,500	0	0	
Plant Replacement - P486 KWN2067	0	42,000	42,000	0	0	
Plant Replacement - P491 1GCH843	0	25,500	25,500	0	0	
Plant Replacement - P496 1GDR926	0	54,000	54,000	0	0	
Plant Replacement - P520 KWN2049	0	35,000	35,000	0	0	
Plant Replacement - P525 1GJN991	0	0	56,500	0	0	Budget Variation OCM 24 July 2019. Insurance claim vehicle reimbursement.
Plant, Furniture and Equipment Total	284,436	2,788,666	2,845,166	202,892	(92,276)	



















CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 11: Capital Acquisitions

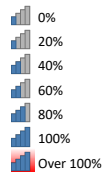
Assets	Budget					Comment
	Total YTD Actual	Adopted Annual Budget	Current Annual Budget	YTD Budget	YTD Variance	
Park and Reserves						
▮ Bertram Street Tree Planting Program	10,000	110,000	110,000	10,000	0	
▮ KIA Street Tree Planting Program	0	76,000	76,000	0	0	
▮ Kwinana Loop Trail	0	80,000	80,000	0	0	
▮ Parks for People Strategy - Upgrade of Harrison Park, Calista	7,364	81,000	81,000	8,364	1,000	
▮ Parks for People Strategy - Upgrade of Morritt Park, Parmelia	7,364	81,000	81,000	8,364	1,000	
▮ POS / Parks & Reserves Renewals - Bores	0	94,000	94,000	0	0	
▮ POS / Parks & Reserves Renewals - Fencing, Gates & Bollards	0	73,200	73,200	0	0	
▮ POS / Parks & Reserves Renewals - Infield Irrigation	0	222,200	222,200	0	0	
▮ Ridley Green Disconnect Power and reconnect at Hewison Reserve for BBQ	0	14,000	14,000	0	0	
▮ Sporting Infrastructure - Wandii Playing Fields (Honeywood)	0	89,100	89,100	0	0	
▮ Streetscape Upgrade - Orelia Avenue	11,358	124,933	124,933	11,358	0	
▮ Thomas Oval Lighting	0	495,000	495,000	0	0	
▮ POS / Parks & Reserves Renewals - Wells Park Sports Shelter	258	8,858	8,858	258	0	
▮ DCA 5 - Wandii Public Open Space	0	283,000	283,000	0	0	
Parks and Reserves Total	36,344	1,832,291	1,832,291	38,344	2,000	
Roads						
Urban Road Grant Construction						
▮ Ankettell Road - MRRG - resurface Abercrombie to McLaughlan	37,300	410,300	410,300	37,300	0	
▮ Gilmore Avenue SB(1) - MRRG - SB carriageway 380m north Runnymede Gate to 30m north Runnymede Gate	23,540	258,940	258,940	23,540	0	
▮ Gilmore Avenue SB(2) - MRRG - SB carriageway Runnymede Gate to 380m north of Runnymede Gate	18,350	201,850	201,850	18,350	0	
▮ Gilmore Avenue SB(3) - MRRG - SB carriageway Sulphur Road to Chisham Ave	18,740	206,140	206,140	18,740	0	
▮ Gilmore Avenue SB(4) - MRRG - SB carriageway south of Thomas Road to south of Pengilly Road	25,980	285,780	285,780	25,980	0	
▮ Wellard Road Duplication Project MRRG / DCA Funded	0	880,125	880,125	0	0	
Roads to Recovery Grant Construction						
▮ Gilmore Service Road D - R2R - road resurfacing, kerbing and footpath renewal from Leasham Way to Brownell Crescent	30,016	330,177	330,177	30,016	0	
▮ Pace Road - R2R - road resurfacing, kerbing, geometric improvements and drainage	25,000	275,000	275,000	25,000	0	
DCA Funded Construction						
▮ Roads - DCA 1 - Wellard Road Upgrade – Bertram Road to Millar Road (Item J)	2,250	40,000	40,000	40,000	40,000	
▮ Roads - DCA 5 - Lyon Road - Cassowary to Kenby (Satterleys)	0	437,250	437,250	0	0	
▮ DCA 5 Lyon Road - Developer to complete	0	729,000	729,000	0	0	
Municipal Road Construction						
▮ Traffic Management - Abingdon Crescent pedestrian crossing	1,364	15,000	15,000	1,364	0	
▮ Traffic Management - Breccia Parade speed calming	1,091	12,000	12,000	1,091	0	
▮ Traffic Management - Bronzite Lane	2,091	23,000	23,000	2,091	0	
▮ Traffic Management - Moombaki Avenue between Mangart Road and Price Parkway	2,818	31,000	31,000	2,818	0	
Roads Total	188,540	4,135,562	4,135,562	226,290	40,000	
Street Lighting						
▮ Street Lighting - New - Leath Road	0	223,000	223,000	0	0	
▮ Street Lighting - Upgrade - Reactive work street light requests during the year	0	28,000	28,000	0	0	
Street Lighting Total	0	251,000	251,000	0	0	

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 11: Capital Acquisitions

Assets	Budget					Comment
	Total YTD Actual	Adopted Annual Budget	Current Annual Budget	YTD Budget	YTD Variance	
Bus Shelter Construction						
 Bus Shelters	1,800	19,800	19,800	1,800	0	
 Bus Shelter Construction Total	1,800	19,800	19,800	1,800	0	
Footpath Construction						
 Footpath - New - Clark Way - install new 1.5m concrete footpath and kerbing, 10 percent slab replacement	9,545	105,000	105,000	9,545	0	
 Footpath - New - Perham Crescent - install new 2m concrete path and adjust service lids as required	10,000	110,000	110,000	10,000	0	
 Footpath Construction Total	19,545	215,000	215,000	19,545	0	
Drainage Construction						
 Drainage - New - Spinner Lane eliminate run off from verge into properties	18,182	200,000	200,000	18,182	0	
 Drainage - Upgrade - Drainage Nets x 3	4,886	53,750	53,750	4,886	0	
 DCA 1 Stormwater Management (nutrient stripping basin)	0	457,833	457,833	0	0	
 Drainage - DCA 2 Peel Sub N Drain - Lot 64 Woolcoat Road & Lot 379 Millar, 27 & 201 Mortimer Road	0	1,945,000	1,945,000	0	0	
 Drainage - DCA 2 - Peel Sub N Drain - Lot 64 Woolcoat Rd & Lot 379 Millar, 27 & 201 Mortimer Roads	0	334,000	334,000	0	0	
 DCA 3 Peel Sub P Drain (Developer Aigle Royal)	0	1,430,453	1,430,453	0	0	
 DCA 3 Peel Sub P1 drain (Developer Aigle Royal)	0	1,316,925	1,316,925	0	0	
 Drainage Construction Total	23,068	5,737,961	5,737,961	23,068	0	
Car Park Construction						
 Carpark - Peace Park (Parmelia Ave) disabled car parking bays	4,053	41,000	41,000	3,727	(326)	
 Car Park Construction Total	4,053	41,000	41,000	3,727	(326)	
Other Infrastructure						
 Illuminated Street Sign	0	10,000	10,000	0	0	
 Other Infrastructure Total	0	10,000	10,000	0	0	
 Capital Expenditure Total	685,242	20,340,974	20,397,474	589,008	(104,717)	

Level of Completion Indicators (Percentage YTD Actual to Annual Budget)



CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 12: Schedule of Grants, Subsidies & Contributions

Description	Current Annual Budget	YTD Actual	Comments
Operating Grants, Subsidies & Contributions			
Community Amenities			
PTA Bus Shelter Subsidy	7,000	-	
SMCC - KIC Coastcare in the KIA	10,000	10,000	
SMCC - BP Coastcare	10,000	-	
SMCC - Perth Region NRM Kleenheat Project	50,000	-	
SMCC - Tronox Adopt a Beach	5,000	-	
SMCC - Suez/ProAlliance Adopt a Beach	5,000	-	
Alcoa - Challenger Beach Rehabilitation	20,000	-	
Education and Welfare			
Banksia Park Operating Cost Contribution	346,320	57,720	Monthly rental income to be fully received by June.
Bright Futures - Mainstream Childcare Subsidy	4,200,000	639,845	Government contributions, fully offset by payments to Care Providers.
Bright Futures - Subsidy Other	45,675	3,684	Government contributions, fully offset by payments to Care Providers.
Bright Futures - Inclusion Subsidy Scheme	5,075	-	Government contributions, fully offset by payments to Care Providers.
Bright Futures - Childcare Subsidy	1,522,500	141,590	Government contributions, fully offset by payments to Care Providers.
Subsidy Other	10,150	-	Government contributions, fully offset by payments to Care Providers.
NGALA My Time Program	10,658	2,640	
Operational Subsidy - Aboriginal Resource Worker	30,958	16,783	
Youth Social Justice Program	175,149	43,319	
Youth Incentive Sponsorship - Lyrik	30,000	-	
Skate Park Activation Grant	5,000	-	
Good Spirit Learning Program Grant	20,000	-	
Youth Wellbeing Benchmark Survey Grant	5,000	-	
General Purpose Funding			
Local Government General Purpose Grant	737,676	105,385	
Local Government General Purpose Grant - Roads	669,912	84,452	
Non Rateable Property - Dampier to Bunbury Natural Gas Pipeline Corridor	172,550	-	
Health			
Mosquito Management Contributions (CLAG)	10,150	1,890	
Department of Health - Larvicide	2,000	-	
Law Order & Public Safety			
Department Fire and Emergency Services - ESL	163,650	-	
Recreation & Culture			
Arts - Harmony & Reconciliation	5,000	-	
Sponsorship - Big Concert	80,000	10,000	
Childrens Festival	35,000	-	
Youth Festival	50,000	-	
Music in the Schools/Community	5,000	-	
Metro Every Club Funding	15,000	-	
Library Contributions & Donations	5,000	772	
Shared Use Agreements	101,320	58,494	
Recquatic Holiday Program DEDU payments	79,597	11,590	
Volunteer Centre - Thank a Volunteer Event	1,500	-	
Transport			
Main Roads Annual Direct Grant	189,478	189,478	
Main Roads Street Light Subsidy	5,000	-	
Main Roads Maintenance Contribution	130,000	-	
Total Operating Grants, Subsidies & Contributions	8,971,318	1,377,641	

CITY OF KWINANA
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY
For the Period Ended 31 August 2019

Note 12: Schedule of Grants, Subsidies & Contributions

Description	Current Annual Budget	YTD Actual	Comments
Non-Operating Grants, Subsidies & Contributions			
Community Amenities			
DCA 1 - Hard Infrastructure - Bertram	-	(1,488,556)	Refunds for the adjustment to the DCA1 cost apportionment schedule adopted in August have been processed.
DCA 2 - Hard Infrastructure - Wellard	3,900,636	-	Developer Contributions are estimated at budget, but actual receipts rely on the timing of subdivisions.
DCA 3 - Hard Infrastructure - Casuarina	2,747,378	-	
DCA 4 - Hard Infrastructure - Anketell	-	-	
DCA 5 - Hard Infrastructure - Wandl	1,012,000	-	
DCA 6 - Hard Infrastructure - Mandogalup	-	396,542	
DCA 7 - Hard Infrastructure - Mandogalup (west)	-	1,030	
DCA 8 - Soft Infrastructure - Mandogalup	-	-	
DCA 9 - Soft Infrastructure - Wandl / Anketell	-	-	
DCA 10 - Soft Infrastructure - Casuarina/Anketell	-	-	
DCA 11 - Soft Infrastructure - Wellard East	-	-	
DCA 12 - Soft Infrastructure - Wellard West	-	179,705	
DCA 14 - Soft Infrastructure - Wellard / Leda	-	-	
DCA 15 - Soft Infrastructure - Townsite	355,000	67,707	
Economic Services			
Medina CCTV Grant	100,000	100,000	
Law Order & Public Safety			
Department Fire and Emergency Services - Kwinana South extensions	356,000	-	
Department Fire and Emergency Services - Mandogalup extensions	275,000	-	
Recreation & Culture			
Medina Oval Extension/Upgrade - Changeroom Development	66,666	-	
Department of Education - Wandl Playing Fields	25,500	-	
Lotterywest - Kwinana Loop Trail	37,670	-	
Department of Infrastructure - Thomas Oval Lighting	150,000	-	
Transport			
Roads to Recovery - Gilmore Service Road D	222,903	-	
Roads to Recovery - Pace Road	275,000	-	
State Road Grant - Anketell Road	248,667	99,467	
State Road Grant - Gilmore Avenue SB (1)	156,933	62,773	
State Road Grant - Gilmore Avenue SB (2)	122,333	48,933	
State Road Grant - Gilmore Avenue SB (3)	124,933	49,973	
State Road Grant - Gilmore Avenue SB (4)	173,200	69,280	
State Road Grant - Wellard Road duplication	586,750	234,700	
Total Non-Operating Grants, Subsidies & Contributions	10,936,569	(178,446)	

16.3 Local Public Notice of Proposed Disposition by way of Lease of Unit 23, 40 – 46 Meares Avenue, Kwinana City Centre – Armadale Community Animal Rescue Group Inc.

DECLARATION OF INTEREST:

There were no declarations of interest declared.

SUMMARY:

The City of Kwinana is the owner of Unit 23, 40 – 46 Meares Avenue, in the Kwinana Trade Centre, being Lot 23 on Strata Plan 23790, comprised in Certificate of Title Volume 1980 Folio 834 (**the Premises**).

The Armadale Community Animal Rescue Group Inc. (ABN 60 508 682 681) (**the Prospective Tenant**) has expressed their interest in leasing the Premises.

A lease agreement is considered to be a disposition, and as such, a local government can only dispose of property if it gives local public notice of the proposed disposition, in accordance with Section 3.58(3)(a) of the *Local Government Act 1995*.

This report seeks Council approval to give local public notice of the proposed disposition by way of lease of the Premises to the Prospective Tenant, with the proposed Notice at **Attachment A**.

The Prospective Tenant has paid the Lease Administration fee of \$715 according to the City's Fees and Charges 2019/2020, to cover a portion of the cost of the valuation and the preparation of the Lease.

OFFICER RECOMMENDATION:

That Council:

1. Give local public notice of the proposed disposition of Unit 23, 40 – 46 Meares Avenue, Kwinana City Centre to Armadale Community Animal Rescue Group Inc., in accordance with Section 3.58(3)(a) and (4) of the *Local Government Act 1995*.
2. Advertise the proposed rent to be \$26,250 per annum in year 1, \$35,000 per annum in year 2 and \$35,000 per annum in year 3.

16.3 LOCAL PUBLIC NOTICE OF PROPOSED DISPOSITION BY WAY OF LEASE OF UNIT 23, 40 – 46 MEARES AVENUE, KWINANA CITY CENTRE – ARMADALE COMMUNITY ANIMAL RESCUE GROUP INC.

DISCUSSION:

The Premises has a total lettable area of 231 square metres. The Prospective Tenant is a registered not-for-profit volunteer organisation dedicated to saving lost, stray, abandoned and surrendered animals. The use of the Premises will be for operating an opportunity shop (**Op Shop**) selling items such as furniture and other household items. The Prospective Tenant does not receive any government funding and mainly relies on the income generated by its Op Shops. They have three other Op Shops in WA, being two in Kelmscott and one in Port Kennedy. All funds raised go directly to providing discounted de-sexing and microchipping of animals for eligible persons. Such eligible persons include those who hold a WA Seniors Card and reside within the eastern suburbs surrounding Armadale and southern boundaries including Rockingham, Kwinana, Mandurah and Baldivis. Funds are also applied to supporting the running of an animal shelter in Armadale.

At the request of the Prospective Tenant, City Officers have had discussions with the Prospective Tenant regarding an initial rent-free period of 3 months to allow the Prospective Tenant to establish the Op Shop. Rent free periods are common in leasing arrangements and act as incentives to attract long term tenants as well as allowing a secured tenant time to establish their business. This rent-free period would amount to a total of \$8,749.99 discount off the market rent, which was determined via a property valuation dated 24 April 2019 (**Confidential Attachment B**). Accordingly, the total rent for the first year of the lease would be \$26,250. The rent for the second and third years will be \$35,000 per year (excluding GST).

City Officers have clarified with the Prospective Tenant that if Council were to lease the Premises to them, the signage on the exterior of the Premises would be either:

1. Animal Welfare Op Shop; or
2. Op Shop.

This report seeks Council approval to give local public notice of the proposed disposition by way of lease of the Premises to the Prospective Tenant, for the rental amount of \$26,250 per annum in year 1, \$35,000 per annum in year 2 and \$35,000 per annum in year 3.

LEGAL / POLICY IMPLICATIONS:

Local Government Act 1995

Section 3.58 (3) and (4). Disposing of property

- (3) *A local government can dispose of property other than under subsection (2) if, before agreeing to dispose of the property —*
- (a) *it gives local public notice of the proposed disposition —*
 - (i) *describing the property concerned; and*
 - (ii) *giving details of the proposed disposition; and*
 - (iii) *inviting submissions to be made to the local government before a date to be specified in the notice, being a date not less than 2 weeks after the notice is first given;*
- and*

16.3 LOCAL PUBLIC NOTICE OF PROPOSED DISPOSITION BY WAY OF LEASE OF UNIT 23, 40 – 46 MEARES AVENUE, KWINANA CITY CENTRE – ARMADALE COMMUNITY ANIMAL RESCUE GROUP INC.

- (b) *it considers any submissions made to it before the date specified in the notice and, if its decision is made by the council or a committee, the decision and the reasons for it are recorded in the minutes of the meeting at which the decision was made.*
- (4) *The details of a proposed disposition that are required by subsection (3)(a)(ii) include —*
 - (a) *the names of all other parties concerned; and*
 - (b) *the consideration to be received by the local government for the disposition; and*
 - (c) *the market value of the disposition —*
 - (i) *as ascertained by a valuation carried out not more than 6 months before the proposed disposition; or*
 - (ii) *as declared by a resolution of the local government on the basis of a valuation carried out more than 6 months before the proposed disposition that the local government believes to be a true indication of the value at the time of the proposed disposition.*

FINANCIAL/BUDGET IMPLICATIONS:

The provision of Local Public Notice will cost approximately \$200 - \$1000 and will be funded from the GOVADV account.

ASSET MANAGEMENT IMPLICATIONS:

There are no asset management implications identified as a result of this report.

ENVIRONMENTAL IMPLICATIONS:

There are no environmental implications identified as a result of this report.

STRATEGIC/SOCIAL IMPLICATIONS:

Plan	Objective	Strategy
Corporate Business Plan	6.3 Maximise the value of the City's property assets	6.3.1 Develop the City's Land Asset Management Plan and acquire, manage and dispose of Council land assets on the basis of the adopted recommendations

16.3 LOCAL PUBLIC NOTICE OF PROPOSED DISPOSITION BY WAY OF LEASE OF UNIT 23, 40 – 46 MEARES AVENUE, KWINANA CITY CENTRE – ARMADALE COMMUNITY ANIMAL RESCUE GROUP INC.

RISK IMPLICATIONS:

The risk implications in relation to this proposal are as follows:

Risk Event	That Council does not support giving local public notice of the proposed disposition of Unit 23, 40 – 46 Meares Avenue, Kwinana City Centre to Armadale Community Animal Rescue Group Inc., in accordance with section 3.58(3)(a) and (4) of the <i>Local Government Act 1995</i> . Should Council resolve not to give local public notice, as per Section 3.58 of the <i>Local Government Act 1995</i> , the disposition cannot proceed.
Risk Theme	Ineffective management of facilities/venues/events
Risk Effect/Impact	Financial
Risk Assessment Context	Operational
Consequence	Minor
Likelihood	Unlikely
Rating (before treatment)	Low
Risk Treatment in place	Avoid
Response to risk treatment required/in place	This report is in relation to giving local public notice of the proposed disposition of Unit 23, 40 – 46 Meares Avenue, Kwinana City Centre
Rating (after treatment)	Low

COUNCIL DECISION

573

MOVED CR D WOOD

SECONDED CR W COOPER

That Council:

- 1. Give local public notice of the proposed disposition of Unit 23, 40 – 46 Meares Avenue, Kwinana City Centre to Armadale Community Animal Rescue Group Inc., in accordance with Section 3.58(3)(a) and (4) of the *Local Government Act 1995*.**
- 2. Advertise the proposed rent to be \$26,250 per annum in year 1, \$35,000 per annum in year 2 and \$35,000 per annum in year 3.**

**CARRIED
6/1**



NOTICE OF DISPOSAL OF PROPERTY BY WAY OF LEASE

Unit 23, 40-46 Meares Avenue, Kwinana

In accordance with Section 3.58 of the *Local Government Act 1995*, the City of Kwinana hereby advertises its intention to dispose of the following property by way of lease;

Address:	Unit 23, 40-46 Meares Avenue, Kwinana
Parcel Identifier:	Lot 23 on Strata Plan 23790, comprised in Certificate of Title Volume 1980 Folio 834
Lessee:	Armadale Community Animal Rescue Group Inc ABN 60 508 682 681
Market Rent Valuation:	\$35,000 p.a (exclusive of GST)
Proposed Rent:	Year 1: \$26,250,000 p.a (exclusive of GST) (with 3 month rent free period applied to establish the business) Year 2: \$35,000 p.a (exclusive of GST) Year 3: \$35,000 p.a (exclusive of GST)
Valuer:	Griffin Valuation Advisory Lv 1, Suite 6, 14 Jersey Street Jolimont WA 6014
Date of Valuation:	24 April 2019

For further information contact City Legal on (08) 9439 0278.

Submissions are required to be made in **writing** to PO Box 21, Kwinana, WA 6966, addressed to the **Acting Chief Executive Officer** and to be received no later than 5pm, 28 October 2019.

BARBARA POWELL
ACTING CHIEF EXECUTIVE OFFICER

17 Urgent Business

Nil

18 Councillor Reports

18.1 Councillor Wendy Cooper

Councillor Cooper reported that she had attended the Waste Conference which was extremely interesting and that there are many amazing people finding new ways to recycle.

Councillor Cooper advised that she had attended the Kwinana Industries Council 2019 iScience Project Graduation.

Councillor Cooper mentioned that she had attended the Farewell Event for the City's former Chief Executive Officer (CEO).

Councillor Cooper reported that she had attended the Season Opening of The Cruising Yacht Club Rockingham which was a very pleasant day.

Councillor Cooper advised that she had attended the Kwinana Blue Tree Project and explained that the tree opposite the tennis courts was transformed to raise awareness around mental health and wellbeing on the community and that 'it's ok to not be ok'.

Councillor Cooper mentioned that she had attended the City of Kwinana Citizenship Ceremony.

Councillor Cooper reported that she had attended the Meet the Candidate Forum hosted by Medina Residents Group.

Councillor Cooper passed on her thanks to one and all.

18.2 Councillor Sandra Lee

Councillor Sandra Lee reported that she had attended the Relay for Life where many teams walked around Calista Oval to raise money for cancer.

Councillor Lee advised that she had attended the City of Kwinana Citizenship Ceremony where 53 new Australians were welcomed.

Councillor Lee wished all the candidates in the upcoming Local Government Election the best of luck.

18.3 Councillor Sheila Mills

Councillor Sheila Mills passed on her thanks to all City Officers and they are all incredible and she has appreciated all their assistance.

18 COUNCILLOR REPORTS

18.4 Councillor Dennis Wood

Councillor Dennis Wood reported that he had attended the Farewell Event for the City's former CEO and added that he was very sorry to see her go as she is a brilliant woman.

Councillor Wood advised that he had attended the City of Kwinana Citizenship Ceremony.

Councillor Wood mentioned that he had attended the Kwinana Industries Council 2019 iScience Project Graduation.

Councillor Wood passed on his thanks to all for their support and added that everyone does a fantastic job.

19 Response to Previous Questions

Nil

20 Mayoral Announcements (without discussion)

Mayor Carol Adams reported that she had attended the Farewell Event for the City's former CEO.

The Mayor advised that she had attended a meeting with Hon Sue Ellery MLC in relation to the Outer Harbour.

The Mayor mentioned that she had attended a meeting with Mayor Rhys Williams, City of Mandurah in relation to their *Cat Local Law 2019*.

The Mayor reported that she had attended the "In the Zone Perth" Conference which was presented by Perth USAsia Centre.

The City's Economic Development Specialist and the Mayor joined approximately 350 delegates from both Australia and overseas to hear from several keynote speakers on a diverse range of topics relating to the importance of critical materials for modern communication, science, defence and digital networks, and the importance of developing more secure and sustainable critical materials value chains. The City of Kwinana were the event luncheon sponsors and provide an opportunity to expose delegates to the importance of the Outer Harbour to the region.

The Mayor advised that she had attended the City of Kwinana Citizenship Ceremony where 53 new Australians were welcomed.

The Mayor mentioned that the 2019 BMX Station Championships will be held at Tucker Street, Medina on 11 October 2019.

The Mayor stated that this is the last Ordinary Council Meeting before the Local Government Elections, which will be held on 19 October 2019 and she wished all of the candidates the very best and added that she looks forward to working with the new Council, following the official Swearing In Ceremony on 21 October 2019.

21 Matters Behind Closed Doors

COUNCIL DECISION

574

MOVED CR P FEASEY

SECONDED CR W COOPER

That in accordance with Sections 5.23(2)(c) of the *Local Government Act 1995*, Council move behind closed doors to allow discussion of the Matters Behind Closed Doors item.

CARRIED
7/0

The gallery exited and the Council Chambers and the doors were closed at 7:14pm.

21.1 Contract Discussions – 655KWN19

COUNCIL DECISION

575

MOVED CR P FEASEY

SECONDED CR W COOPER

That Council endorse the Officer's recommendation outlined in the Council Report.

CARRIED
7/0

COUNCIL DECISION

576

MOVED CR P FEASEY

SECONDED CR W COOPER

That Council return from Behind Closed Doors.

CARRIED
7/0

The Council Chambers doors were reopened at 7:15pm.

22 Meeting Closure

The Mayor declared the meeting closed at 7:16pm.

Chairperson: _____ 23 October 2019