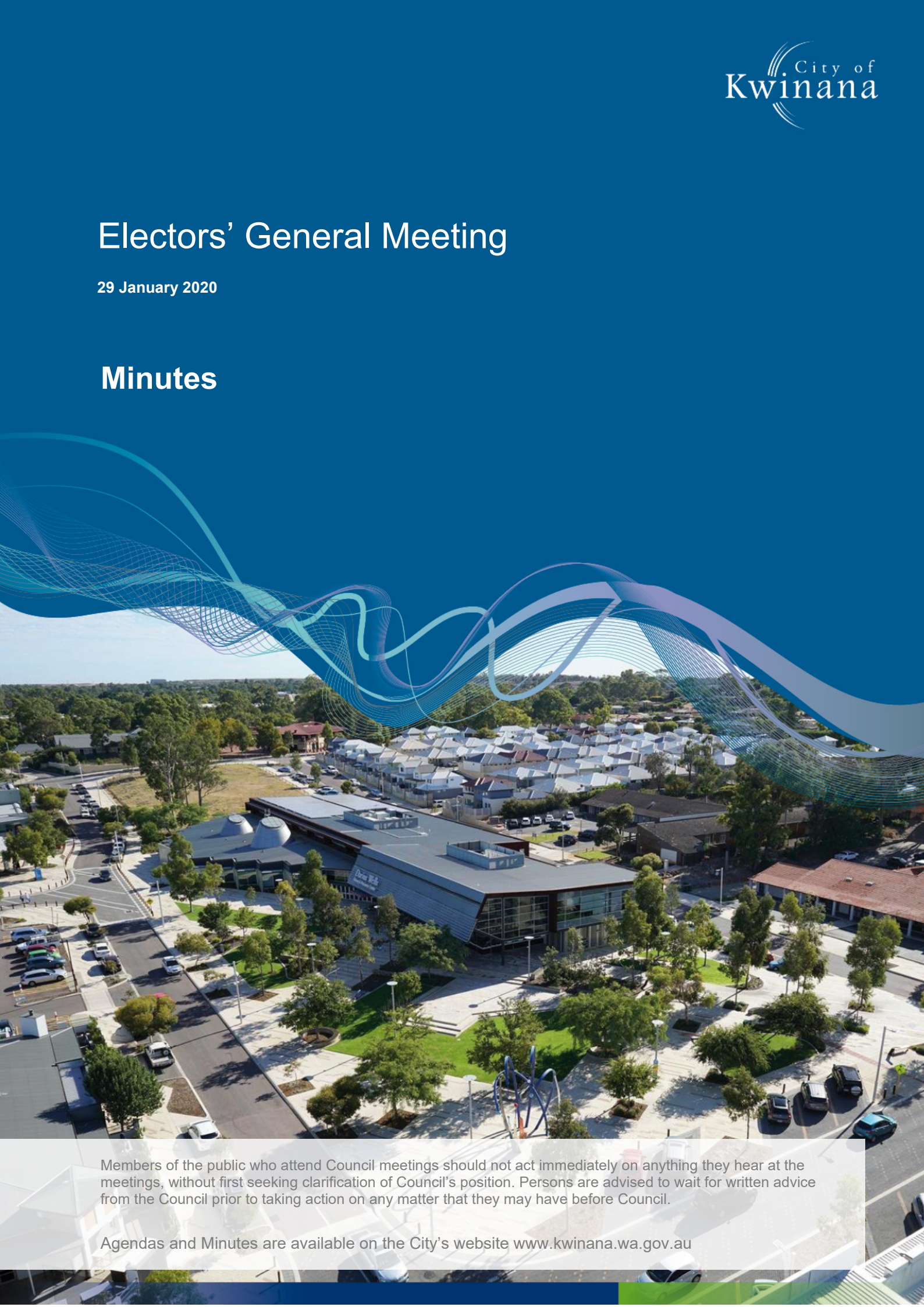


Electors' General Meeting

29 January 2020

Minutes

An aerial photograph of a city building, likely a council chamber, surrounded by residential areas and greenery. The image is overlaid with decorative blue and white wavy lines that flow across the top and middle of the page.

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:

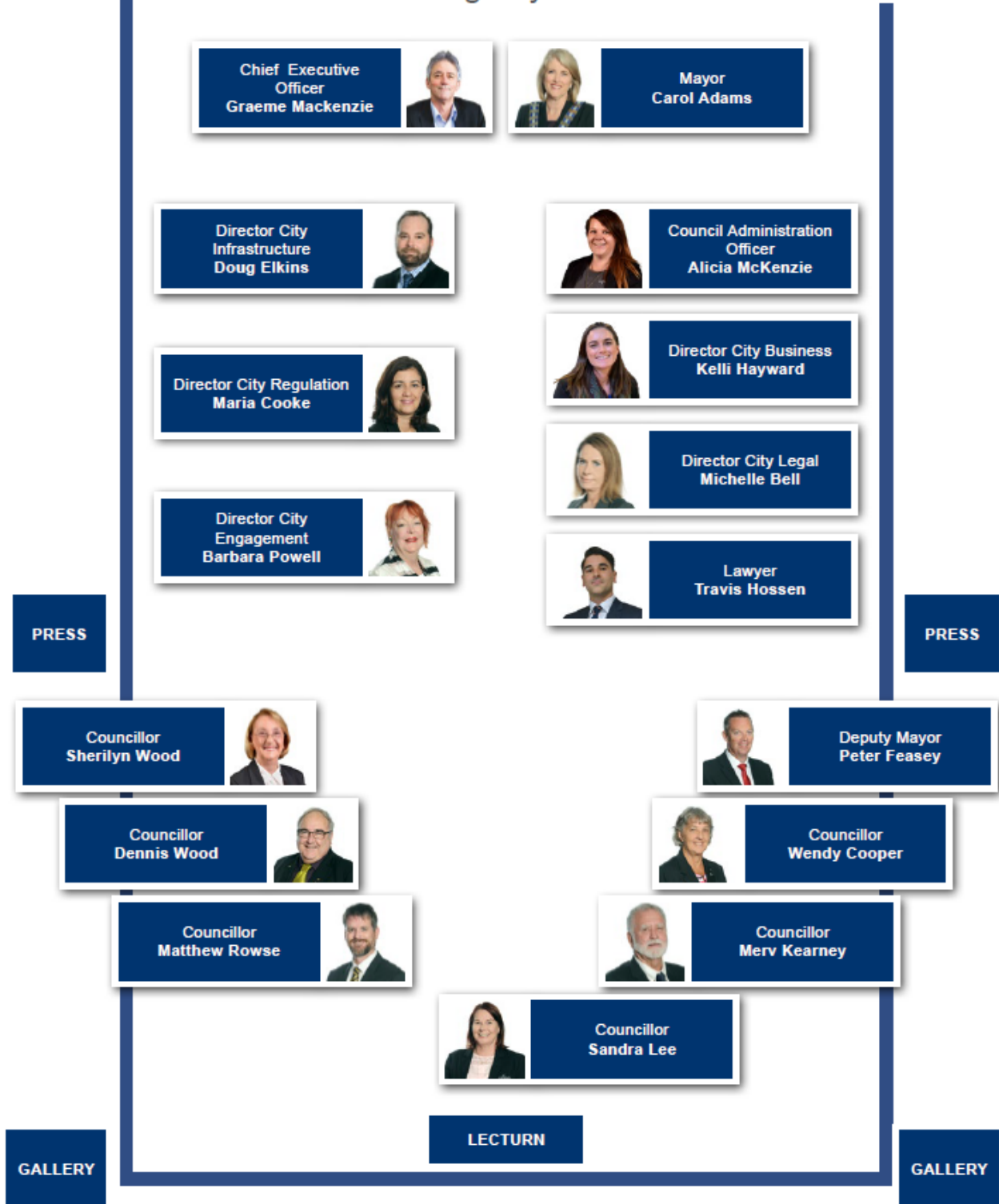
Lead from where you stand – Leadership is within us all. | Act with compassion – Show that you care. | Make it fun – Seize the opportunity to have fun. | Stand Strong, stand true – Have the courage to do what is right. | Trust and be trusted – Value the message, value the messenger. | Why not yes? – 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 M KEARNEY
 CR S LEE
 CR M ROWSE
 CR D WOOD
 CR S WOOD

MR G MACKENZIE	-	Chief Executive Officer
MRS K HAYWARD	-	Director City Business
MRS B POWELL	-	Director City Engagement
MR R NAJAFZADEH	-	Acting Director City Infrastructure
MRS M COOKE	-	Director City Regulation
MRS M BELL	-	Director City Legal
MRS S WILTSHIRE	-	Manager Human Resources
MR T HOSSEN	-	Lawyer
MS A MCKENZIE	-	Council Administration Officer

MR P CASEY	-	Beilby Downing Teal
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Members of the Press	0
Members of the Public	0

1 Opening and announcement of visitors

Presiding Member declared the meeting open at 6:30pm and welcomed Councillors, City Officers and the gallery in attendance.

2 Acknowledgement of country

Presiding Member read the Acknowledgement of country

"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 people and we pay our respects to their Elders past and present."

3 Dedication

Presiding Member read the dedication

"May we, the Elected Members of the City of Kwinana, have the wisdom to consider all matters before us with due consideration, integrity and respect for the Council Chamber.

May the decisions made be in good faith and always in the best interest of the greater Kwinana community that we serve."

4 Attendance, apologies, Leave(s) of absence (previously approved)

Apologies

Nil

Leave(s) of Absence (previously approved):

Nil

5 Receiving of the Annual Report for 2018/2019

5.1 The Mayor's Report:

Mayor Carol Adams presented the Mayor's report for the year ended 30 June 2019.

Another year has passed in Kwinana and I have been proud to see our City grow from strength to strength.

The environment was a key focus for us during 2018/19 for a variety of reasons. The City was thrust into the international limelight through a photograph of a waste-filled drainage net on social media. The basic, but effective, waste management tool was seen by over 20 million Facebook users around the world, 30,000 of whom shared the post with their friends and family.

This wild success showed us just how important it is for governments at all levels to focus on simple environmental issues, as small actions can have a huge impact on humanity.

Environmental issues are not always lightweight. This year the City tackled an important issue when a local natural area, home to a number of threatened species, was endangered with the introduction of a sand mine. The City strongly opposes this mine because it will have a significant negative impact on our residents, as well as the loss of valuable Banksia Woodlands which are home to precious native flora and fauna. We will continue to work collaboratively with the community on the *Stop Banksia Sand Mines* campaign to try and block construction of this mine.

Throughout 2018/19, the Kwinana Council and the City continued to focus on the delivery of great community events that really make Kwinana 'the place to be'. The Tianqi Lithium Symphony Spectacular, held in December 2018, attracted around 7,000 locals to an evening of free rock and popular music.

Younger residents were treated to a day of *Positive Vibes* at the Edge Skatepark in October 2018, with performances by local artists and talented skaters. The chill-out tent proved popular for many, especially those who received free hair braiding or manicures with friends and family.

Despite the threat of rain, more than 4,000 local children and families attended the annual *Alcoa Children's Festival* in March 2019. Held on Calista Oval, the carnival-themed event delighted children, young and old. My personal favourite was the chance to fly high above the treetops on the awesome swing ride enjoyed by thousands on the day.

5 RECEIVING OF THE ANNUAL REPORT FOR 2018/2019

But of course, having fun in Kwinana can be a daily or weekly event! The City was proud to become the first local council in the country to receive support from Relationships Australia to run '*Neighbour Day Every Day*', a year-round initiative designed to bring neighbours together and foster a sense of community and safety.

Looking into the future, I am excited about what the coming year holds, especially as we edge closer to the reality of an outer harbor here in Kwinana. This development, along with investments in the battery, waste and construction industries, will provide a huge boost for the local economy and create employment opportunities for our residents.

Finally, I want to thank my fellow Councillors for their ongoing support. It's a constant pleasure to work with such a strong and cohesive group of people who all have the common goal of improving our great city.

5.2 The Chief Executive Officer's Report:

The Chief Executive Officer, Mr Graeme Mackenzie presented the Chief Executive Officer's report for the year ended 30 June 2019.

During 2018/19, our City continued to deliver a strong and sustainable long-term vision for Kwinana.

Throughout the year, we delivered a variety of major infrastructure projects, including almost \$3 million in road renewal and upgrades, footpath and pedestrian crossing upgrades and a significant investment in the upgrade of the Koorliny Arts Centre. We consulted extensively with our community, seeking input on a variety of issues, including community health issues, disability access and inclusion, planning and asset management.

The City also continued its focus on sustainability, with significant investments in street trees, parks, bush care and coast care.

Kwinana boasts a rich biodiversity that we continue to protect and maintain through diligent conservation and active community participation. This year, we stood in solidarity with local residents against a proposed sand mine, which, if established, could destroy protected flora and fauna in the region.

We have continued to focus on safety and security, as these issues are high priorities for our residents and local businesses. This financial year saw significant investment in community liaison, expansion of CCTV coverage, community education initiatives, illegal dumping control, compliance operations and our 24/7 City Assist service.

The City also ensured that it invested heavily in local leisure activities, including the installation of lighting at Thomas Oval and a variety of grand-scale events for young and old, including the Alcoa Children's Festival, Positive Vibes Youth Festival, Australia Day celebrations and the 2018 Tianqi Lithium Symphony Spectacular.

We have continued to strive for the prosperity of our local industrial, retail and business communities, significantly investing in the support and growth of local businesses and seeking to ensure that our residents have access to a wide range of employment opportunities.

5 RECEIVING OF THE ANNUAL REPORT FOR 2018/2019

On a personal note, it has been my great pleasure to lead a team of hard-working, dedicated professionals who strive to deliver high-quality services and programs to our community. Over the last financial year these great people brought a variety of accolades to the City for projects in the fields of education, the Arts, community, family day care, ranger services and sustainability.

I am proud of what we achieved over the last year and excited about the bright future that lays ahead for the Kwinana community.

6 General Business

6.1 Questions by Electors:

Nil

6.2 Motions by Electors:

Nil

7 Close of meeting

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 6:36pm.

Annual Report 2018/19

(Part 1 – Community)



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Welcome

Mayor's Welcome

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Finally, I want to thank my fellow Councillors for their ongoing support. It's a constant pleasure to work with such a strong and cohesive group of people who all have the common goal of improving our great city.

Carol Adams,
Mayor of Kwinana



CEO's Welcome

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Throughout the year, we delivered a variety of major infrastructure projects, including almost \$3 million in road renewal and upgrades, footpath and pedestrian crossing upgrades and a significant investment in the upgrade of the Koorliny Arts Centre.

We consulted extensively with our community, seeking input on a variety of issues, including community health issues, disability access and inclusion, planning and asset management.

The City also continued its focus on sustainability, with significant investments in street trees, parks, bush care and coast care.

Kwinana boasts a rich biodiversity that we continue to protect and maintain through diligent conservation and active community participation. This year, we stood in solidarity with local residents against a proposed sand mine, which, if established, could destroy protected flora and fauna in the region.

We have continued to focus on safety and security, as these issues are high priorities for our residents and local businesses. This financial year saw significant investment in community liaison, expansion of CCTV coverage, community education initiatives, illegal dumping control, compliance operations and our 24/7 City Assist service.

The City also ensured that it invested heavily in local leisure activities, including the installation of lighting at Thomas Oval and a variety of grand-scale events for young and old, including the *Alcoa Children's Festival*, *Positive Vibes Youth Festival*, Australia Day celebrations and the 2018 *Tianqi Lithium Symphony Spectacular*.

We have continued to strive for the prosperity of our local industrial, retail and business communities, significantly investing in the support and growth of local businesses and seeking to ensure that our residents have access to a wide range of employment opportunities.

On a personal note, it has been my great pleasure to lead a team of hard-working, dedicated professionals who strive to deliver high-quality services and programs to our community. Over the last financial year these great people brought a variety of accolades to the City for projects in the fields of education, the Arts, community, family day care, ranger services and sustainability.

I am proud of what we achieved over the last year and excited about the bright future that lays ahead for the Kwinana community.

Joanne Abbiss

Chief Executive Officer



Introduction

The City of Kwinana's Annual Report 2018/19 comprises two parts, Part 1 – Community and Part 2 – Annual Financial Report. This Annual Report (Part 1 – Community), together with the Annual Report (Part 2 – Annual Financial Report) complies with the requirements of Section 5.53(1) of the *Local Government Act 1995*.

The Annual Report 2018/19 (Part 2 – Annual Financial Report) is available to download from the City's website at www.kwinana.wa.gov.au or in hard copy, on request, by contacting the City of Kwinana on 9439 0200 or visiting the City of Kwinana Administration Building at the corner of Gilmore Avenue and Sulphur Road, Kwinana.





JULY

City Urges Residents to Protest Sand Mine

The City, together with the Casuarina Wellard Progress Association, encouraged residents to protest against the proposed Banksia Road Sand Mines.



AUGUST

City's Drainage Nets Post Goes Viral

A Facebook post about the City's drainage nets went viral with over 2.5 million people around the world reached over a 48-hour period.



SEPTEMBER

Wildflower Walk Celebrates Biodiversity

The International Month of Biodiversity was celebrated through the Wildflower Walk and art reflecting the unique beauty of local wildflowers.



OCTOBER

Grass Just Gets Greener for Adventure Park

The City's Adventure Park received the Green Flag Award at the International Parks and Leisure Congress in Melbourne.



NOVEMBER

Small Business Booming in Kwinana

Kwinana's Small Business Lunch showcased the benefits of doing business in Kwinana.



DECEMBER

City Wins National Sustainability Award

The City was given a Council Collaboration Award for its involvement with the Garage Sale Trail program.

2018 • 2018 • 2018 • 2018 • 2018 • 2018 • 2018 • 2018 • 2018 • 2018 • 2018 • 2018 •

2018/19 Snapshot

Pioneers Celebrate 50 Years of Memories in Kwinana

The City of Kwinana hosted their inaugural Pioneers Lunch for over 100 locals who have lived in the area for 50 years or more.

Awards Night Honours Talented Artists

Four local performing and visual artists were recognised at the City's inaugural Arts and Culture Awards.

Symphony Spectacular a Huge Success

The Perth Symphony Orchestra returned to perform the biggest and best concert Kwinana has ever seen.



JANUARY

FEBRUARY

MARCH

APRIL

MAY

JUNE

2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 • 2019 •

Congratulations Citizen of the Year Winners

The City's Australia Day event again saw many worthy local residents celebrated.

City Supports Infrastructure Australia's Report

The City showed support for a report which recognised the need to improve WA's port facilities.

Children's Festival a Huge Hit Again

The highly anticipated 2019 *Alcoa Children's Festival* was enjoyed by more than 4,000 residents on 9 March 2019.

Conciliation Plan Unifies City and Aboriginal Community

The City launched its Conciliation Action Plan on Friday, 29 March 2019.

Neighbours in Kwinana Strengthen Local Connections

The City launched '*Neighbour Day Every Day*' to encourage residents to strengthen connections.

Purple Bench Commemorates Domestic Violence Victims

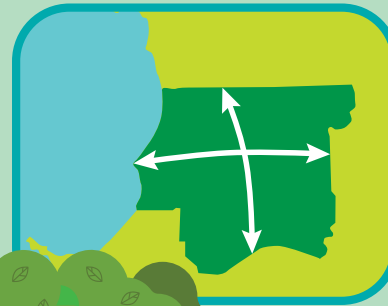
The City unveiled its purple bench in support of Domestic Violence Prevention Month.

Mayor Awarded Top Honour

Mayor Carol Adams OAM was recognised in the 2019 Queens Birthday Honours with an Order of Australia (General Division).

Kwinana at a Glance

Data obtained from ABS 2016 Census, ABS 2018 Estimated Resident Population, Forecast.id population forecast and City of Kwinana.



Land area:
120.01km²

Population:
43,511



Residential
Dwellings:
12,892



Natural Bushland:
249 hectares

Total length
of roads:
458.262km

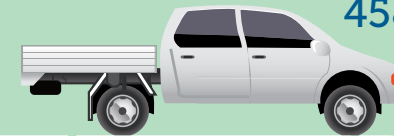


12,507 tonnes
of domestic
waste collected

3,604 tonnes
of domestic
recycling collected



Average
household size: 2.7



35km
from the CBD



Parks
(active and
passive): 116

Facilities (total):
328



Parks
(dryland): 52

City of Kwinana Council

The Council consists of a Mayor, a Deputy Mayor and six Councillors who represent the community across the municipality of the City of Kwinana. The term for each Elected Member is four years. The Mayor and Deputy Mayor are elected by the Council every two years.



Term of office expires 2021

Mayor Carol Adams



Term of office expires 2019

Deputy Mayor Peter Feasey



Term of office expires 2019

Councillor Wendy Cooper



Term of office expires 2021

Councillor Merv Kearney



Term of office expires 2021

Councillor Sandra Lee



Term of office expires 2019

Councillor Sheila Mills



Term of office expires 2021

Councillor Matthew Rowse



Term of office expires 2019

Councillor Dennis Wood

ELECTED MEMBER ATTENDANCE AT COUNCIL MEETINGS 2017/18

Elected Member Council Meeting Attendance Register 2018/19			
Elected Member	Ordinary Council Meetings Attended	Special Council Meetings Attended	Electors General Meeting Attended
Total meetings held	23	1	1
Carol Adams	21	1	1
Peter Feasey	22	1	1
Wendy Cooper	18	1	1
Merv Kearney	20	1	1
Sandra Lee	22	1	1
Sheila Mills	21	1	1
Matthew Rowse	19	1	0
Dennis Wood	23	0	1



City of Kwinana Staff



EMPLOYEES

Full Time Equivalent (FTE) employees as at 30 June 2019:

Full Time:	209.80
Part-time:	52.60
Casual:	38.34
Total FTE's:	300.74
Total:	375 (head count)

CITY OF KWINANA LEADERSHIP TEAM



Joanne Abbiss
Chief Executive Officer



Michelle Bell
Director City Legal



Maria Cooke
Director City Regulation



Doug Elkins
Director City Infrastructure



Casey Mihovilovich
Director City Strategy



Barbara Powell
Director City Engagement

Iain Mason Manager Contracts
Bruce Mentz Manager Essential Services

Vacant Manager Environment
Darrell Monteiro Manager Environmental Health
Paul Neilson Manager Planning and Development
Rodney Molyneux Manager Building Services

David Boccuzzi Manager Works
Reza Najafzadeh Manager Engineering Services
Ann Nicholas Manager Asset Management Services

Natasha Dransfield Manager Corporate Communications
Kelli Hayward Manager Finance
Mathew Smith Manager Information Technology
Sue Wiltshire Manager Human Resources

Paul Gravett Manager Community Engagement
Fiona Grieves Manager Community Services

City of Kwinana Products and Services

The primary role of Local Government is to provide infrastructure, facilities, governance and community services to support the community. The City of Kwinana offers hundreds of products and services for the benefit of its community, to promote wellbeing and to offer community members a choice and range of options to suit their lifestyle.

The City manages depot works, including:

- footpath, crossover, road, kerb and drainage maintenance;
- maintenance of street furniture, fencing, BBQs, playgrounds and water features;
- rubbish and litter collection and removal of illegal dumping;
- fire control assistance and emergency response to storms, floods, fire; and
- mowing, weed control, turf renovation, irrigation maintenance, landscaping, pruning, weeding, mulching, fertilizing and planting.

The City provides a safety and security program, including:

- local law enforcement (including parking, littering and animal control);
- support emergency services and maintain volunteer fire brigades;
- enforcing off-road vehicle and illegal camping laws;
- community safety and security initiatives; and
- Community Liaison Service.

The City offers community services, including:

- community events, arts, culture and heritage programs;
- community centres;
- community grants and Citizenship ceremonies;
- library and community information services; and
- community engagement programs.

The City provides health and fitness programs, including:

- local parks and public open spaces; and
- health and wellbeing programs including walking trails, sporting club development, Kwinana Recquatic.

The City offers youth support, including:

- youth facilities such as the Zone Youth Space and Edge Skate park;
- LyriK Youth Development Programs; and
- school holiday and term activity programs.

The City manages the local environment, including:

- waste, recycling, green waste and bulk goods collections;
- environmental health investigations;
- advice on food hygiene, control of diseases, public events, food preparation premises, public swimming pools and noise nuisances;
- bushland management including weed control, feral animal control and firebreak maintenance;
- environmental planning and protection, fencing, biodiversity and revegetation; and
- sustainability initiatives including water and energy conservation.

The City provides expertise in planning, building and engineering, including:

- building assessments, site inspections, demolition licenses;
- upkeep of the City's buildings;
- development applications, structural planning assessments, planning policies and town planning schemes;
- roads, pathways, bridges, drainage, landscaping and street lighting; and
- road safety audits, traffic analysis, transport coordination and car parking studies.

The City uses a number of survey and evaluation methods to regularly assess community needs. Results of the City's Community Perception and Wellbeing Survey are used to gauge satisfaction and importance in relation to the products and services that it delivers to the community. The City strives to ensure that it is continually reviewing and providing essential services to meet the needs of its growing community.

To find out more about the range of products and services provided by the City of Kwinana visit www.kwinana.wa.gov.au/a-z.

Our Vision

OUR VISION

The City's vision for the future of the Kwinana community is:

"Rich in spirit, alive with opportunities,
surrounded by nature - it's all here"

This vision forms the foundation of the *City's Strategic Community Plan 2017-2027*, with each part of the vision represented as a specific community aspiration. To achieve these aspirations, clearly defined community outcomes have been identified. These outcomes further illustrate how the community would like the City of Kwinana to look in ten years' time.

INTEGRATED PLANNING AND REPORTING

The Annual Report (Part 1 – Community) measures our progress against priorities and aspirations that were developed in consultation with the community and documented in the City of Kwinana’s long term vision, the *Strategic Community Plan 2017-2027*.

The City’s *Corporate Business Plan 2018-2023* provides clarity on the initiatives and services that the City is planning or implementing over the next five years, with emphasis on the delivery of the strategic priorities outlined in our *Strategic Community Plan 2017-2027*.

These two key strategic documents are then underpinned by a number of informing documents including, but not limited to, the Long Term Financial Plan, Asset Management Plans, Workforce Plan and issues or area-specific plans (see figure 1).

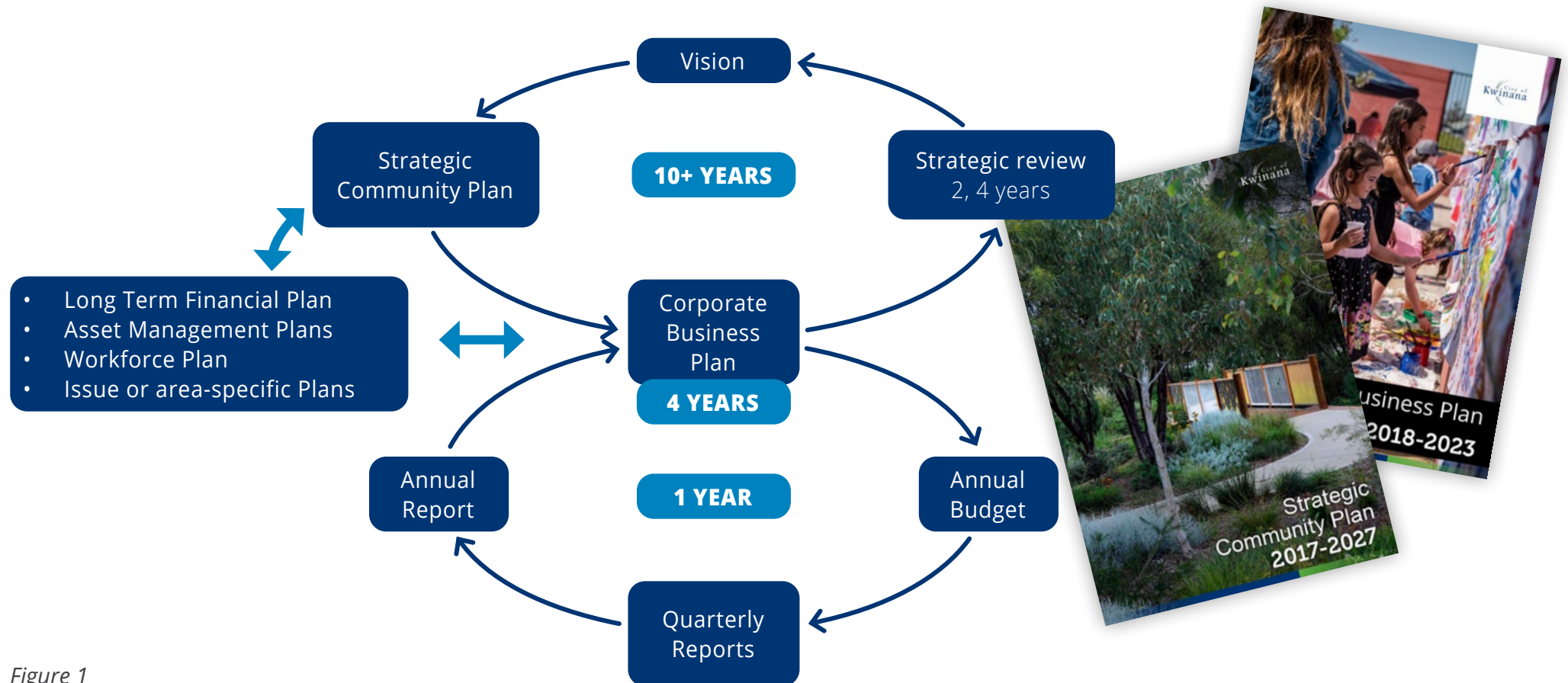


Figure 1

STRATEGIC COMMUNITY PLAN UPDATE

The City adopted an updated version of the *Strategic Community Plan (2019 -2029)* at the Ordinary Council meeting held on 26 June 2019. Changes were approved to keep the strategies that achieve the community's vision up-to-date. No major changes to the community's vision, aspirations or objectives were made.

Key Items of Expenditure

Expenditure for key projects and programs delivered in the 2018/19 year include:

- \$2.02m for road renewal and upgrades.
- \$212k for footpath upgrades on Rowley Road - Lyon Road to freeway and Adventure Park – Gilmore Avenue.
- \$42k for the upgrade of Gilmore Avenue pedestrian crossing, including the supply and installation of fencing.
- \$66k for Kwinana Senior Citizens Centre for repairs and the replacement of external cladding, ceilings and gutters/downpipes.
- \$137k for the Street Tree Program activities, including tree planting in Bertram and the Kwinana Industrial Area.
- \$299k towards the Bushcare and Coastcare Program activities, including weed control, coastal care, feral animal control and firebreak maintenance in Kwinana's reserves.
- \$103k for the Parks for People program improvements.
- \$220k towards supporting the Community Liaison Service.
- \$124k towards Community Grant Funding Programs including Greening Fund and Community Development programs.

- \$450k for the City Community Events Series including the annual big concert, Children's Festival, Christmas Lolly Run, Youth Festival and Australia Day.
- \$109k towards upgrades to the Koorliny Arts Centre.
- \$2.5m towards safety and security initiatives including expansion of CCTV coverage, community education initiatives, illegal dumping control, compliance operations and 24/7 City Assist service.





2018/19 Key Priorities Achieved

Key organisational priorities in the 2018/19 year that were achieved include:

The City continued its lobbying and advocacy activities in relation to a new port. Additionally, it conducted strategic land use, freight and transport planning studies, as well as infrastructure development related to the port (see page 28). The City was represented on a number of work streams as part of the Westport Taskforce, including;

- constraints and opportunities;
- supply chain;
- Ports capability; and
- environment.

The City progressed a number of key strategies and education plans during the year including:

- the *Bike and Walk Plan*, adopted by Council on 5 December 2018;
- the revised *City Centre Master Plan*, adopted by Council for advertising on 27 March 2019;
- *Environmental Education Strategy*, adopted by Council on 12 December 2018;
- A Waste Education Program, adopted by Council on 12 December 2018; and
- *Mosquito and Midge Management Plan*, adopted on 12 December 2018.

The City conducted a detailed review of its emergency management arrangements and compliance with responsibility for emergency management and bush fire control. Joint exercises were held to test and refine its local emergency management arrangements. Relationship-building between the City and its volunteer bush fire brigades continued with the City successfully securing grant funding

for the upgrade of both the Mandogalup and Kwinana South Fire Brigade buildings.

Progression of the City's *Land Optimisation Strategy*, which considers the unique identity of assets and economy of each place, including:

- Adoption of the *Land Asset Optimisation Policy and Strategy* in June 2019; and
- Finalisation of a *Feasibility and Property Strategy for Lot 904, Chisham Avenue*.

Progression of the Development Contributions Plan, which saw the City complete the cost apportionment schedule for Amendment 132 to the City of Kwinana Local Planning Scheme No.2. This sought to amend the boundary of DCA1 to include the Bollard Bulrush area and adjacent areas within Wellard (West) and introduce new items of infrastructure into Development Contribution Area 1. Additionally, Amendment 145 to *Local Planning Scheme No.2 – Review of Development Contribution Plans* was adopted by Council in January 2019.

The review and development of a new Local Planning Strategy for the City was initiated. A number of studies were prepared to inform the City's position in terms of population and housing, biodiversity, employment and economic development, integrated land use and transport and rural land. These discussion papers formed the basis of community engagement which took place in early to mid-2019.

A review of the *City Centre Master Plan* was undertaken, with the revised master plan being adopted by Council in March 2019. The revised plan included a number of key variations to the current plan, including changes to the City Centre Planning Framework, redefining the City Centre, key policy changes, proposed changes to precincts, elements of the proposed master plan, identification of existing activity nodes, development of key links, primary off-street routes, a secondary movements network, built form and car parking.

During 2018/19 the City began implementing the *Tidy Neighbourhoods* initiative which aims to improve the aesthetics of the City. The program was developed by using existing City initiatives as well as introducing new activities to be incrementally rolled out. The initiatives were centered around three key themes:

- Community Engagement – which endeavored to build pride in local communities by continuing to provide various community grant programs, education campaigns, event facilitation and by building new skills within the community.
- Improvement of Local Amenity – by activating and revitalising local activity centres through planning, grants, maintenance and litter and graffiti programs.
- Management of the Environment – by continuing with programs such as revegetation and weed management, feral animal control, illegal dumping and littering compliance, and tree planting programs.



Aspiration Areas

Aspiration 1: Rich in spirit

ASPIRATION STATEMENT:

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.



The outcomes we aspire to create include:

- 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.

RELATED PLANS (INTERNAL):

Place Plans for City Areas	Multicultural Action Plan
Conciliation Action Plan	Youth Strategy
Events Strategy	Community Safety and Crime Prevention Plan
Welcoming Diversity Strategy	Active Ageing Strategy
Children and Families Policy	Community Development Fund
Every Club Plan	Public Art Masterplan
Active Citizenship Strategy	Disability Access and Inclusion Plan
Heritage Assets	History and Heritage Implementation Plan
Place Based Events Fund	Activate the City's Community Centres and Public Spaces

FAST FACTS:

- The City Assist team received a total of 11,510 calls.
- 336 new dogs and 30 new cats were registered with the City.
- Of the 452 dogs impounded, 147 were reunited with their owners and 77 were rehomed (including rescue groups).
- The City Assist team responded to 647 parking complaints, 240 impounded vehicles, 693 alarms and 50 untidy property complaints.
- Kwinana Recquatic Centre had 303,915 visits, with 99,754 people attending swimming lessons, 11,376 children attending the Crèche and 2,009 children attending vacation care.
- There were 88,514 visitors to the library, with 170,534 items loaned or renewed, 26,164 print jobs undertaken, 31,669 uses of the public PCs and 3,656 participants of library programs.
- The library added 6,607 new physical items to the collection.
- 8,721 youth contacts were made to the City's youth services.
- 41 athletes received funding to the value of \$7,950 as part of the City's Representative Sports Travel Assistance Program.
- Thirteen community groups received over \$48,000 from the City to host place-based events aimed at enhancing local connections.
- The City supported seniors within the City to offset the cost of security installations within their homes to the value of over \$12,000.
- 22 community, sporting, recreation and not-for-profit groups shared over \$30,000 from the Kwinana Community Funding program.
- Community facilities were booked for a total of 36,435 hours, with 1,131 of those hours booked at the popular Kwinana Adventure Playground patio.
- Programs and activities offered by the City saw 3,974 attendances at John Wellard Community Centre, 2,554 at William Bertram Community Centre and 2,307 at Darius Wells Library and Resource Centre.

KEY PROJECTS/ACHIEVEMENTS IN 2018/19:

In 2018/19 the City set out again to host a range of crowd-pleasing, show-stopping events including:

- The *Positive Vibes Youth Festival* held in October 2018 at the Edge Skatepark. The event included a mix of skate/scooter/BMX elements, live music and pop-up activities, as well as a chill-out zone. Over 1,200 young people attended the event.
- As the much anticipated follow-up from the 2017 *Act-Belong-Commit Rock Symphony*, the City once again teamed up with the Perth Symphony Orchestra to host the *Tianqi Lithium Symphony Spectacular*. Held on the first Saturday in December, the event was the City's brightest, loudest and most popular event of the year, with around 7,000 people attending.
- The annual Lolly Run saw Santa and his crew of helpers drive every street in Kwinana on Christmas morning to spread cheer and goodwill. 18 volunteer crews distributed approximately 13,000 lolly bags on the day.
- 850 community members attended the Kwinana Adventure Park on January 26 2019 to celebrate Australia Day. Attendees enjoyed a free BBQ breakfast, inflatable waterslides and celebrated the crowning of Kwinana's Community Citizens of the Year. The event also included the City's largest Citizenship Ceremony of the year, welcoming and celebrating the City's newest Australians to our community.
- In March 2019, the *Alcoa Children's Festival* saw Calista Oval transformed into an old-fashioned travelling carnival, complete with a mermaid tank, chair swing, ferris wheel, merry-go-round and sideshow activities. The event was hugely popular, with over 4,000 people enjoying quality time with their family, friends and community.

Along with its premium showcase events, the City also hosted a number of specialty events to celebrate certain groups within the community, including:

- The City's inaugural Pioneers Lunch in October 2018. The City invited local residents who have lived in Kwinana for over 50 continuous years to attend a complimentary lunch at Medina Hall.
- The annual Seniors' Christmas Lunches were very popular, with 150 guests attending three lunches. Attendees were treated to a Christmas luncheon with carols performed by local primary school children.
- In 2018/19, the City of Kwinana gave thirteen different awards to community members excelling in their field of choice. These awards recognised people participating in sports, the arts, volunteering and general leadership.

The City's library and community centres continued to foster a sense of belonging by hosting a wide range of activities that focused on providing lifelong learning opportunities, promoting social inclusion, encouraging skills development, and encouraging a sense of fun.

- The Darius Wells Library and Resource Centre hosted a mini 'wellness expo' which aimed to help participants to *Stress Less in Kwinana*. The event included a marketplace featuring 18 local wellness businesses that attracted approximately 150 people. Attendees were invited to drop in on a number of presentations, including gut health, reflexology, homeopathy, naturopathy and de-stressing via meditation.
- The outdoor movie nights in Chisham Square remained popular, as did the family picnic that accompanied the annual 'turning on of the Christmas lights'.
- A number of Kwinana residents participated in the John Wellard Community Centre's *Singing Ukles*, with the group regularly attracting over 30 participants and receiving a growing demand for performances.

- The Befriend knitting and crocheting group continued to meet, with up to 35 members sharing stories, skills and completing projects at the Darius Wells Library and Resource Centre. Groups such as this allow residents to develop friendships and create opportunities for personal growth, community connectedness and increasing self-esteem.
- The John Wellard Community Centre's technology-based programs were also popular, attracting a not-commonly-reached demographic of young men aged 18 to 30 years.
- Technology was also a theme at the William Bertram Community Centre. In addition to groups participating in art, drama, dance, martial arts classes and social networking and hobby groups, there was a lot of interest and good attendance numbers for the Vex Robotics program for 7 to 12 year olds.

The Library team continued its excellent work in the lifelong learning space, by launching *Learning English Through Storytime*, and continuing its regular *Storytime* sessions which often attract over 30 young children and their parents. Staff also worked to increase the availability of appropriate resources for people with a disability and introduced a range of new modernised and unique services, including:

- The ability for library members to now subscribe to an online service, which allows them to both stream and legally download music from a wide range of artists and genres.
- The installation of two spin bike desks in June 2019, to encourage users to incorporate physical activity into their daily routine, as well as assisting those who may have difficulty sitting still while reading.

Kwinana Youth Services continued to provide a range of valuable services to the community including case management, advocacy, program delivery, outreach and more. The City also collaborated with a number of external agencies including Centrelink, Youth Justice, the Department of Education and Department of Communities to assist in delivering its services and as part of the Youth Intervention and Youth Participation Working Groups.

Kwinana Youth Service also ran a series of programs, including:

- The Dismantle Bike Rescue Program, which worked with ten local youth, teaching them bicycle maintenance skills.
- The *Kadadjiny Bidi* 'Learning Path' program, a six-month program open to Aboriginal and Torres Strait Islander young women aged 15+, who were taught computer skills, graphic design, reading, writing and more.
- Developmental and engagement programs that focussed on bullying, self-image, sexual health, drugs/alcohol, and overall wellbeing.
- The Young Womens Boxing Program, which was co-facilitated by the City, to assist with the social and emotional challenges that arise for female adolescents.
- The Young Boxing Warriors for Boys Program, which focussed on 12 to 13 year olds who were involved in antisocial behaviour.

Additionally, the Zone Youth Space continued to operate a drop-in service, as well as a range of programs including *Beatball*, a popular diversionary basketball program run by the City in conjunction with Nyoongar Wellbeing and Sports and Koya. The City also ran World Cup Wednesday, a soccer program aimed at culturally and linguistically diverse youth, which proved a big success. The Zone also held school holiday programs and events, including Club Rezonate, an under-18s club-style event aimed at educating young people about the dangers of alcohol.

The *Leadership, Youth and Respect in Kwinana* (LyriK) award ceremony was held in June 2019, to celebrate the achievements and positive contributions that young people, aged 10 to 18 years, make to the Kwinana community. There were ten category award winners and the Young Person of the Year Award went to Year 12 Gilmore College student Caliesha Edney.

The City also held the LyriK educational scholarship awards ceremony in December 2018 at the Zone Youth Space, where 16 local youth were given scholarships towards their education for 2019.

Club and local sport improvements featured significantly throughout the 2018/19 year, with the City undertaking the following projects:

- updates to Varris Park in Orelia as part of the Parks for People Program;
- improvements to Kwinana Tennis Club and Bertram Oval; and
- the installation of new lighting at Medina Oval, home to the Kwinana Knights Football Club.



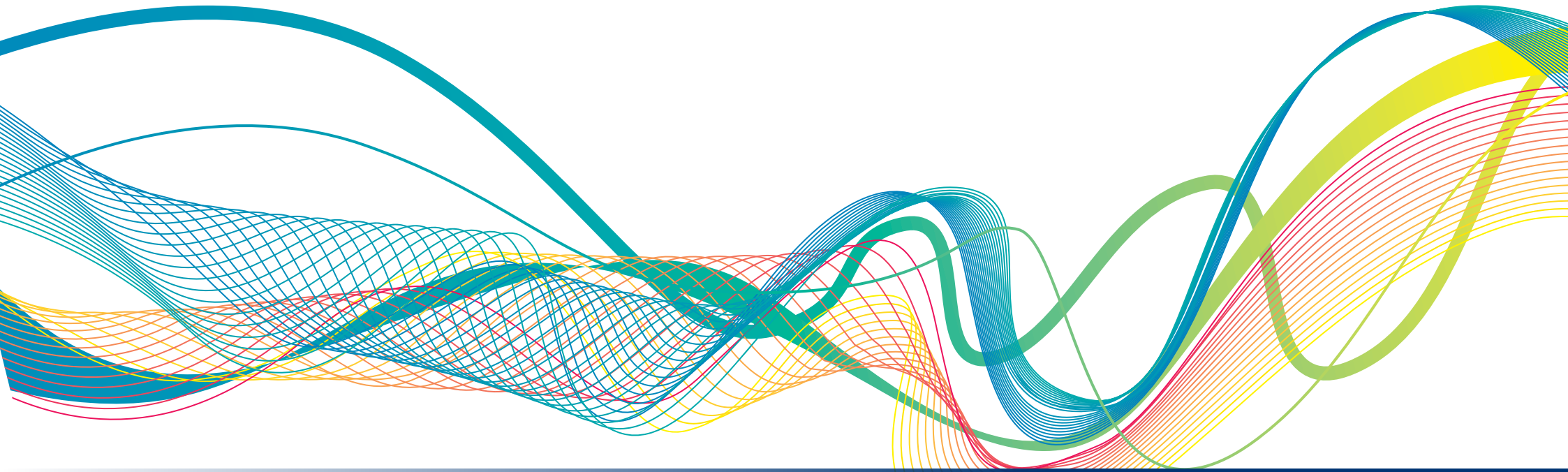
As part of the Department of Local Government, Sport and Cultural Industries Every Club funding (\$20,000), the City provided ongoing support to sporting and recreation clubs in Kwinana, by offering upskilling workshops and hosting sporting expos to attract new members.

The City worked hard to enhance positive neighbourhood relationships and foster community spirit through the *Neighbour Day* and *Neighbour Day Every Day* initiatives;

- National Neighbour Day was held on 31 March 2019. The City financially supported eight community groups with over \$24,000 to fund events that reached 1,500 people over seven street activities aimed at building community connections, reducing loneliness and enhancing community safety.
- *Neighbour Day Every Day*, also launched on 31 March 2019, was developed by the City to encourage residents to connect with their neighbours on a regular basis. *Neighbour Day Every Day* was the first program of its kind nationally and is endorsed by Relationships Australia, the home of *Neighbour Day*.

Community safety remained a key priority for the City, in line with its Strategic Community Plan, which saw the City, and primarily its City Assist service, implement a number of initiatives throughout the year including:

- the refurbishment, replacement and addition of CCTV at the Darius Wells Library and Resource Centre, Recquatic, City Administration Building, Kwinana Adventure Park, William Bertram Community Centre and the City Operations Centre;
- the review of a number of the City Assist team processes, including nuisance barking, dog attack investigations, dog registrations for more than two dogs and abandoned vehicles, resulting in more streamlined and customer-focused processes;
- the introduction of the new *Parking and Parking Facilities Local Law 2018*; and
- the introduction of the City's *Commercial Vehicle Parking Planning Policy*, as well as ongoing education of this policy throughout the community.



City Assist also continued to work with the community to shift its approach from enforcement to education, using the City's various communications channels in an effort to educate people in relation to matters such as responsible dog ownership, traffic management and parking.

During the year, some significant improvements in community safety were introduced in the area of Emergency Services, including:

- a review of the City's Local Emergency Management Arrangements (LEMA's);
- strengthening of the City's relationships with the Volunteer Bush Fire Brigades members and the City's Local Emergency Management Committee (LEMC);
- the hosting of a number of key desktop and practical emergency management exercises; and
- the securing of State funding for the refurbishment of the Volunteer Bush Fire Brigades Kwinana South and Mandogalup facilities.

The City's Community Engagement Officers provided support for all community members who are homeless or at risk of homelessness, including people who are experiencing social disadvantage. They assisted people by linking them to resources and support services. This service, together with the City's Community Liaison Service which patrols public areas in Kwinana, helped the City to engage directly with community members, businesses, services and agencies. They also identified strategies to promote community access to facilities and community services and enhance a sense of community safety in the public domain.

Lastly, the City continued to embrace its unique and diverse community through a range of initiatives including:

- the continued implementation of the City's *Multicultural Action Plan*, which is supported by the Multicultural Advisory Group, to deliver a range of initiatives that promote cultural diversity including *Harmony Week* and the *That Was My Home* project; and
- the Kwinana Conciliation Advisory Group's launch of the City's *Reflect Conciliation Action Plan* in March 2019. The group continue to support, guide and monitor implementation of the Plan as well as provide valued advice to the City on Aboriginal and Torres Strait Islander matters.

The City continued to have a strong focus on improving disability, access and inclusion in Kwinana through the development of a new *Disability Access and Inclusion Plan*. The City continued to facilitate the Disability Access and Inclusion Working Group on a quarterly basis, with the group providing input and feedback as required (see page 41).

AWARDS:

- The City Assist team was awarded runner-up Ranger Team of the Year in October 2018.
- The Recquatic Team received a 100 per cent score on the Royal Lifesaving Safety Assessment.
- At the 2018 Local Government Policy Awards, the City received an award in the Healthy and Safe Food category for the Healthy Lunch Box Initiative.

OUTCOME MEASURES:

Measure	Industry Average (%)	Performance 2017/18 (%)	Performance 2018/19 (%)*
Increase in % of community satisfied with festivals, events and cultural activities	64	64	71
Increase in % of community satisfied with safety and security	54	41	45
Increase in % of community satisfied with services and facilities for youth	50	58	70

*results from the 2018 Community Wellbeing and Perception Survey

KEY PROJECTS TO OCCUR IN 2019/20:

- Installation of CCTV and activation of the shopping precinct in Medina;
- Introduction of digital systems at Kwinana Recquatic for access gates, enrolments and sports competition management;
- Library self-service improvement project;
- Construction of the Honeywood Oval club rooms and cricket facility development;
- Thomas Oval floodlight installation;
- Review and development of the City's *Multicultural Action Plan* and *Innovate Conciliation Action Plan*;
- Implementation of the *Disability Access and Inclusion Plan 2019-2021*;
- Implementation of the *Kwinana Community Safety Plan*; and
- Implementation of the Youth Strategy.



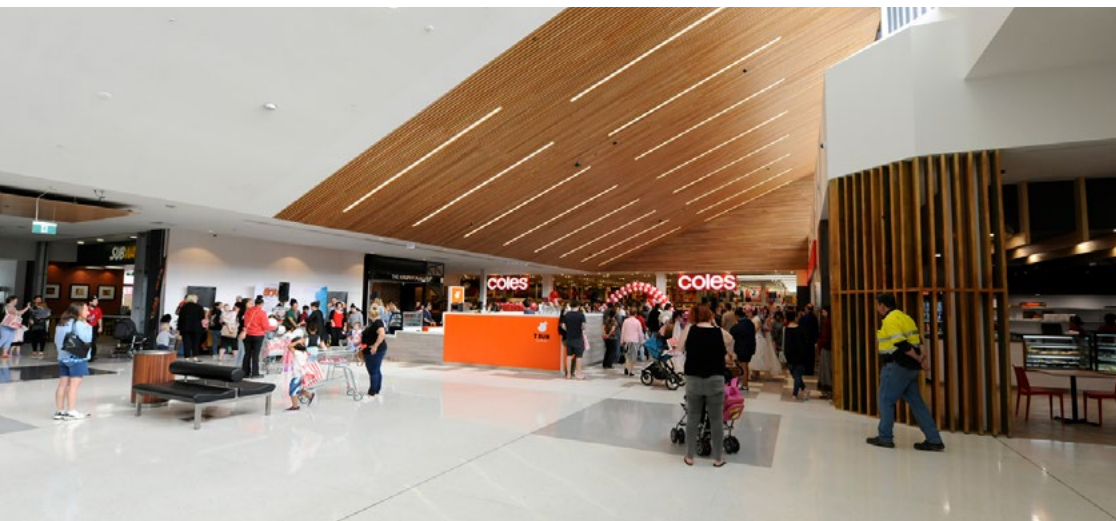
Aspiration 2: Alive with opportunity

ASPIRATION STATEMENT:

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.

The outcomes we aspire to create include:

- 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.



RELATED PLANS (INTERNAL):

Economic Development Action Plan	Kwinana Outer Harbour Project
Land Optimisation Strategy	Lifelong Learning Strategy
Local Commercial and Activity Centres Strategy	Local Planning Strategy
Integrated Transport Strategy	City Centre Master Plan

FAST FACTS:

- The Kwinana Volunteer Centre facilitated 614 hours volunteered by community members and 643 referrals to 43 agencies.
- 38 new pool and barrier applications were approved.
- Bright Futures Children's Services:
 - An average of 625 children attended the centre each week.
 - 23 families and 54 children enrolled in Moordijt Kulungar play sessions.
 - An average of 96 educators worked with the service each week.

KEY PROJECTS/ACHIEVEMENTS IN 2018/19:

During the 2018/19 financial year the City continued to enhance opportunities for the Kwinana community. Activities ranged from high-level lobbying and advocacy for strategic initiatives with huge economic benefit to the area, to more individualised opportunities, including volunteering and employment (offered through Bright Futures Children's Services) and those related to residents establishing or improving their properties in Kwinana.

Building approvals continued to be a major consideration, with numerous residents liaising with the City each week to achieve their desired home improvements.

The City's building service generated a user-pays alternative solution to meet statutory requirements and fill a gap identified through the building assessment process. They also introduced a process for residents to apply for a staged building permit to commence works where time is critical but the final design or approvals are yet to be obtained.

These improvements provided an opportunity to reduce red tape, enhance customer experiences and improve the efficiency of the City's internal processes.

The City of Kwinana continued to support and encourage local volunteers through Kwinana's Volunteer Centre. The centre supports a number of community groups and not-for-profit organisations and covers a wide variety of positions for volunteers.

Bright Futures Children's Services celebrated their 30th Anniversary in December 2018 and continued to provide a number of opportunities for families and community educators who worked with the service. Over the course of the year, a number of improvements were integrated into the service, including:

- the successful transition to a new in-home care model, introduced by the Department of Education and Training, that removed the funding previously received from the Federal Government. Despite introducing the new model, the service managed to retain educators and attract new business;
- the continued delivery of a much-valued service to the Aboriginal pre-school community, *Moordijt Kulungar Play*;
- partnerships with other support agencies and the City of Kwinana Library, providing valuable avenues to increasing the literacy and language skills of pre-school children in attendance; and
- transition to the new Child Care Subsidy system introduced by the Federal Government in July 2018, which involved all educators moving to electronic reporting of child attendances. All educators now use the new system, along with parents, to sign children in and out of care.

At a strategic level, the City progressed the development of a *Land Asset Optimisation Strategy*, which considers the unique identity, assets and economy of each place and sets out the City's strategy for its freehold land.

The City has acquired numerous land parcels over time and while the majority are held in reserve, vested with the City for uses such as parks or drainage, some land is held in freehold title, which the Council can dispose of at its discretion.

The *Land Asset Optimisation Strategy* identifies the City's land parcels that can be classified into one of five broad categories outlined in the policy including reserves, civic land, commercial land, surplus land and landmark land. The strategy also includes recommendations for retention or disposal.

The *Land Asset Optimisation Strategy* and *Policy* were adopted by Council in June 2019.

Lastly, the City continued to lobby and advocate for the construction of a new port in Kwinana, otherwise known as the 'Outer Harbour'. As part of this lobby, City representatives, including the Mayor and CEO, were actively involved in the Westport project, providing strategic input into the following:

- Westport Stakeholder Reference Group Meetings;
- Westport Workstream Meetings for the constraints and opportunities, supply chain, ports capability and environment streams;
- Westport Local Government Reference Group;
- Westport Community Information Sessions;
- Westport Reports – including the detailed review and advocacy of the City's position;
- Westport MCA1 - including the detailed review and advocacy of the City's position;
- ISCA United Nations Sustainable Development Goals Workshop;
- Research to support the City's position on aspects of the Westport process and to refute the lobbying position of other stakeholders;
- Rockingham Kwinana Chamber Commerce Westport Breakfast;
- Infrastructure Australia South West Group submission; and
- The South West Group City Deal proposal.

Advocating for the Outer Harbour has been about trying to improve job opportunities in the region. To further complement this, the City reviewed the *Local Employment Solutions Council Policy* to identify more ways to continue to grow employment opportunities in the region.

AWARDS:

- Mayor Carol Adams OAM was recognised in the 2019 Queens Birthday Honours with an Order of Australia (General Division).
- Councillor Dennis Wood was recognised for his loyalty and outstanding long service to his local community at the 2018 WA Local Government Convention.
- Bright Futures Children's Services were national finalists in the 2018 Excellence in Family Day Care National Awards.

OUTCOME MEASURES:

Measure	Industry Average (%)	Performance 2017/18 (%)	Performance 2018/19 (%)*
Increase in % of community satisfied with how the City Centre is being developed	52	62	64
Increase in % of community satisfied with economic development	45	43	50
Increase in % of community satisfied with planning and building approvals	46	57	54

*results from the 2018 Community Wellbeing and Perception Survey

KEY PROJECTS TO OCCUR IN 2019/20:

- Continued advocacy for the Kwinana Outer Harbour;
- Completion of the economic development analysis of Kwinana; and
- Continued engagement with the State Government about the City Centre Revitalisation Project.



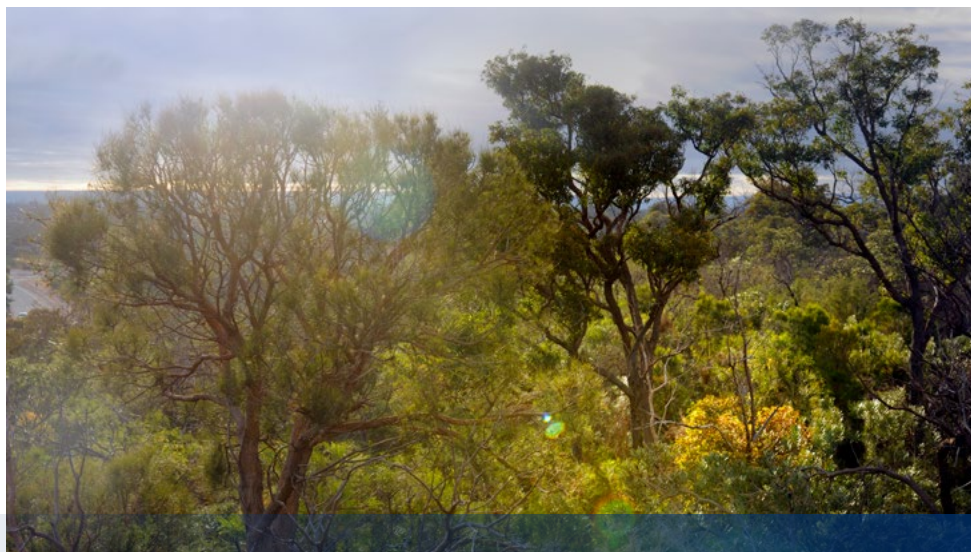
Aspiration 3: Surrounded by nature

ASPIRATION STATEMENT:

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.

The outcomes we aspire to create include:

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



RELATED PLANS (INTERNAL/EXTERNAL):

Local Biodiversity Strategy	Natural Areas Management Plan
Perth Natural Resource Management Swan Region Strategy	Environmental Education Strategy
Kwinana Local Emergency Management Plan	Revolving Energy Fund
Climate Change Mitigation and Adaption Plan	Sustainable Water Management Plan
Ground Water Operating Strategy	Water Conservation Plan
Kwinana Adventure Park Management Plan	Parks Reserves Management Plan

FAST FACTS:

- 1,324kg of waste was removed from the City's two drainage nets.
- 20,000 native seedlings were planted in various natural areas around the City, with approximately 3,000 of these planted as part of the *Coastcare* program.
- The *Coastcare* program saw 140 volunteers contribute 396 hours of their time to the planting of 2659 plants and completion of 207 beach clean-ups.
- Over 2,500 subsidised seedlings were made available to the community.
- 1,237 newly planted street trees were watered in summer and 7,299 were pruned under the City's Powerline Street Tree Pruning program.
- 173 Trees were planted as part of the City's Tree Replacement and Request program.
- The City accepted handover of 11 public open space areas totalling over 16.3 hectares of landscape.

KEY PROJECTS/ACHIEVEMENTS IN 2018/19:

Surrounded by nature is part of the City of Kwinana's identity. Accordingly, the City actively advocated for the environmental protection of a number of key sites including Banksia Road in Wellard, Rowley Road in Mandogalup and Mortimer Road in Casuarina to try and preserve the native and species-rich bushland in these areas.

The City recognised its position at the centre of a significant conflict zone between urban growth and rich biodiversity. However, given the City has areas of important biological diversity, it undertook the following actions:

- worked collaboratively with local community group the Casuarina Wellard Progress Association on the *Stop the Banksia Sand Mine* campaign, in an effort to prevent the destruction of an ecologically unique and diverse piece of bushland; and
- formally raised concerns with the Western Australian Planning Commission about approvals being issued to commence development at Lot 682 in Mandogalup, given the presence of a federally listed threatened ecological community (TEC) *Banksia Woodland on the Swan Coastal Plain*.



The City also progressed a number of environmental initiatives, including the development of strategies and plans and the hosting of community education events, some examples of which are:

- The City prepared a draft Local Biodiversity Strategy, as part of a suite of strategies that informed stage one of the *Local Planning Strategy*.
- The City completed both its *Sustainability Water Management Plan and Climate Change Mitigation and Adaptation Plan* in 2018. These identified a number of initiatives, including:
 - the retrofitting of 17 showers at the Recquatic Centre with low flow showerheads, resulting in a saving of approximately 1,600 litres of water per day; and
 - the installation of solar panels at the John Wellard Community Centre in December 2018, saving 33 tonnes of CO2 per year.
- The City adopted the Environmental Education Strategy 2019-2024 in late 2018.
- The City hosted events and workshops throughout the year, including:
 - the celebration of International Biodiversity Month in September 2018, via the annual Wildflower Walk – a collaboration with local artists – which attracted over 90 attendees;
 - two workshops run by *Switch Your Thinking* at the Darius Wells Library and Resource Centre and the John Wellard Community Centre in 2018. They included *Utilise the edges: Verge Gardening Workshop* and the *Young Re-inventors School Holiday Workshop*;
 - a number of skills-based workshops, including two Plant Identification workshops, a Bush Bird Identification Workshop, the Great Cocky Count and Nightstalk events; and
 - *Beyond the Plastic* – a series of workshops and an exhibition developed in partnership with schools, to generate discussion about the effect of plastics on local ecosystems. Over sixty students were directly involved, and approximately 10,000 people came through the exhibition space.

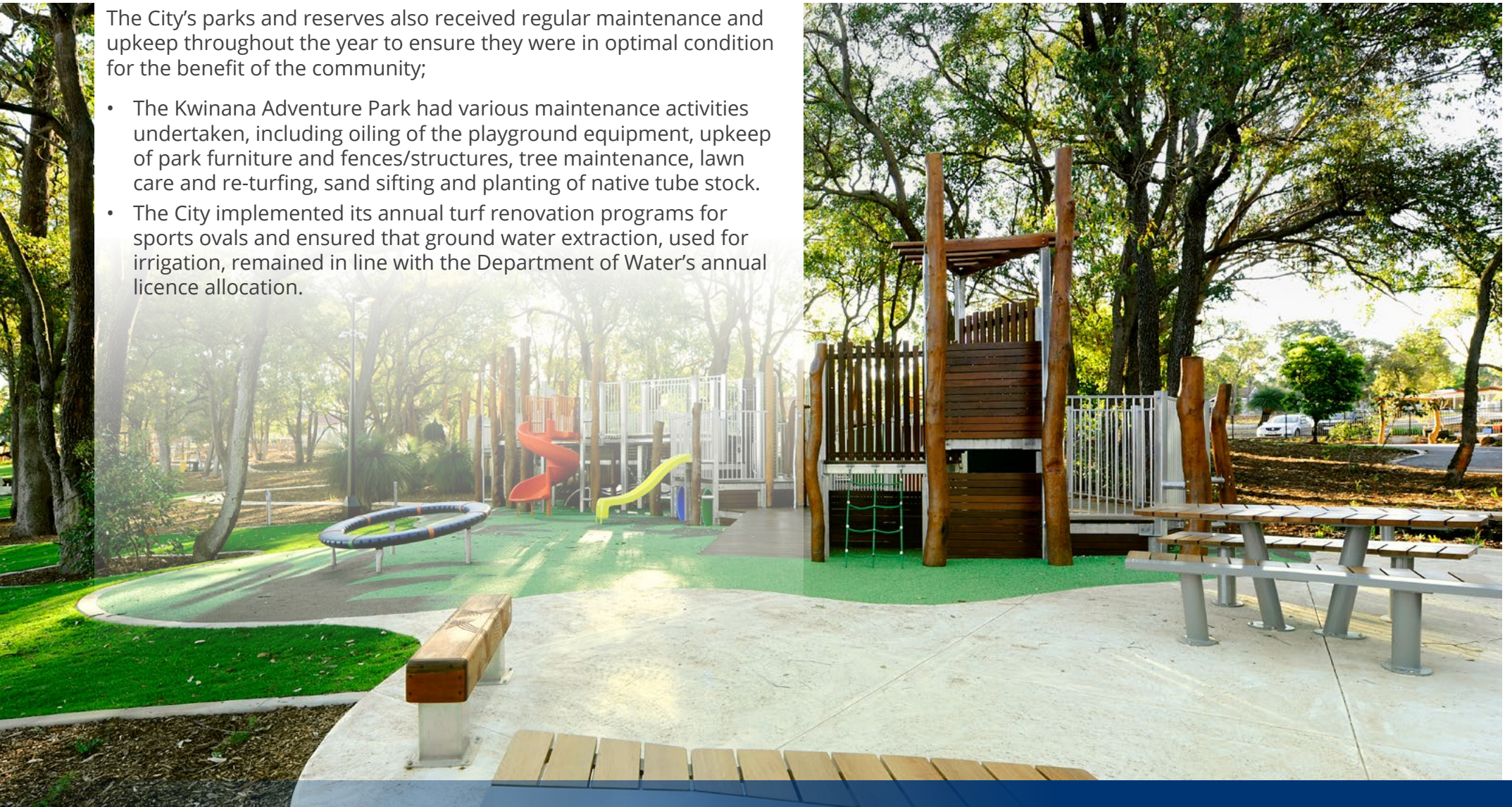
The *Kwinana Coastal Program*, a partnership between Perth NRM and the City of Kwinana, delivered a range of exciting environmental programs through 2018/19. Working in partnership with schools, organisations and volunteers, *Coastcare* facilitated the new 'Adopt-a-Beach' program, as well as beach clean-up, planting and education sessions. These events resulted in hundreds of kilos of debris and litter being removed from local beaches, as well as thousands of plants being planted throughout the year.

The City's parks and reserves also received regular maintenance and upkeep throughout the year to ensure they were in optimal condition for the benefit of the community;

- The Kwinana Adventure Park had various maintenance activities undertaken, including oiling of the playground equipment, upkeep of park furniture and fences/structures, tree maintenance, lawn care and re-turfing, sand sifting and planting of native tube stock.
- The City implemented its annual turf renovation programs for sports ovals and ensured that ground water extraction, used for irrigation, remained in line with the Department of Water's annual licence allocation.

AWARDS:

- The City was awarded a Council Collaboration Award, for its involvements in the nationwide reuse program, Garage Sale Trail.
- The City received Gold Water Wise Council status for the third time.
- The City received the Green Flag Award through Parks and Leisure Australia for the Kwinana Adventure Park Management Plan.



OUTCOME MEASURES:

Measure	Industry Average (%)	Performance 2017/18 (%)	Performance 2018/19(%)
Increase in % of community satisfied with conservation and environmental management	58	57	64
Increase in % of community satisfied with animal and pest control	55	54	59
Increase in % of community satisfied with effort to promote and adopt sustainable practices	56	52	63
Increase in % of community satisfied with management of food, health, noise and pollution issues.	57	53	59
Increase in % of community satisfied with waste service collections.	71	n/a	67

*results from the 2018 Community Wellbeing and Perception Survey

KEY PROJECTS TO OCCUR IN 2019/20:

- Finalise the preparation of the Local Biodiversity Strategy;
- Commence preparation of an Urban Forest Strategy;
- Undertake a review of the City's Weed Management Contract;
- Design and Installation of new Irrigation system at Apex and Rhodes Park;
- Update of the City's Ground Water Operating Strategy;
- Undertake a plant and fleet replacement program; and
- Undertake a fencing replacement program at various locations around the City.



Aspiration 4: It's all here

ASPIRATION STATEMENT:

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.

The outcomes we aspire to create include:

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

RELATED PLANS (INTERNAL):

Community Infrastructure Plan	Parks and Reserves Assets Management Plan
Strategic Waste Management Plan	Lobbying Strategy
Public Open Space Standards Policy	Parking Strategy
Town Planning Scheme	Landscape Strategy
Public Lighting Asset Management Plan	Integrated Transport Strategy
Bike and Walk Plan	Roads and Transport Assets Management Plan
Buildings Asset Management Plan	Stormwater Drainage Asset Management Plan
Local Housing Strategy	Parks for People Strategy

FAST FACTS:

- 739 onsite food assessments were conducted.
- 3,502 households were audited as part of the bin-tagging program.
- Improvements to the City's printing system resulted in an average of 16,500 less pieces of paper being printed each month.
- Approximately 50,000 emails were detected as spam from the 200,000 to 300,000 emails received by the City each month.
- Improvements from the implementation of the *Strategic IT Plan* led to a saving of approximately \$350,000.
- The replacement cost of the City's assets base was valued at over half a billion dollars.
- The City undertook a comprehensive condition audit of 375km of roads, 700km of kerbs and 304km of footpaths during the 2018/19 financial year.
- City of Kwinana staff implemented new waste management practices and reduced office waste by approximately 20kgs per week.
- Over \$2.4million was invested in infrastructure projects, including nine road projects (\$2,047,188), three drainage projects (\$166,100) and two new footpaths (\$193,500).

KEY PROJECTS/ACHIEVEMENTS IN 2018/19:

The City continued to plan for and provide great public places for its community by ensuring that these spaces were well maintained and by incorporating the community's voice into its planning for the future. Achievements for the period included:

- three public lighting projects, including installation of new lights at Medina Oval (\$233,177), new street lights at McWhirter Promenade (\$99,610) and refurbishment of solar street lights at Latitude 32 (\$220,225);
- major improvements to local sporting facilities, including the completion of the Bertram Oval Sporting Clubrooms and construction of a storeroom extension at Wellard Oval Pavilion;
- community consultation regarding the desired levels of service in preparation for a comprehensive review of *Asset Management Plans*;
- a continued review of the *Kwinana City Centre Master Plan*, which acts as a guide to the future land use and development within the City Centre, with the City conducting community engagement on the plan, including a number of workshops.
- completion of stage one of the *Local Planning Strategy (LPS)*, which forms the strategic basis for the development of a *Local Planning Scheme* – a 'road map' of the future growth directions for the City. The engagement for the *Local Planning Strategy* centred around a number of key studies including the Kwinana Housing Study, Integrated Land Use and Transport Study, Employment and Economic Development Analysis, Local Biodiversity Study and the Rural Lands Study.

Public places are also being further improved through the expansion of the City's high-speed IT network to incorporate facilities, halls and ovals, such as Thomas Kelly Pavillion and Medina Hall. This will allow for the growth of the City's Public WiFi, improve the performance of public computers at community centres and form the backbone of the City's increasing CCTV network.

Providing appropriate policy and documentation is an important function of all local governments, ensuring they can adequately meet the requirements of the community. The 2018/19 year saw the development of a number of strategic documents including:

- environmental health topics, including the *Feral Pigeon Management and Control Approach*, *Integrated Mosquito and Midge Management Plan* and the *Waste Education Plan*;
- planning policies, including *Local Planning Policy 9: Advertising Signage*, *Local Planning Policy No. 13: Telecommunications Infrastructure and Communications Equipment*, and *Local Planning Policy No. 11: Site Requirements and Standards for Development within the Industrial Zones*.
- *Streetscape Upgrade Strategy 2019-2029*, which outlines the long-term plan to guide the design, development and management of landscaping within the City's streets, to ensure that they are upgraded and maintained to an appropriate standard.
- *Parks Upgrade Strategy 2019-2029*, which replaces the City's *Parks for People Strategy*, which expired in 2018, and combines the aspirations to provide improved public open space with asset management and includes preliminary prioritisations and cost estimates for park upgrades for the next decade.

The City introduced the 'Health in all Policies' system to determine the public health implications of all proposals presented to Council. The system was introduced as a method of evaluating public health implications using various determinants of health including:

- Built Environment – including sanitation, environmental quality, neighbourhood amenity and disease prevention;
- Health Behaviours – smoking, diet and exercise, alcohol use and participation;
- Socio-economic Factors – education, employment, income, family and social support and community safety; and
- Clinical Care – access to care and quality of care.

Improvements to community waste minimisation and recycling rates were achieved through the implementation of a number of waste education programs including:

- a bin-tagging program which saw over 3,502 household audited;
- an active investigation of illegal dumping and littering;
- the promotion of the upcoming *Container Deposit Scheme* at public events;
- worm farm workshops which were rolled out to 143 participants;
- three composting workshops which attracted 117 participants; and
- participation in the nationwide *Garage Sale Trail*, which saw 56 individual sales events registered in the Kwinana area.

During 2018/19 the City worked diligently to firmly establish a sound and accurate basis for the City's developer contributions schemes, which include a range of sub-regional, district and local community facilities (such as libraries and sporting grounds) and the delivery and improvement of major roads and open space areas.





An effective contribution scheme is essential to ensure this infrastructure is available to the community in the future. Key outcomes that were completed include:

- the final adoption of *Amendment No. 145 to Local Planning Scheme No. 2 – Review of Development Contribution Plans 8 – 15*;
- adoption of *Cost Apportionment Schedule and Development Contribution Plan Report – Development Contribution Area 1 (Common/Civil Infrastructure Items) – Amendment 132*; and
- annual review and adoption of *Updated Cost Apportionment Schedule and Development Contribution Plan Reports – Development Contribution Areas 2-7 (Common/Civil Infrastructure Items)*.

Lastly, local structure planning was undertaken for many of the newer and larger urban cells within the City. A significant part of this process involved leading planning, in particular with respect to commercial and retail floor space, and working with land developers to achieve the best designs for retail sites and commercial properties and proposals.

AWARDS:

- The Kwinana Adventure Park received the Green Flag Award at the International Parks and Leisure Congress in Melbourne.
- Bright Futures Children's Services was a finalist in the 2018 Excellence in Family Day Care National Awards.

OUTCOME MEASURES:

Measure	Industry Average (%)	Performance 2017/18 (%)	Performance 2018/19(%)
Increase in % of community satisfied with community centres, halls and toilets	58	65	67
Increase in % of community satisfied with sport and recreation facilities	65	66	68
Increase in % of community satisfied with playgrounds.	68	65	77
Increase in % of community satisfied with parks and reserves.	68	65	76

*results from the 2018 Community Wellbeing and Perception Survey

KEY PROJECTS TO OCCUR IN 2019/20:

- Complete design of the Honeywood Oval Sports Pavillion;
- Undertake an extension to Kwinana South Volunteer Bush Fire Brigade;
- Undertake an extension to Mandogalup Volunteer Bush Fire Brigade;
- Create an accessible toilet facility at Sloan's Reserve;
- Commence the refurbishment of the Medina Oval Change rooms;
- Undertake a refurbishment of the toilet facilities at Kwinana Tennis Clubrooms;
- Construct a shelter to protect heritage artefacts at Smirk's Cottage;
- Replace the Kwinana Recquatic Centre's stadium roof;
- Complete the City of Kwinana *Public Health Plan*;
- Commence implementation of the Corporate Business System project;
- Progress the *Local Planning Strategy* and the associated sub strategies; and
- Progress the *City Centre Master Plan*.

Future Measures

CITY OUTCOMES

The City has a number of Key Performance Indicators in place that are vital to business improvement.

DLGSC Indicators	Measures	Achieving Benchmarking Standard/ City Target*	Current**
Asset Management Indicators	Asset Consumption Ratio (%)	>50%	79%
	Asset Renewal Funding ratio (%)	Greater than 75%	91%
	Asset Sustainability Ratio (%)	90%	22%
Business Performance	Development Applications assessed within statutory timeframes (%)	100	91
	Local Development Plans assessed within statutory timeframes (%)	100	100
	Subdivision Applications assessed within statutory timeframes (%)	100	92
	Building Approval Certificates processed and issues within 10 days (%)	100	100
	Certified Building Permits processed and issued within 10 days (%)	100	100
	Uncertified Building Permits processed within 25 days (%)	100	100

* The benchmarking standard targets are set by the Department of Local Government, Sport and Cultural Industries

** Current values for Business Performance and Assets are as at 30 June 2019.

Statutory Reporting

Disability Access and Inclusion Plan

Throughout 2018/19 the City continued to actively work to ensure all people living, working and visiting the City had unconditional access to its services and facilities. The City's Access and Inclusion Working Group met on a quarterly basis to provide ongoing advice on access and inclusion issues affecting the community and to ensure the delivery of the City's *Disability Access and Inclusion Plan*. Key areas of focus included access to services and events, 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 employment opportunities. A number of actions identified within the plan were undertaken during 2018/19 including:

- The City's *Tianqi Lithium Symphony Spectacular* event was planned using the Disability Events Checklist, to ensure the needs of people with a disability were considered in the planning of this event. As a result, the City increased its ACROD parking provision and the size of the mobility scooter/ wheelchair viewing area and situated the accessible toilets close to this area.
- Following feedback from a community member, the City's library made adjustments to the layout and presentation of its DVD section. This has allowed people to access DVDs more freely and without physical restriction.
- A new sporting and community facility was built at Bertram Oval. The facility meets the minimum access standards and has allowed people, including those with disability, to use the toilets during sporting and community events.
- The City assisted the Kwinana Tennis Club to make improvements to its facilities, which included the addition of an accessible path with hand railing and new ramp facilities.
- The Kwinana Recquatic added anti-slip matting around the hydro pool and hand rails to both the female and male toilets, increasing safety around the pool and providing access to an ambulant toilet when the disability toilets are occupied.
- The City began planning upgrades to its website to meet accessibility standards. Officers completed 'Writing for the Web' training to improve the quality and accessibility of our current website. All videos produced now include subtitles and website content is being rewritten to allow more ease for screen readers.
- The City recently engaged in public consultation when developing the new *Disability Access and Inclusion Plan 2019-2021*. Consultation was undertaken via a number of different methods, including face-to-face and with assistance provided by the City. The survey was also actively promoted to community members who might not have normally had access to it, which resulted in the City receiving an all-time high number of surveys, with 86 completed surveys, including 386 comments in relation to access and inclusion.
- The City adjusted its official invitation process when arranging interviews with potential employees, by asking how the City can better accommodate the needs of candidates. Initiatives include the provision of Auslan interpreters, providing information in alternative formats and requesting any information on adjustments required to the physical layout of the room.

The City also continued to provide a number of accessible services, including:

- TTY phone service;
- at-home library delivery;
- priority bin service;
- the provision of a community bus to improve community access to events and facilities;
- *Living Longer Living Stronger* program for seniors and people with disability; and
- the SAIL program, one-on-one swimming classes at Recquatic for children with a disability.

The new *Disability Access and Inclusion Plan* was developed and was due to be presented to Council for adoption in July 2019.



Conciliation Action Plan

The City of Kwinana is committed to the journey of conciliation and respects Aboriginal people's connection to country as the traditional custodians of the land. The City of Kwinana's vision is to work together with the Kwinana community to build positive relationships between Aboriginal and non-Aboriginal communities. Through this journey the City aims to promote and assist with the development of pathways and opportunities for Aboriginal and Torres Strait Islander communities that are meaningful, mutually beneficial and sustainable.

- City of Kwinana's statement of intent

In December 2018, the *Conciliation Action Plan* was adopted by Council and endorsed by Reconciliation Australia. Reconciliation Australia sets four outcome areas within the plan: Relationships, Respect, Opportunities and Governance, and Tracking Progress. Actions within the plan have been developed with the Conciliation Advisory Group and align with the outcome areas. City staff and community have continued to work together to achieve positive outcomes, including:

- In March 2019 the City, with support from the Conciliation Advisory Group, launched its *Conciliation Action Plan*. Approximately 80 people attended the event, which included traditional music, dancing and food and provided an opportunity to promote cultural awareness and celebrate endorsement of the plan.
- Staff were actively involved in the collaborative effort to plan NAIDOC events, offering assistance to community groups and service providers to apply for event funding, helping to book venues and providing advice on running events. The City developed a promotional poster and flyers, which were circulated across Kwinana, and assisted in providing a template for the Kwinana NAIDOC Awards.



- Cultural awareness training was delivered to City staff, covering topics such as history, cultural practices and insight into inter-generational trauma experienced by first nation people. Training assisted in raising awareness of cultural differences, developing an understanding of history and promoting acceptance.
- In May 2019, the City held an Aboriginal Community Engagement Session to help identify areas working well, opportunities for improvement and the fostering of greater community involvement, with discussions about community safety, employment and youth. This showed a commitment from the City to work collaboratively, to progress actions within the Plan, and has led to discussions with service providers and staff on how to achieve further outcomes.
- The City maintained a strong working relationship with local Aboriginal people and service providers. The City continued to work with the Conciliation Advisory Group and the wider Aboriginal community to progress actions within the plan, and to develop its next level *Innovate Conciliation Action Plan in 2019-20*.

Reporting Requirements

National Competition Policy

The City of Kwinana has met its obligations in regard to the *National Competition Policy* with no issues being raised with the City.

Local Government Act 1995

This Annual Report (Part 1 – Community), together with the Annual Report (Part 2 – Annual Financial Report), complies with the requirements of section 5.53(1) of the *Local Government Act 1995* to prepare an annual report for each financial year.

Elected Member Conduct

No complaint regarding a City of Kwinana Elected Member’s conduct, under Section 5.121 of the *Local Government Act 1995* was recorded in the financial year ending 30 June 2019.

Local Government (Financial Management) Regulation 1996

Under section 6.4 of the *Local Government Act 1995*, a Local Government is to prepare an Annual Financial Report for the preceding financial year and such other financial reports as are prescribed in the *Local Government (Financial Management) Regulations 1996*.

State Records Act 2000

In accordance with the requirements of the *State Records Act 2000* and best practice, the City of Kwinana remains committed to the reliable and systematic management of government records.

Approved by the State Records Commission in 2016, the City's updated *Recordkeeping Plan 2016-2021* describes the City's commitment to good and compliant record keeping procedures. These include monitoring and compliance through record keeping audits, which help to identify the uptake of the records system and any potential areas requiring additional training.

Training is an important component of record keeping for the City and has continued to be provided to all staff to ensure appropriate awareness of 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*.

Freedom of Information Act 1992

In accordance with Section 96(1) of the *Freedom of Information Act 1992*, residents have the legally enforceable right to access records (which are not otherwise exempt) held by state and local government agencies. The following FOI applications were received:

	2018-2019
FOI Requests	4
Access in Full	0
Edited Access	3
Applications withdrawn	0
Access deferred	0
Access refused	1

The City also reviewed and updated the *Information Statement* as required by the *Freedom of Information Act 1992* in August 2016. The *Information Statement* was due to be submitted to the Information Commissioner around August/September 2019.

Public Health Act 2016 and Food Safety Standards

The City has complied with the authorisation requirements for Officers registered under the *Public Health Act 2016*. The City has also provided optional reporting information requested by the Department of Health under the provision of the Act.

The *Food Act 2008* was applied to all food premises within the City based on a risk-assessment approach by way of inspection. In total, the City carried out 793 inspections during the 2018/19 financial year.

Equal Opportunities

The City of Kwinana submitted its *Equal Employment Opportunity (EEO) Plan*, to the EEO Commission in early 2018. The Plan details how the City adheres to the *Equal Opportunity Act 1984* in eliminating discrimination, sexual and racial harassment, and through promotion of equality in the workplace. The City is currently reviewing the plan with the intention of submitting a revised version to the EEO Commission in 2020.

Occupational Health and Safety (OHS)

Our vision to achieve excellence in safety and health management through safe business practices is driven by our staff values; Lead From Where You Stand, Act with Compassion, Make it Fun, Stand Strong, Stand True, Trust and be Trusted and Why Not Yes.

The City also recognises its corporate responsibility under the *Occupational Safety and Health Act 1984* and associated legislation and is fully committed to ensuring that, as far as practicable, it will provide a working environment that is without risk to its employees and others in the City's workplaces.

The City focuses on exceeding its obligations under the Occupational Safety and Health legislation by ensuring its operational activities eliminate or minimise the risk of illness, injury and damage to people, property and the environment.

In consultation with the City's workforce, the City developed the 2019 – 2021 OSH Plan, which sets out how the City will achieve its safety vision within three key focus areas; People, Property and Business.

In October 2018, the City's parks team was acknowledged by WorkSafe WA for 'best solution to a manual handling issue', which demonstrated our values and commitment to safe business practices.

Review of Local Laws

Section 3.16 of the *Local Government Act 1995* requires that all of the Local Laws of a Local Government must be reviewed within an eight year period after their commencement to determine if they should remain unchanged or be repealed or amended.

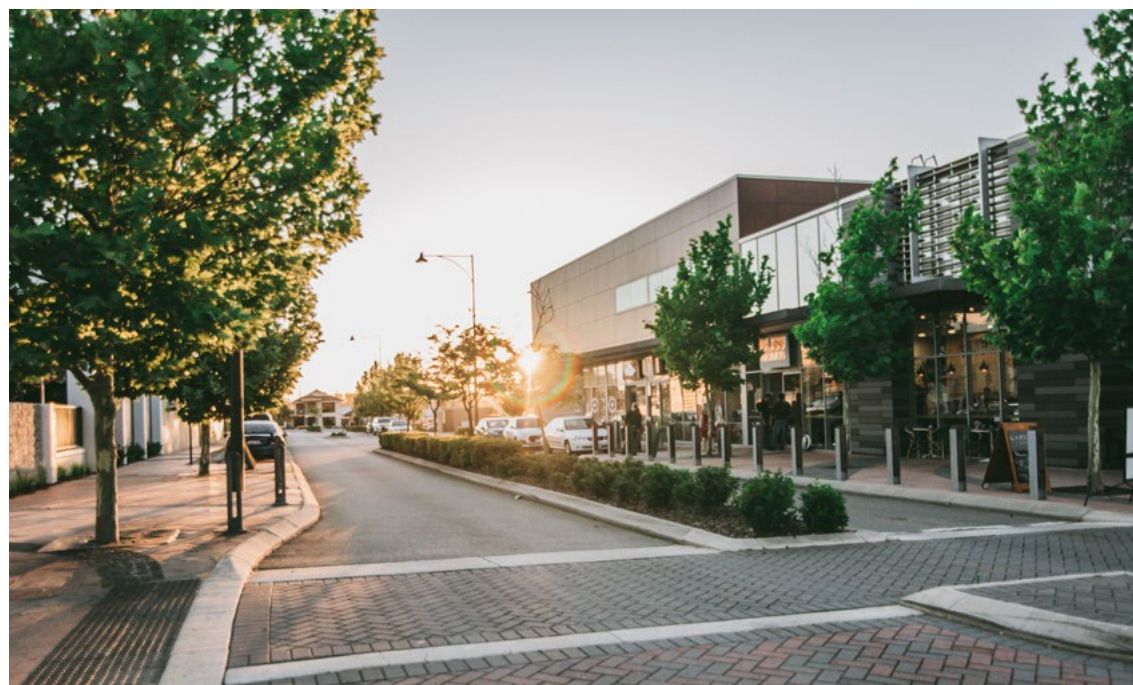
A review of several local laws was undertaken during the 2018/19 financial year, with the following Local Laws being progressed to varying levels:

- The *Parking and Parking Facilities Local Law 2018* was finalised in the 2018/19 financial year.
- The *Standing Orders Local Law* was advertised for public submission in the 2018/19 financial year and is due for finalisation in the 2019/20 financial year.
- The *Local Government Property Local Law* was reviewed in the 2018/19 financial year and is due for finalisation in the 2019/20 financial year.

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. The figures below are as at 30 June 2019, noting that they include any staff on the Enterprise Agreement who are entitled to an annual salary of \$100,000 or more.

Salary Range	No. Employees
\$100,000 and \$110,000	1
\$110,000 and \$120,000	5
\$120,000 and \$130,000	10
\$140,000 and \$150,000	2
\$150,000 and \$160,000	3
\$190,000 and \$200,000	2
\$200,000 and \$210,000	3
\$250,000 and \$260,000	1
Total	27



Part 2 – Annual Financial Report

Annual Financial Report 2018/19 is available online at www.kwinana.wa.gov.au







ADMINISTRATION

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www.kwinana.wa.gov.au



Printed December 2019

Annual Report 2018/19 (Part 2 – Annual Financial Report)



Introduction

The City of Kwinana's Annual Report 2018/19 comprises of two parts, Part 1 – Community and Part 2 – Annual Financial Report. This Annual Report (Part 2 – Annual Financial Report), together with the Annual Report (Part 1 – Community) complies with the requirements of Section 5.53(1) of the Local Government Act 1995.

The Annual Report 2018/19 (Part 1 – Community) is available to download from the City's website www.kwinana.wa.gov.au or in hard copy on request by contacting the City of Kwinana on 9439 0200 or visiting the City of Kwinana Administration Building, Corner Gilmore Avenue and Sulphur Road, Kwinana.



CITY OF KWINANA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

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COMMUNITY VISION

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

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

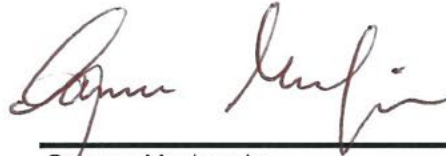
**CITY OF KWINANA
FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

The attached financial report of the City of Kwinana for the financial year ended 30 June 2019 is based on proper accounts and records to present fairly the financial position of the City of Kwinana at 30 June 2019 and the results of the operations for the financial year then ended in accordance with the Local Government Act 1995 and, to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

Signed on the 25th day of NOVEMBER 2019



Graeme Mackenzie
Chief Executive Officer

CITY OF KWINANA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	Restated 2018 Actual \$
Revenue				
Rates	23(a)	38,074,897	38,101,480	35,057,664
Operating grants, subsidies and contributions	2(a)	8,608,169	7,639,227	8,468,213
Fees and charges	2(a)	11,876,679	11,694,484	12,949,200
Interest earnings	2(a)	2,309,386	2,690,500	3,067,213
Other revenue	2(a)	2,946,617	1,489,872	3,895,968
		63,815,748	61,615,563	63,438,258
Expenses				
Employee costs		(27,064,970)	(28,625,503)	(26,770,022)
Materials and contracts		(24,574,645)	(26,006,186)	(24,786,855)
Utility charges		(2,414,314)	(2,361,417)	(2,333,379)
Depreciation on non-current assets	11(b)	(15,359,581)	(13,672,393)	(14,200,785)
Interest expenses	2(b)	(1,110,457)	(1,111,762)	(1,153,004)
Insurance expenses		(571,974)	(570,108)	(558,909)
Other expenditure		(20,507)	(122,653)	(167,643)
		(71,116,448)	(72,470,022)	(69,970,597)
		(7,300,700)	(10,854,459)	(6,532,339)
Non-operating grants, subsidies and contributions	2(a)	14,907,344	4,285,605	15,409,897
Profit on asset disposals	11(a)	6,178	11,132	12,226
(Loss) on asset disposals	11(a)	(152,265)	(200,172)	(181,971)
Fair value adjustments to financial assets through Profit & Loss - Banksia Park Deferred Management Fee	8	(610,100)	0	(4,648)
Fair value adjustments to financial assets through Profit & Loss - Local Government House Trust	8	122,620	0	0
Share of profit or loss of associates accounted for using the equity method - SMRC	21	61,124	0	0
(Loss) on revaluation of Infrastructure - Street Lights	10(a)	0	0	(9,803)
Reversal of prior year loss on revaluation of Infrastructure - Parks & Ovals	10(a)	0	0	2,762,144
		14,334,901	4,096,565	17,987,845
Net result for the period		7,034,201	(6,757,894)	11,455,506
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	57,147,876
Total other comprehensive income for the period		0	0	57,147,876
Total comprehensive income/(loss) for the period		7,034,201	(6,757,894)	68,603,382

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 2019

	NOTE	2019 Actual \$	2019 Budget \$	Restated 2018 Actual \$
Revenue				
	2(a)			
Governance		277,380	35,760	512,047
General purpose funding		42,768,055	42,579,130	40,042,948
Law, order, public safety		545,969	330,500	423,460
Health		92,426	153,066	198,151
Education and welfare		9,843,996	7,168,961	10,763,316
Community amenities		5,596,612	5,534,442	6,521,169
Recreation and culture		2,993,510	2,999,817	3,013,006
Transport		307,985	179,611	421,207
Economic services		1,188,472	1,280,762	1,303,720
Other property and services		201,343	1,353,514	239,234
		63,815,748	61,615,563	63,438,258
Expenses				
	2(b)			
Governance		(2,212,220)	(2,545,436)	(5,255,813)
General purpose funding		(756,875)	(790,130)	(1,200,118)
Law, order, public safety		(3,440,502)	(3,356,460)	(3,158,348)
Health		(997,155)	(944,776)	(1,183,022)
Education and welfare		(11,451,861)	(11,267,355)	(10,889,290)
Community amenities		(9,561,640)	(10,245,967)	(9,473,565)
Recreation and culture		(21,521,585)	(21,262,322)	(18,780,034)
Transport		(14,601,299)	(15,283,330)	(13,325,267)
Economic services		(1,599,830)	(1,861,358)	(1,886,284)
Other property and services		(3,863,024)	(3,801,126)	(3,665,852)
		(70,005,991)	(71,358,260)	(68,817,593)
Finance Costs				
	2(b)			
Governance		(51,272)	(51,364)	(57,150)
Education and welfare		(91,138)	(91,300)	(94,793)
Recreation and culture		(819,581)	(820,507)	(844,658)
Transport		(148,466)	(148,591)	(156,403)
		(1,110,457)	(1,111,762)	(1,153,004)
		(7,300,700)	(10,854,459)	(6,532,339)

CITY OF KWINANA
STATEMENT OF COMPREHENSIVE INCOME
BY PROGRAM
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual \$	2019 Budget \$	Restated 2018 Actual \$
Non-operating grants, subsidies and contributions	2(a)	14,907,344	4,285,605	15,409,897
Profit on disposal of assets	11(a)	6,178	11,132	12,226
(Loss) on disposal of assets	11(a)	(152,265)	(200,172)	(181,971)
Fair value adjustments to financial assets through Profit & Loss - Banksia Park Deferred Management Fee	8	(610,100)	0	(4,648)
Fair value adjustments to financial assets through Profit & Loss - Local Government House Trust	8	122,620	0	0
Share of profit or loss of associates accounted for using the equity method - SMRC	21	61,124	0	0
(Loss) on revaluation of Infrastructure - Street Lights	10(a)	0	0	(9,803)
Reversal of prior year loss on revaluation of Infrastructure - Parks & Ovals	10(a)	0	0	2,762,144
		14,334,901	4,096,565	17,987,845
Net result for the period		7,034,201	(6,757,894)	11,455,506
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	0	0	57,147,876
Total other comprehensive income for the period		0	0	57,147,876
Total comprehensive income/(loss) for the period		7,034,201	(6,757,894)	68,603,382

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

CITY OF KWINANA
STATEMENT OF FINANCIAL POSITION
AS AT 30TH JUNE 2019

	NOTE	2019 \$	2018 Restated * \$	1 July 2017 Restated * \$
CURRENT ASSETS				
Cash and cash equivalents	3	11,888,157	9,367,549	3,382,610
Trade receivables	5	4,541,131	4,729,412	3,937,509
Other financial assets	8	45,662,914	43,892,452	50,761,369
Inventories	6	32,920	34,180	36,203
Other assets	7	656,144	491,927	107,861
TOTAL CURRENT ASSETS		62,781,266	58,515,520	58,225,552
NON-CURRENT ASSETS				
Trade receivables	5	711,755	678,782	599,197
Other financial assets	8	3,468,175	3,923,258	3,888,934
Investments accounted for using the equity method	21	319,244	0	0
Property, plant and equipment	9*	150,793,069	154,855,122	159,163,834
Infrastructure	10	362,312,960	357,614,778	288,754,573
TOTAL NON-CURRENT ASSETS		517,605,203	517,071,940	452,406,538
TOTAL ASSETS		580,386,469	575,587,460	510,632,090
CURRENT LIABILITIES				
Trade and other payables	13*	21,391,450	23,240,753	26,386,486
Borrowings	14	1,451,093	777,133	617,723
Employee related provisions	15	4,902,379	4,627,270	4,522,884
TOTAL CURRENT LIABILITIES		27,744,922	28,645,156	31,527,093
NON-CURRENT LIABILITIES				
Borrowings	14	20,101,305	21,294,278	22,071,411
Employee related provisions	15	469,604	447,068	436,010
TOTAL NON-CURRENT LIABILITIES		20,570,909	21,741,346	22,507,421
TOTAL LIABILITIES		48,315,831	50,386,502	54,034,514
NET ASSETS		532,070,638	525,200,958	456,597,576
EQUITY				
Retained surplus	*	244,608,437	241,396,775	231,669,958
Reserves - cash backed	4	55,730,366	52,072,348	50,343,659
Revaluation surplus	12	231,731,835	231,731,835	174,583,959
TOTAL EQUITY		532,070,638	525,200,958	456,597,576

* See note 29 for details regarding prior year adjustments and impact of change in accounting policy

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 2019

	NOTE	RETAINED SURPLUS \$	RESERVES CASH BACKED \$	REVALUATION SURPLUS \$	TOTAL EQUITY \$
Balance as at 1 July 2017		231,669,958	50,343,659	174,583,959	456,597,576
Comprehensive income					
Net result for the period - Restated		11,455,506	0	0	11,455,506
Other comprehensive income	12	0	0	57,147,876	57,147,876
Total comprehensive income		11,455,506	0	57,147,876	68,603,382
Transfers from/(to) reserves		(1,728,689)	1,728,689	0	0
Balance as at 30 June 2018		241,396,775	52,072,348	231,731,835	525,200,958
Initial Application of AASB 9	27 (c)	(164,521)	0	0	(164,521)
Restated total equity at the beginning of the financial year		241,232,254	52,072,348	231,731,835	525,036,437
Comprehensive income					
Net result for the period		7,034,201	0	0	7,034,201
Total comprehensive income		7,034,201	0	0	7,034,201
Transfers from/(to) reserves		(3,658,018)	3,658,018	0	0
Balance as at 30 June 2019		244,608,437	55,730,366	231,731,835	532,070,638

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 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		37,773,991	38,305,198	34,142,548
Operating grants, subsidies and contributions		6,390,524	7,453,423	8,106,746
Fees and charges		11,876,679	11,694,484	12,949,200
Interest received		1,884,438	2,690,500	3,067,213
Goods and services tax received		2,835,628	0	2,861,322
Other revenue		2,946,617	1,489,872	3,895,968
		63,707,877	61,633,477	65,022,997
Payments				
Employee costs		(27,141,971)	(28,925,502)	(26,684,529)
Materials and contracts		(25,580,365)	(25,246,302)	(27,821,794)
Utility charges		(2,414,314)	(2,361,417)	(2,333,379)
Interest expenses		(1,111,761)	(1,111,762)	(1,231,824)
Insurance paid		(571,974)	(570,108)	(558,909)
Goods and services tax paid		(531,932)	0	(2,835,644)
Other expenditure		(20,507)	(122,653)	(172,291)
		(57,372,824)	(58,337,744)	(61,638,370)
Net cash provided by (used in) operating activities	16	6,335,053	3,295,733	3,384,627
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment	9(a)	(2,102,378)	(7,395,250)	(2,237,698)
Payments for construction of infrastructure		(3,982,448)	(7,816,908)	(5,163,939)
Proceeds from/ (payments for) financial assets at amortised cost		(1,819,027)	0	6,814,300
Non-operating grants, subsidies and contributions		4,476,940	4,285,605	3,258,381
Proceeds from self supporting loans	14(b)	16,168	16,168	15,644
Proceeds from sale of property, plant & equipment	11(a)	373,433	423,500	531,347
Net cash provided by (used in) investment activities		(3,037,312)	(10,486,885)	3,218,035
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(777,133)	(777,133)	(617,723)
Proceeds from new borrowings	14(c)	0	2,268,000	0
Net cash provided by (used in) financing activities		(777,133)	1,490,867	(617,723)
Net increase (decrease) in cash held		2,520,608	(5,700,285)	5,984,939
Cash at beginning of year		9,367,549	55,089,545	3,382,610
Cash and cash equivalents at the end of the year	16	11,888,157	49,389,260	9,367,549

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

The budgeted cash and cash equivalents include term deposits that are now classified as financial assets. Refer to Note 3 for the breakdown of total cash, cash equivalents, and all term deposits.

CITY OF KWINANA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30TH JUNE 2019

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	24 (b)	1,898,805	1,345,947	3,194,697
		1,898,805	1,345,947	3,194,697
Revenue from operating activities (excluding rates)				
Governance		277,380	35,760	518,239
General purpose funding		4,693,158	4,477,650	4,985,284
Law, order, public safety		545,969	330,500	423,460
Health		92,426	153,066	198,151
Education and welfare		9,843,996	7,168,961	10,763,316
Community amenities		5,596,612	5,534,442	6,521,169
Recreation and culture		2,993,510	2,999,818	3,013,006
Transport		307,985	179,611	421,207
Economic services		1,188,472	1,280,762	1,303,720
Other property and services		207,521	1,364,646	245,268
		25,747,029	23,525,216	28,392,820
Expenditure from operating activities				
Governance		(2,299,800)	(2,596,800)	(5,336,852)
General purpose funding		(756,875)	(790,130)	(1,200,118)
Law, order, public safety		(3,478,283)	(3,369,960)	(3,204,357)
Health		(997,155)	(950,887)	(1,183,022)
Education and welfare		(12,153,099)	(11,379,613)	(10,988,731)
Community amenities		(9,564,944)	(10,248,550)	(9,479,501)
Recreation and culture		(22,360,221)	(22,098,138)	(19,625,946)
Transport		(14,752,938)	(15,431,921)	(13,511,758)
Economic services		(1,609,317)	(1,861,358)	(1,886,284)
Other property and services		(3,906,181)	(3,942,836)	(988,306)
		(71,878,813)	(72,670,193)	(67,404,875)
Non-cash amounts excluded from operating activities	24(a)	14,289,865	13,861,433	8,765,697
Amount attributable to operating activities		(29,943,114)	(33,937,598)	(27,051,661)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	14,907,344	4,285,605	15,409,897
Proceeds from disposal of assets	11(a)	373,433	423,500	531,347
Proceeds from self supporting loans	14(b)	16,168	16,168	15,644
Purchase of property, plant and equipment	9(a)	(2,102,378)	(7,395,250)	(2,237,698)
Purchase and construction of infrastructure	10(a)	(14,412,852)	(7,816,908)	(17,315,455)
Amount attributable to investing activities		(1,218,285)	(10,486,885)	(3,596,265)
FINANCING ACTIVITIES				
Repayment of borrowings	14(b)	(777,133)	(777,133)	(617,723)
Proceeds from borrowings	14(c)	0	2,268,000	0
Transfers to reserves (restricted assets)	4	(9,700,454)	(4,667,140)	(9,116,017)
Transfers from reserves (restricted assets)	4	6,042,436	9,499,275	7,387,328
Amount attributable to financing activities		(4,435,151)	6,323,002	(2,346,412)
Surplus/(deficit) before imposition of general rates		(35,596,550)	(38,101,480)	(32,994,338)
Total amount raised from general rates	23	38,074,897	38,101,480	35,057,664
Surplus/(deficit) after imposition of general rates	24(b)	2,478,347	0	2,063,326

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

1. 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) and Interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying regulations.

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Regulation 16 prohibits a local government from recognising as assets Crown land that is a public thoroughfare, such as land under roads, and land not owned by but under the control or management of the local government, unless it is a golf course, showground, racecourse or recreational facility of State or regional significance. Consequently, some assets, including land under roads acquired on or after 1 July 2008, have not been recognised in this financial report. This is not in accordance with the requirements of *AASB 1051 Land Under Roads paragraph 15* and *AASB 116 Property, Plant and Equipment paragraph 7*.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the 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 26 to these financial statements.

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Operating grants, subsidies and contributions			
General purpose funding	1,978,780	1,577,588	1,675,627
Law, order, public safety	182,144	165,000	178,449
Health	35,072	11,000	24,028
Education and welfare	5,708,537	5,181,405	5,819,016
Community amenities	42,017	66,000	63,334
Recreation and culture	353,634	458,623	472,817
Transport	307,985	179,611	234,942
	<u>8,608,169</u>	<u>7,639,227</u>	<u>8,468,213</u>
Non-operating grants, subsidies and contributions			
Law, order, public safety	72,000	0	599,260
Education and welfare	0	0	9,650
Community amenities	3,144,657	2,861,616	527,801
Recreation and culture	39,603	213,170	519,860
Transport	11,604,814	1,210,819	13,753,326
Other property and services	46,270	0	0
	<u>14,907,344</u>	<u>4,285,605</u>	<u>15,409,897</u>
Total grants, subsidies and contributions	<u>23,515,513</u>	<u>11,924,832</u>	<u>23,878,110</u>

SIGNIFICANT ACCOUNTING POLICIES

Grants, donations and other contributions

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

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

Grants, donations and other contributions (Continued)

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 22. 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.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Significant revenue			
Non-Operating Grants, Subsidies & Contributions - Contributed Assets	10,430,404	4,285,605	12,151,516
Other revenue			
Reimbursements and recoveries	832,661	304,898	922,993
Other	2,113,956	1,184,974	2,972,975
	2,946,617	1,489,872	3,895,968
Fees and Charges			
Governance	15,966	35,760	39,593
General purpose funding	195,531	158,000	158,726
Law, order, public safety	303,782	148,900	203,977
Health	42,533	134,066	150,217
Education and welfare	1,995,768	1,968,515	1,962,266
Community amenities	5,541,723	5,439,442	6,445,575
Recreation and culture	2,533,678	2,419,610	2,436,356
Transport	0	0	181,818
Economic services	1,147,445	1,212,691	1,207,161
Other property and services	100,253	177,500	163,511
	11,876,679	11,694,484	12,949,200
Interest earnings			
Loans receivable - clubs/institutions	11,167	11,202	11,802
Reserve accounts interest	1,352,653	1,250,000	1,239,050
Rates instalment and penalty interest (refer Note 23(c))	785,940	650,000	750,045
Other interest earnings	159,626	779,298	1,066,316
	2,309,386	2,690,500	3,067,213
(b) Expenses			
Auditors remuneration			
- Audit of the Annual Financial Report	60,000	35,000	28,454
- Other services	22,298	0	7,150
	82,298	35,000	35,604
Interest expenses (finance costs)			
Borrowings (refer Note 14(b))	1,110,457	1,111,762	1,153,004
	1,110,457	1,111,762	1,153,004
Rental charges			
- Operating leases	533,909	491,610	433,083
	533,909	491,610	433,083

SIGNIFICANT ACCOUNTING POLICIES

Interest earnings

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

Interest earnings (Continued)

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		9,752,320	2,624,639
Short-term Term Deposits		2,135,837	6,742,910
Total cash and cash equivalents		11,888,157	9,367,549
Financial assets at amortised cost (Term deposits)	8(a)	45,348,386	43,529,359
Total cash, cash equivalents, and all term deposits		57,236,543	52,896,908
Comprises:			
- Unrestricted cash and cash equivalents		(75,760)	824,560
- Restricted cash and cash equivalents		57,312,303	52,072,348
		57,236,543	52,896,908
The following restrictions have been imposed by regulations or other externally imposed requirements:			
Reserve accounts			
Aged Persons Units Reserve	4	807,624	748,728
Asset Management Reserve	4	762,988	501,595
Asset Replacement Reserve	4	579,628	498,123
Banksia Park Reserve	4	190,418	115,626
City Assist Initiative Reserve	4	0	100,401
CLAG Reserve	4	275,223	265,873
Community Services & Emergency Relief Reserve	4	88,835	84,017
Employee Leave Reserve	4	4,033,993	4,231,590
Family Day Care Reserve	4	1,489,179	1,462,302
Future Community Infrastructure Reserve	4	1,067,201	1,381,900
Golf Course Cottage Reserve	4	28,887	28,033
Information Technology Reserve	4	2,068,659	1,890,703
Infrastructure Reserve	4	348,075	339,968
Refuse Reserve	4	8,844,888	8,736,657
Renewable Energy Efficiency Reserve	4	53,983	0
Restricted Grants & Contributions Reserve	4	3,170,082	1,688,298
Settlement Agreement Reserve	4	164,874	160,000
Workers Compensation Reserve	4	141,443	338,710
Youth Engagement Reserve	4	0	144,650
DCA 1 - Hard Infrastructure - Bertram	4	228,688	1,887,550
DCA 2 - Hard Infrastructure - Wellard	4	2,435,413	1,877,524
DCA 4 - Hard Infrastructure - Anketell	4	533,009	0
DCA 5 - Hard Infrastructure - Wandii	4	1,073,049	1,309,322
DCA 7 - Hard Infrastructure - Mandogalup (west)	4	2,988	11,713
DCA 8 - Soft Infrastructure - Mandogalup	4	471,270	0
DCA 9 - Soft Infrastructure - Wandii/Anketell	4	11,762,971	10,487,573
DCA 10 - Soft Infrastructure - Casuarina/Anketell	4	225,488	227,912
DCA 11 - Soft Infrastructure - Wellard East	4	6,079,450	5,944,904
DCA 12 - Soft Infrastructure - Wellard West	4	7,741,470	6,663,351
DCA 13 - Soft Infrastructure - Bertram	4	283,533	282,230
DCA 14 - Soft Infrastructure - Wellard/Leda	4	614,490	504,779
DCA 15 - Soft Infrastructure - Townsite	4	162,567	158,316
		55,730,366	52,072,348
Other restricted cash and cash equivalents			
Bonds and Deposits held	26	1,581,937	0
Total restricted cash and cash equivalents		57,312,303	52,072,348

SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash

Cash and cash equivalents (Continued)

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.

NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

4. RESERVES - CASH BACKED

	2019	2019	2019	2019	2019	2019	2019	2019	2018	2018	2018	2018	2018
	Actual	Actual	Actual	Actual	Budget	Budget	Budget	Budget	Actual	Actual	Actual	Actual	Actual
	Opening	Transfer	Transfer	Closing	Opening	Transfer	Closing	Closing	Opening	Transfer	Transfer	Transfer	Closing
	Balance	to	(from)	Balance	Balance	(from)	Balance	Balance	Balance	to	(from)	(from)	Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Aged Persons Units Reserve	748,728	58,896	0	807,624	765,541	308,844	841,635	841,635	643,364	315,600	0	(210,236)	748,728
(b) Asset Management Reserve	501,595	440,034	(178,641)	762,988	501,595	8,721	330,316	330,316	566,868	17,817	(83,090)	501,595	
(c) Asset Replacement Reserve	498,123	315,384	(233,879)	579,628	748,122	263,007	659,929	659,929	595,442	117,900	(115,219)	498,123	
(d) Banksia Park Reserve	115,626	74,792	0	190,418	134,175	2,333	86,769	86,769	107,840	112,975	(105,189)	115,626	
(e) City Assist Initiative Reserve	100,401	2,571	(102,972)	0	100,401	1,743	0	0	0	100,401	0	0	100,401
(f) CLAG Reserve	265,873	43,284	(33,934)	275,223	263,146	14,575	257,721	257,721	239,215	30,882	(4,224)	265,873	
(g) Community Services & Emergency Relief Reserve	84,017	4,818	0	88,835	84,017	1,461	85,478	85,478	26,059	57,958	0	84,017	
(h) Employee Leave Reserve	4,231,590	102,403	(300,000)	4,033,993	4,119,629	71,623	3,891,252	3,891,252	4,074,338	169,645	(12,393)	4,231,590	
(i) Family Day Care Reserve	1,462,302	36,542	(9,665)	1,489,179	1,479,306	25,719	699,465	699,465	1,383,878	78,424	0	1,462,302	
(j) Future Community Infrastructure Reserve	1,381,900	35,718	(350,417)	1,067,201	1,538,369	26,746	901,851	901,851	1,568,663	44,291	(231,074)	1,381,900	
(k) Golf Course Cottage Reserve	28,033	854	0	28,887	28,033	487	28,520	28,520	27,264	769	0	28,033	
(l) Information Technology Reserve	1,890,703	413,040	(235,084)	2,068,659	1,890,703	32,871	507,574	507,574	0	1,890,703	0	1,890,703	
(m) Infrastructure Reserve	339,968	8,107	0	348,075	339,968	5,911	345,879	345,879	128,213	211,755	0	339,968	
(n) Rates Strategy Reserve	0	0	0	0	0	0	0	0	819,692	0	(819,692)	0	
(o) Refuse Reserve	8,736,657	194,769	(86,538)	8,844,888	8,698,885	180,697	8,795,702	8,795,702	8,636,810	190,371	(90,524)	8,736,657	
(p) Renewable Energy Efficiency Reserve	0	53,983	0	53,983	0	0	0	0	0	0	0	0	
(q) Restricted Grants & Contributions Reserve	1,688,298	2,788,948	(1,307,164)	3,170,082	1,694,812	2,782	1,694,812	1,694,812	2,644,457	1,327,747	(2,283,906)	1,688,298	
(r) Settlement Agreement Reserve	160,000	4,874	0	164,874	160,000	0	162,782	162,782	157,743	2,257	0	160,000	
(s) Workers Compensation Reserve	338,710	7,980	(205,247)	141,443	330,200	5,741	335,941	335,941	210,503	204,225	(76,018)	338,710	
(t) Youth Engagement Reserve	144,650	4,581	(149,231)	0	130,412	2,264	0	0	270,000	917	(126,267)	144,650	
(u) DCA 1 - Hard Infrastructure - Bertram	1,887,550	155,260	(1,814,122)	228,688	1,851,461	182,424	1,542,068	1,542,068	1,743,837	216,358	(72,645)	1,887,550	
(v) DCA 2 - Hard Infrastructure - Wellard	1,877,524	697,023	(139,134)	2,435,413	1,772,974	429,946	5,743	5,743	1,969,898	423,144	(515,518)	1,877,524	
(w) DCA 4 - Hard Infrastructure - Anketell	0	633,006	(99,997)	533,009	0	0	0	0	0	0	0	0	
(x) DCA 5 - Hard Infrastructure - Wandi	1,309,322	32,888	(269,161)	1,073,049	1,286,174	661,998	1,493,545	1,493,545	3,104,066	732,392	(2,527,156)	1,309,322	
(y) DCA 7 - Hard Infrastructure - Mandogalup (west)	11,713	12,205	(20,990)	2,988	11,803	14,077	25,720	25,720	8,567	15,326	(12,180)	11,713	
(z) DCA 8 - Soft Infrastructure - Mandogalup	0	478,973	(7,703)	471,270	0	0	0	0	0	0	0	0	
(aa) DCA 9 - Soft Infrastructure - Wandi/Anketell	10,487,573	1,283,101	(7,703)	11,762,971	10,446,476	576,997	10,882,338	10,882,338	9,928,654	571,099	(12,180)	10,487,573	
(ab) DCA 10 - Soft Infrastructure - Casuarina/Anketell	227,912	5,279	(7,703)	225,488	229,412	246,696	473,009	473,009	0	240,092	(12,180)	227,912	
(ac) DCA 11 - Soft Infrastructure - Wellard East	5,944,904	586,940	(452,394)	6,079,450	5,734,336	1,081,744	6,738,607	6,738,607	4,374,577	1,583,546	(13,219)	5,944,904	
(ad) DCA 12 - Soft Infrastructure - Wellard West	6,663,351	1,085,824	(7,705)	7,741,470	6,622,131	355,217	6,887,880	6,887,880	6,297,347	378,184	(12,180)	6,663,351	
(ae) DCA 13 - Soft Infrastructure - Bertram	282,230	9,007	(7,704)	283,533	283,730	8,356	288,252	288,252	288,108	6,302	(12,180)	282,230	
(af) DCA 14 - Soft Infrastructure - Wellard/Leda	504,779	117,415	(7,704)	614,490	480,660	130,374	604,540	604,540	367,092	149,867	(12,180)	504,779	
(ag) DCA 15 - Soft Infrastructure - Townsite	158,316	11,955	(7,704)	162,567	144,189	23,788	166,029	166,029	161,124	25,070	(27,878)	158,316	
	52,072,348	9,700,454	(6,042,436)	55,730,366	51,870,680	4,667,140	47,038,546	47,038,546	50,343,659	9,116,017	(7,387,328)	52,072,348	

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.

4. RESERVES - CASH BACKED (Continued)

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
(a) Aged Persons Units Reserve	Ongoing	This Reserve was established for the capital acquisition and maintenance of the Aged Persons Units, Callistemon Court.
(b) Asset Management Reserve	Ongoing	This Reserve was 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.
(c) Asset Replacement Reserve	Ongoing	This Reserve is utilised to replace existing fleet, plant and other City assets.
(d) Banksia Park Reserve	Ongoing	This Reserve has been established to provide funds for the capital acquisition and maintenance of the Banksia Park Retirement Village.
(e) City Assist Initiative Reserve	Complete	This Reserve was established to provide funds for infrastructure and other initiatives to enhance the safety and security of the City.
(f) CLAG Reserve	Ongoing	This Reserve was established to provide funds for the prevention and education of Mosquito management.
(g) Community Services & Emergency Relief Reserve	Ongoing	This Reserve was 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.
(h) Employee Leave Reserve	Ongoing	This Reserve was established for the purpose of ensuring that adequate funds are available to finance employee leave entitlements.
(i) Family Day Care Reserve	Ongoing	This Reserve provides for the capital acquisitions and maintenance of this facility.
(l) Future Community Infrastructure Reserve	Ongoing	This Reserve was established to accumulate the City's contributions for the capital funding of future community infrastructure in accordance with Town Planning Scheme #2.
(k) Golf Course Cottage Reserve	Ongoing	This Reserve was established to provide funds for the maintenance of this building.
(l) Information Technology Reserve	Ongoing	This Reserve was established to provide funds for the implementation and maintenance of the City's software requirements.
(m) 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.
(n) Rates Strategy Reserve	Complete	This Reserve was established to assist in the future management of the City's rating strategy.
(o) Refuse Reserve	Ongoing	This Reserve was established to provide funds for the costs and subsidy of Waste Management in the City.
(p) Renewable Energy Efficiency Reserve	Ongoing	This Reserve was established to provide funds for renewable energy and water efficiency initiatives
(q) Restricted Grants & Contributions Reserve	Ongoing	This Reserve was established to restrict funds required to complete projects relating to prior financial years.
(r) Settlement Agreement Reserve	Ongoing	This Reserve was established to provide funds to account for future negotiated settlement agreement payments.
(s) Workers Compensation Reserve	Ongoing	This Reserve was established 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.
(t) Youth Engagement Reserve	Complete	This Reserve was established to assist with youth engagement and diversion initiatives.
(u) DCA 1 - Hard Infrastructure - Bertram	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 1 Hard Infrastructure Bertram.
(v) DCA 2 - Hard Infrastructure - Wellard	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 2 Hard Infrastructure Wellard.
(w) DCA 4 - Hard Infrastructure - Anketell	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 4 Hard Infrastructure Anketell.
(x) DCA 5 - Hard Infrastructure - Wandl	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 5 Hard Infrastructure Wandl.
(y) DCA 7 - Hard Infrastructure - Mandogalup (west)	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 7 Hard Infrastructure Mandogalup (west).
(z) DCA 8 - Soft Infrastructure - Mandogalup	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 8 Soft Infrastructure Mandogalup.
(aa) DCA 9 - Soft Infrastructure - Wandl/Anketell	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 9 Soft Infrastructure Wandl/Anketell.
(ab) DCA 10 - Soft Infrastructure - Casuarina/Anketell	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 10 Soft Infrastructure Casuarina/Anketell.
(ac) DCA 11 - Soft Infrastructure - Wellard East	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 11 Soft Infrastructure Wellard East.
(ad) DCA 12 - Soft Infrastructure - Wellard West	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 12 Soft Infrastructure Wellard West.
(ae) DCA 13 - Soft Infrastructure - Bertram	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 13 Soft Infrastructure Bertram.
(af) DCA 14 - Soft Infrastructure - Wellard/Leda	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 14 Soft Infrastructure Wellard/Leda.
(ag) DCA 15 - Soft Infrastructure - Townsite	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 15 Soft Infrastructure Townsite.

5. TRADE RECEIVABLES

Current

Rates receivable	
Sundry receivables	
GST receivable	
Allowance for impairment of receivables	

Non-current

Pensioner's rates and ESL deferred	
------------------------------------	--

	2019	2018
	\$	\$
	3,865,054	3,597,121
	462,500	720,635
	312,998	411,656
	(99,421)	0
	4,541,131	4,729,412
	711,755	678,782
	711,755	678,782

SIGNIFICANT ACCOUNTING POLICIES

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.

Trade receivables are recognised at original invoice amount less any allowances for uncollectible amounts (i.e. impairment). The carrying amount of net trade receivables is equivalent to fair value as it is due for settlement within 30 days.

Impairment and risk exposure

Information about the impairment of trade receivables and their exposure to credit risk and interest rate risk can be found in Note 25.

Previous accounting policy: Impairment of trade receivables

In the prior year, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively to determine whether there was objective evidence that an impairment had been incurred but not yet identified. For these receivables the estimated impairment losses were recognised in a separate provision for impairment.

Classification and subsequent measurement

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.

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

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

6. INVENTORIES

Current

Stores & Materials

	2019	2018
	\$	\$
	32,920	34,180
	32,920	34,180
The following movements in inventories occurred during the year:		
Carrying amount at 1 July	34,180	34,180
Inventories expensed during the year	(1,260)	0
Carrying amount at 30 June	32,920	34,180

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

7. OTHER ASSETS

Other current assets

Prepayments

Accrued Income

	2019	2018
	\$	\$
	28,963	467
	627,181	491,460
	656,144	491,927

SIGNIFICANT ACCOUNTING POLICIES

Other current assets

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

Other non-financial assets include accrued income which represents income that has been earned but not yet received. Therefore, accrued income is recognised in the accounting period in which it arises.

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8. OTHER FINANCIAL ASSETS

	NOTE	2019 \$	2018 \$
(a) Current assets			
Financial assets at fair value through profit and loss		297,819	346,925
Other financial assets at amortised cost		45,365,095	43,529,359
Other loans and receivables		0	16,168
		45,662,914	43,892,452
Financial assets at fair value through profit and loss			
- Banksia Park Deferred Management Fee		297,819	346,925
		297,819	346,925
Other financial assets at amortised cost			
- Financial assets at amortised cost - term deposits	3	45,348,386	43,529,359
- Financial assets at amortised cost - self supporting loans		16,709	0
		45,365,095	43,529,359
Financial assets previously classified as loans and receivables			
- Self supporting loans		0	16,168
		0	16,168
(b) Non-current assets			
Other financial assets at amortised cost		249,973	0
Financial assets at fair value through profit and loss		3,218,202	3,656,576
Other loans and receivables		0	266,682
		3,468,175	3,923,258
Other financial assets at amortised cost			
- Financial assets at amortised cost - self supporting loans		249,973	0
		249,973	0
Financial assets at fair value through profit and loss			
- Interest in Local Government House Trust		122,620	0
- Banksia Park Deferred Management Fees Receivable		3,095,582	3,656,576
		3,218,202	3,656,576
Financial assets previously classified as loans and receivables			
- Self supporting loans		0	266,682
		0	266,682
During the year, the following gains/(losses) were recognised in profit and loss:			
Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services			
Movement in fair value of Banksia Park DMF Receivable		(610,100)	(4,648)
Investment in Local Government House Trust		122,620	0
		(487,480)	(4,648)

Self supporting loans have the same terms and conditions as the related borrowing disclosed in Note 14(b).

SIGNIFICANT ACCOUNTING POLICIES

Other financial assets at amortised cost

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

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

Term deposits with original maturities of three months or more were classified as cash and cash equivalents in the 2018 financial report. However, they have now been re-classified to financial assets at amortised cost.

Financial assets at fair value through profit and loss

The City classifies the following financial assets at fair value through profit and loss:

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 25.

Previous accounting policy: Loans and receivables

Non-derivative financial assets with fixed or determinable payments that were not quoted in an active market and are solely payments of principal and interest were classified as loans and receivables and are subsequently measured at amortised cost, using the effective interest rate method.

Refer to Note 27 for explanations regarding the change in accounting policy and reclassification of available for sale financial assets to financial assets at fair value through profit and loss.

9. PROPERTY, PLANT AND EQUIPMENT

(a) 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.

	Land - freehold land	Land - and under the control of Council	Total land	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Computer software/equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017 - restated	35,431,000	12,140,000	47,571,000	104,101,016	104,101,016	151,672,016	1,169,416	6,322,402	0	159,163,834
Additions	0	0	0	783,780	783,780	783,780	152,248	1,301,670	0	2,237,698
(Disposals) - restated	0	0	0	0	0	0	(2,254)	(698,838)	0	(701,092)
Depreciation (expense) - restated	0	0	0	(4,641,717)	(4,641,717)	(4,641,717)	(343,217)	(860,384)	0	(5,845,318)
Carrying amount at 30 June 2018 - restated	35,431,000	12,140,000	47,571,000	100,243,079	100,243,079	147,814,079	976,193	6,064,850	0	154,855,122
Comprises:										
Gross carrying amount at 30 June 2018 - restated	35,431,000	12,140,000	47,571,000	104,884,796	104,884,796	152,455,796	4,486,124	8,984,182	0	165,926,102
Accumulated depreciation at 30 June 2018 - restated	0	0	0	(4,641,717)	(4,641,717)	(4,641,717)	(3,509,931)	(2,919,332)	0	(11,070,980)
Carrying amount at 30 June 2018 - restated	35,431,000	12,140,000	47,571,000	100,243,079	100,243,079	147,814,079	976,193	6,064,850	0	154,855,122
Additions	0	0	0	924,854	924,854	924,854	8,149	860,702	308,673	2,102,378
(Disposals)	0	0	0	0	0	0	0	(519,520)	0	(519,520)
Depreciation (expense)	0	0	0	(4,481,581)	(4,481,581)	(4,481,581)	(260,892)	(902,438)	0	(5,644,911)
Carrying amount at 30 June 2019	35,431,000	12,140,000	47,571,000	96,686,352	96,686,352	144,257,352	723,450	5,503,594	308,673	150,793,069
Comprises:										
Gross carrying amount at 30 June 2019	35,431,000	12,140,000	47,571,000	105,809,650	105,809,650	153,380,650	4,488,944	8,984,624	308,673	167,162,891
Accumulated depreciation at 30 June 2019	0	0	0	(9,123,298)	(9,123,298)	(9,123,298)	(3,765,494)	(3,481,030)	0	(16,369,822)
Carrying amount at 30 June 2019	35,431,000	12,140,000	47,571,000	96,686,352	96,686,352	144,257,352	723,450	5,503,594	308,673	150,793,069

9. PROPERTY, PLANT AND EQUIPMENT (Continued)

(b) Fair Value Measurements

Asset Class	Fair Value Hierarchy	Valuation Technique	Basis of Valuation	Date of Last Valuation	Inputs Used
Land and buildings					
Land - freehold land					
- Independent valuation	2	Market approach using recent observable open market values as evidenced by sales transactions of similar property types	Independent registered valuer	June 2017	Price per square metre
- Independent valuation	3	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 adjusted for zoning restrictions
Land - vested in and under the control of Council					
- Independent valuation	3	Improvements to land valued using cost approach	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 - specialised					
- 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
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.

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10. INFRASTRUCTURE

(a) 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.

	Infrastructure - Roads	Infrastructure - Footpaths	Infrastructure - Drainage	Infrastructure - Car Parks	Infrastructure - Bus Shelters	Infrastructure - Street Lights	Infrastructure - Parks & Ovals	Infrastructure - Other	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	182,636,623	34,805,073	49,220,758	1,409,348	740,563	938,221	18,475,827	528,160	288,764,573
Additions	9,718,038	1,919,481	2,720,336	344,631	33,521	26,839	2,455,101	97,508	17,315,455
Revaluation increments / (decrements) transferred to revaluation surplus	54,065,551	1,516,411	(4,711,655)	1,525,181	(79,008)	0	4,869,464	(38,068)	57,147,876
Impairment (losses) / reversals	0	0	0	0	0	(9,803)	2,762,144	0	2,752,341
Depreciation (expense)	(4,918,898)	(1,045,795)	(884,616)	(154,554)	(72,860)	(55,799)	(1,153,434)	(69,511)	(8,355,467)
Carrying amount at 30 June 2018	241,501,314	37,195,170	46,344,823	3,124,606	622,216	899,458	27,409,102	518,089	357,614,778
Comprises:									
Gross carrying amount at 30 June 2018	241,501,314	37,195,170	46,344,823	3,124,606	622,216	899,458	27,409,102	518,089	357,614,778
Carrying amount at 30 June 2018	241,501,314	37,195,170	46,344,823	3,124,606	622,216	899,458	27,409,102	518,089	357,614,778
Additions	5,648,124	1,110,130	2,594,192	6,012	16,554	334,163	4,695,095	8,582	14,412,852
Depreciation (expense)	(6,325,113)	(572,233)	(562,737)	(347,178)	(44,444)	(52,909)	(1,712,257)	(97,799)	(9,714,670)
Carrying amount at 30 June 2019	240,824,325	37,733,067	48,376,278	2,783,440	594,326	1,180,712	30,391,940	428,872	362,312,960
Comprises:									
Gross carrying amount at 30 June 2019	247,149,438	38,305,300	48,939,015	3,130,618	638,770	1,233,621	32,104,197	526,671	372,027,630
Accumulated depreciation at 30 June 2019	(6,325,113)	(572,233)	(562,737)	(347,178)	(44,444)	(52,909)	(1,712,257)	(97,799)	(9,714,670)
Carrying amount at 30 June 2019	240,824,325	37,733,067	48,376,278	2,783,440	594,326	1,180,712	30,391,940	428,872	362,312,960

10. INFRASTRUCTURE (Continued)

(b) 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	Management Valuation	June 2018	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	Management Valuation	June 2018	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	Management Valuation	June 2018	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	Management Valuation	June 2018	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	Management Valuation	June 2018	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	Management Valuation	June 2018	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	Management Valuation	June 2018	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	Management Valuation	June 2018	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.

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

All assets are initially recognised at cost where the fair value of the asset at date of acquisition is equal to or above \$5,000. All assets are subsequently revalued in accordance with the mandatory measurement framework.

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, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each 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.

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 class of asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

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.

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.

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11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(a) Disposals of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Furniture and equipment	0	0	0	0	0	0	0	0	2,254	1,062	67	(1,259)
Plant and equipment	519,520	373,433	6,178	(152,265)	612,540	423,500	11,132	(200,172)	698,838	530,285	12,159	(180,712)
	519,520	373,433	6,178	(152,265)	612,540	423,500	11,132	(200,172)	701,092	531,347	12,226	(181,971)

The following assets were disposed of during the year.

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss
	\$	\$	\$	\$
Plant and Equipment				
Governance				
Subaru Forrester 2.5i	22,860	15,736	0	(7,124)
Mazda CX-5 Maxx Sport	28,967	20,509	0	(8,458)
Toyota Aurion 3.5L V6	21,475	11,645	0	(9,830)
Mazda CX-5 Maxx Sport	14,005	12,555	0	(1,450)
Mazda CX-5 Maxx Sport	29,045	19,600	0	(9,445)
Law, order, public safety				
Hyundai i30 Hatch 2L Auto	21,467	10,509	0	(10,958)
Volkswagon Amarok Utility	26,823	0	0	(26,823)
Community amenities				
Holden Colorado Dual Cab	26,313	23,009	0	(3,304)
Recreation and culture				
Holden Commodore Evoke Wagon VF	18,412	15,736	0	(2,676)
Holden Commodore Evoke Auto V6	23,019	16,191	0	(6,828)
Holden Commodore Evoke Auto V6	21,877	12,327	0	(9,550)
Transport				
Cat Skid Steer Loader	21,685	18,512	0	(3,173)
Economic services				
Holden Colorado Single Cab	18,000	13,236	0	(4,764)
Holden Colorado Single Cab	19,097	14,373	0	(4,724)
Other property and services				
Agrizzi Rota Slasher 72 inch	0	2,273	2,273	0
Massey Ferguson Tractor	49,748	30,000	0	(19,748)
Mitsubishi Tip Truck	30,564	22,176	0	(8,388)
KAP Ride on Mower with Catcher	17,795	6,364	0	(11,431)
Holden Colorado Dual Cab	26,600	23,009	0	(3,591)
Hyundai TQ2 iLoad 3S 2.5L Auto	20,000	20,509	509	0
Hyundai TQ2 iLoad 3S 2.5L Auto	20,000	21,645	1,645	0
Holden Colorado Space Cab	21,934	23,463	1,529	0
Holden Colorado Single Cab	19,834	20,056	222	0
	519,520	373,433	6,178	(152,265)

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE) (Continued)

(b) Depreciation	2019	2019	2018
	Actual	Budget	Actual
	\$	\$	\$
Buildings - specialised	4,481,581	3,987,093	4,641,717
Furniture and equipment	260,892	415,005	343,217
Plant and equipment	902,438	906,608	860,384
Infrastructure - Roads	6,325,113	4,923,737	4,918,898
Infrastructure - Footpaths	572,233	1,046,824	1,045,795
Infrastructure - Drainage	562,737	885,486	884,616
Infrastructure - Car Parks	347,178	154,706	154,554
Infrastructure - Bus Shelters	44,444	72,932	72,860
Infrastructure - Street Lights	52,909	55,854	55,799
Infrastructure - Parks & Ovals	1,712,257	1,154,569	1,153,434
Infrastructure - Other	97,799	69,579	69,511
	15,359,581	13,672,393	14,200,785

Revision of useful lives of assets

A review of the City's roads has resulted in the useful life being decreased from 0-120 years down to 0-80 years dependant on the traffic use and structure of the road.

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested 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.

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

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

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

Depreciation rates

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

Asset Class	Useful life
Buildings	2 to 100 years
Furniture and equipment	
Computer & Audio Visual Equip	2 to 7 years
Office Furniture & Equipment	3 to 15 years
Other Furniture & Equipment	5 to 15 years
Art Works	not depreciated
Plant and equipment	5 to 15 years
Motor Vehicles	3 to 10 years
Other Plant & Equipment	3 to 20 years
Infrastructure	
Roads	0 to 80 years
Footpaths	40 to 80 years
Drainage	80 years
Car Parks	5 to 20 years
Bus Shelters	20 to 25 years
Street Lights	15 to 30 years
Parks & Ovals	10 to 50 years
Other Infrastructure	30 to 40 years

Depreciation (Continued)

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) The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. For example, the gross carrying amount may be restated by reference to observable market data or it may be restated proportionately to the change in the carrying amount. The accumulated depreciation at the date of the revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account accumulated impairment losses; or
- (b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

12. REVALUATION SURPLUS

	2019		2018		2018		2018		2018	
	Opening Balance	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Revaluation Movement on	Closing Balance	Revaluation	Revaluation	Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Revaluation surplus - Land - freehold land	78,166,636	78,166,636	78,166,636	0	0	0	0	0	0	78,166,636
Revaluation surplus - Furniture and equipment	199,013	199,013	199,013	0	0	0	0	0	0	199,013
Revaluation surplus - Plant and equipment	1,581,222	1,581,222	1,581,222	0	0	0	0	0	0	1,581,222
Revaluation surplus - Infrastructure - Roads	112,417,177	112,417,177	58,351,626	54,065,551	0	54,065,551	112,417,177	0	54,065,551	112,417,177
Revaluation surplus - Infrastructure - Footpaths	14,917,826	14,917,826	13,401,415	1,516,411	0	1,516,411	14,917,826	0	1,516,411	14,917,826
Revaluation surplus - Infrastructure - Drainage	17,185,601	17,185,601	21,897,256	0	(4,711,655)	(4,711,655)	17,185,601	(4,711,655)	(4,711,655)	17,185,601
Revaluation surplus - Infrastructure - Car Parks	1,837,027	1,837,027	311,846	1,525,181	0	1,525,181	1,837,027	0	1,525,181	1,837,027
Revaluation surplus - Infrastructure - Bus Shelters	379,791	379,791	458,799	0	(79,008)	(79,008)	379,791	0	(79,008)	379,791
Revaluation surplus - Infrastructure - Parks & Ovals	4,869,464	4,869,464	0	4,869,464	0	4,869,464	4,869,464	0	4,869,464	4,869,464
Revaluation surplus - Infrastructure - Other	178,078	178,078	216,146	0	(38,068)	(38,068)	178,078	0	(38,068)	178,078
	231,731,835	231,731,835	174,583,959	61,976,607	(4,828,731)	57,147,876	231,731,835	(38,068)	57,147,876	231,731,835

Movements on revaluation of property, plant and equipment (including infrastructure) 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.

No assets were revalued this Financial Year. Property, Plant and Equipment will be revalued in the 2020 Financial Year.

13. TRADE AND OTHER PAYABLES

Current

Sundry creditors
Bonds and Deposits Held (refer Note 26)
Accrued salaries and wages
Accrued Expenses
Accrued Interest on long term borrowings
Unit Contribution - Banksia Park

2019	2018
\$	\$
1,826,349	2,686,691
1,581,937	0
629,954	1,004,600
187,490	291,863
32,295	33,599
17,133,425	19,224,000
21,391,450	23,240,753

SIGNIFICANT ACCOUNTING POLICIES

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.

Trade and other payables (Continued)

Trade and other payables also include the unit contribution payable for the Banksia Park retirement village units. This amount represents non-interest bearing payments made by individuals to the City upon signing a lease agreement to occupy units at the retirement village. The balance is recognised at fair value through profit and loss. Fair value is the amount payable on demand and is measured at the principle amount plus the residents share of any increase/decrease in the market value of the units less deferred management fees calculated in accordance with the lease agreement. As there is no unconditional right to defer the payment beyond 12 months this balance is recognised as a current liability.

CITY OF KWINANA
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FOR THE YEAR ENDED 30TH JUNE 2019

14. INFORMATION ON BORROWINGS

	2019	2018
(a) Borrowings	\$	\$
Current	1,451,093	777,133
Non-current*	20,101,305	21,294,278
Total	21,552,398	22,071,411

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	30 June 2019		30 June 2019		30 June 2019		30 June 2019		30 June 2018		30 June 2018		30 June 2018	
				Actual Principal 1 July 2018	Actual Interest repayments	Actual Principal repayments	Budget Principal	Budget Interest repayments	Budget Principal repayments	Actual Principal 1 July 2018	Actual Interest repayments	Actual Principal repayments	Budget Principal outstanding	Budget Interest repayments	Budget Principal outstanding	Actual Principal 1 July 2017	Actual Interest repayments
Governance																	
Administration Office Renovations	99	WATC	6.35%	761,572	51,272	89,773	0	89,773	51,364	671,800	845,986	84,414	57,150	761,572			
Administration / Chambers Building Refurbishment	107	WATC	N/A	0	0	0	2,288,000	0	0	2,288,000	0	0	0	0			
Education and welfare																	
Youth Specific Space	96	WATC	7.67%	147,840	11,586	25,366	0	25,366	11,654	122,474	171,398	23,568	13,543	147,840			
Youth Specific Space Stage 2	100	WATC	4.72%	1,521,312	79,551	122,515	0	122,515	79,645	1,398,797	1,521,312	0	81,250	1,521,312			
Recreation and culture																	
Wellard Sports Pavilion	94	WATC	6.48%	204,825	13,236	46,488	0	46,488	13,704	158,336	248,483	43,658	16,363	204,825			
Orelia Oval Pavilion	95	WATC	7.67%	354,815	27,808	60,877	0	60,878	27,970	293,937	411,355	56,540	32,503	354,815			
Orelia Oval Pavilion Stage 2	97	WATC	6.35%	1,685,135	113,449	198,641	0	198,641	113,653	1,486,497	1,871,922	186,787	126,457	1,685,135			
Resource & Knowledge Centre	102	WATC	4.59%	7,421,567	386,720	0	0	0	386,720	7,421,567	7,421,567	0	386,720	7,421,567			
Requatic Centre Upgrade	104	WATC	4.08%	3,350,000	159,125	0	0	0	159,125	3,350,000	3,350,000	0	159,126	3,350,000			
Bertram Community Centre	105	WATC	3.29%	1,296,840	50,827	0	0	0	50,827	1,296,840	1,296,840	0	50,827	1,296,840			
Callista Destination Park	106	WATC	3.16%	1,516,532	57,249	96,112	0	96,112	57,307	1,420,420	1,609,695	93,163	60,860	1,516,532			
Transport																	
Industrial Area Streetscape	98	WATC	6.35%	1,028,123	69,217	121,193	0	121,193	69,341	906,929	1,142,082	113,959	77,153	1,028,123			
City Centre Redevelopment	101	WATC	2.49%	2,500,000	79,250	0	0	0	79,250	2,500,000	2,500,000	0	79,250	2,500,000			
				21,788,561	1,099,290	780,965	2,288,000	780,965	1,100,560	23,295,597	22,390,640	602,079	1,141,202	21,788,561			
Self Supporting Loans																	
Recreation and culture																	
Kwinana Golf Club Refurbishment	103B	WATC	3.35%	282,850	11,167	16,168	0	16,168	11,202	266,681	298,494	15,644	11,802	282,850			
				282,850	11,167	16,168	0	16,168	11,202	266,681	298,494	15,644	11,802	282,850			
				22,071,411	1,110,457	777,133	2,288,000	777,133	1,111,762	23,562,278	22,889,134	617,723	1,153,004	22,071,411			
Share of SMRC Loan				0													
				22,071,411													

Self supporting loans are financed by payments from third parties. These are shown in Note 8 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

* Non-current portion of borrowings includes \$258,120, which represents the City's share of the Southern Metropolitan Regional Council (SMRC) Administration Building loan with the WATC. Due to the balance being immaterial, it has been recognised as at 30 June 2019.

CITY OF KWINANA
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14. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2018/19

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate	Amount Borrowed		Amount (Used)		Total Interest & Charges	Actual Balance Unspent
					2019 Actual	2019 Budget	2019 Actual	2019 Budget		
Loan 107 - Administration / Chambers Building Refurbishment	WATC	Debenture	10	3.52%	\$ 0	\$ 2,268,000	\$ 0	\$ 2,268,000	\$ 0	\$ 0
					0	2,268,000	0	2,268,000	0	0

(d) Undrawn Borrowing Facilities

Credit Standby Arrangements

	2019	2018
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	100,000	85,000
Credit card balance at balance date	(31,535)	(15,045)
Total amount of credit unused	68,465	69,955

Loan facilities

Loan facilities - current	1,451,093	777,133
Loan facilities - non-current	20,101,305	21,294,278
Total facilities in use at balance date	21,552,398	22,071,411

SIGNIFICANT ACCOUNTING POLICIES

Financial liabilities

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

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

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.

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.

Risk

Information regarding exposure to risk can be found at Note 25.

15. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions

Opening balance at 1 July 2018

Current provisions

Non-current provisions

Additional provision

Balance at 30 June 2019

Comprises

Current

Non-current

Amounts are expected to be settled on the following basis:

Less than 12 months after the reporting date

More than 12 months from reporting date

	Provision for Annual Leave	Provision for Long Service Leave	Provision for Other Leave	Total
	\$	\$	\$	\$
Opening balance at 1 July 2018				
Current provisions	2,160,304	1,856,610	610,356	4,627,270
Non-current provisions	0	447,068	0	447,068
	2,160,304	2,303,678	610,356	5,074,338
Additional provision	88,485	187,126	22,034	297,645
Balance at 30 June 2019	2,248,789	2,490,804	632,390	5,371,983
Comprises				
Current	2,248,789	2,021,200	632,390	4,902,379
Non-current	0	469,604	0	469,604
	2,248,789	2,490,804	632,390	5,371,983

	2019	2018
	\$	\$
Less than 12 months after the reporting date	3,446,078	3,231,609
More than 12 months from reporting date	1,925,905	1,842,729
	5,371,983	5,074,338

Timing of the payment of current leave liabilities is difficult to determine as it is dependent on future decisions of employees. Expected settlement timings are based on information obtained from employees and historical leave trends and assumes no events will occur to impact on these historical trends.

SIGNIFICANT ACCOUNTING POLICIES

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.

Other long-term employee benefits

The City's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

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 2.5%

Other long-term employee benefits (Continued)

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.

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.

16. NOTES TO THE STATEMENT OF CASH FLOWS

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:

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Cash and cash equivalents	11,888,157	49,389,260	9,367,549
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	7,034,201	(6,757,894)	11,455,506
Non-cash flows in Net result:			
Adjustments to fair value of financial assets through profit and loss - Banksia Park DMF Receivable	610,100	0	4,648
Adjustments to fair value of financial assets through profit and loss - Local Government House Trust	(122,620)	0	0
Depreciation	15,359,581	13,672,393	14,200,785
(Profit)/loss on sale of asset	146,087	189,040	169,745
Contributed Assets	(10,430,404)	0	(12,151,516)
Share of profits of associates (SMRC)	(61,124)	0	0
Loss on revaluation of fixed assets	0	0	9,803
Reversal of loss on revaluation of fixed assets	0	0	(2,762,144)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(9,213)	317,373	(871,487)
(Increase)/decrease in Financial assets	0	0	(384,066)
(Increase)/decrease in inventories	1,260	0	2,023
(Increase)/decrease in other assets	(164,217)	0	0
Increase/(decrease) in payables	(1,849,303)	460,426	(3,145,733)
Increase/(decrease) in provisions	297,645	(300,000)	115,444
Grants contributions for the development of assets	(4,476,940)	(4,285,605)	(3,258,381)
Net cash from operating activities	6,335,053	3,295,733	3,384,627

17. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	73,748,984	70,010,999
Law, order, public safety	1,953,715	2,185,717
Health	80,256	93,753
Education and welfare	31,885,016	33,342,265
Community amenities	1,128,260	892,948
Recreation and culture	85,910,119	84,664,247
Transport	330,930,080	329,275,107
Economic services	51,402,122	51,589,540
Other property and services	3,347,917	3,532,884
	580,386,469	575,587,460

18. CONTINGENT LIABILITIES

The City did not have any contingent liabilities as at 30 June 2019.

19. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

2019	2018
\$	\$
103,866	209,615
103,866	209,615

Payable:

- not later than one year

103,866	209,615
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Bertram Oval - Ablution Block

0	181,470
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Kwinana Tennis Courts - Fencing

0	24,535
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Medina Oval - Carpark

0	3,610
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Varris Park Upgrade

81,569	0
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Smirks Cottage Tractor Shed Preliminaries

22,297	0
103,866	209,615

(b) Operating Lease Commitments

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

Payable:

- not later than one year

2019	2018
\$	\$
438,663	543,070
344,990	746,861
783,653	1,289,931

- later than one year but not later than five years

SIGNIFICANT ACCOUNTING POLICIES

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 of 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.

Leases (Continued)

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 on a straight line basis over the lease term.

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

20. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting Fees	273,794	266,594	271,825
Mayor's allowance	88,864	88,864	88,864
Deputy Mayor's allowance	22,216	22,216	22,216
Travelling expenses	2,396	8,600	6,007
Telecommunications allowance	28,000	28,000	27,981
	<u>415,270</u>	<u>414,274</u>	<u>416,893</u>

Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	1,343,082	1,203,546
Post-employment benefits	142,026	128,688
Other long-term benefits	31,216	31,216
	<u>1,516,324</u>	<u>1,363,450</u>

Short-term employee benefits

These amounts include all salary, 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 above.

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.

20. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

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

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

The following transactions occurred with related parties:	2019 Actual	2018 Actual
	\$	\$
Sale of goods and services	69,384	15,957
Purchase of goods and services	183,964	220,566
Amounts payable to related parties:		
Trade and other payables	0	445

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.

21. INVESTMENT IN ASSOCIATES

South Metropolitan Regional Council (SMRC)

The City is a member of the South Metropolitan Regional Council (SMRC), established in 1998 to deliver innovative and responsible waste management solutions for the benefit of the community and environment. The current participants are City of Cockburn (withdrew as at 30 June 2019), Town of East Fremantle, City of Fremantle, City of Melville and City of Kwinana.

The following local governments have previously withdrawn from the regional Council:

City of Canning - June 2010

City of Rockingham - June 2012

The City has held 20% voting rights since the City of Rockingham withdrew membership effective 1 July 2013, representing significant influence in accordance with AASB128 Investments in Associates and Joint Ventures. The City has not previously recognised this interest. However, as the interest is considered immaterial, no prior period adjustment has been made to restate the figures.

The City holds 25% voting rights as at 30 June 2019 after the withdrawal of City of Cockburn.

	Note	2019 \$
The City's Share of Associate Entity's Net Assets		319,244
Equity Ratio		1.27%
Represented by Share of Associate Entity's Statement of Financial Position		
Current Assets		327,835
Non Current Assets		451,078
Total Assets		<u>778,913</u>
Current Liabilities		198,641
Non-Current Liabilities		261,028
Total Liabilities		<u>459,669</u>
Net Assets		<u>319,244</u>
Net Increase in Share of Associate Entity's Net Assets: Net Assets		319,244
Less: City of Kwinana's Share of SMRC Loan Liability	14	<u>(258,120)</u>
		<u>61,124</u>

SIGNIFICANT ACCOUNTING POLICIES

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

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in associates (Continued)

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.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30TH JUNE 2019

22. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance (1)	Received (2)	Expended (3)	Closing Balance (1)	Received (2)	Expended (3)	Closing Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
Law, order, public safety							
Kwinana South Station Upgrade - Dept of Premier & Cabinet	0	0	0	0	30,000	0	30,000
Mandagalup Station Upgrade - Dept of Premier & Cabinet	0	0	0	0	25,000	0	25,000
FESA ESL Grant	23,923	175,183	(157,485)	41,621	182,144	(180,015)	43,750
Education and welfare							
Connections Your Next Step	1,177	0	(1,177)	0	0	0	0
LYRIK - Youth Incentives Program	0	20,000	0	20,000	20,000	(20,000)	20,000
Community amenities							
BP Coastcare	4,644	0	(4,644)	0	0	0	0
Bushcare Projects	11,039	0	(11,039)	0	0	0	0
Coastcare in the Kwinana Industrial Area	14,774	0	(10,102)	4,672	10,000	(7,011)	7,661
Fauna Survey and Feral Animal Control	11,168	0	(11,168)	0	0	0	0
Greening Fund	0	100,000	(685)	99,315	0	(12,490)	86,825
Street Furniture Maintenance & Bus Shelter Subsidy	8,699	13,108	(21,807)	0	0	0	0
Perth Region NRM Support for South Metro Coast	2,336	0	(2,336)	0	5,000	(294)	4,706
SMCC - Challenger Beach Coastal Rehab Project	13,439	16,000	(14,861)	14,578	0	(14,331)	247
SMCC - Degremont (proAlliance) - Adopt a Beach	7,496	0	(1,861)	5,635	0	(2,047)	3,588
SMCC - Tronox - Adopt a Beach	0	0	0	0	5,000	(2,554)	2,446
Developer Contributions - DCA 1 - DCA 15	28,243,290	4,341,379	(3,229,495)	29,355,174	5,108,875	(2,849,663)	31,614,386
Recreation and culture							
Beach Emergency Number Signs (BEN Program)	0	4,115	0	4,115	0	(4,115)	0
Medina Oval Lighting	0	150,000	(5,625)	144,375	0	(144,375)	0
Rock Symphony Sponsorship	0	10,000	0	10,000	5,000	(10,000)	5,000
Youth Festival - Lotterystwest	0	0	0	0	6,870	0	6,870
Kwinana Tennis Club Cultural Heritage Program	0	0	0	0	3,073	(3,073)	0
Noongar Cultural Heritage Program	1,606	0	(1,606)	0	0	0	0
Wandi Playing Fields - Education Department contr. To goal posts	4,064	0	(4,064)	0	25,500	0	25,500
Silversport - Pilot Seniors Program	0	0	0	0	0	0	0
Transport							
Roads to Recovery 2016/2017 Funding	81,065	645,353	(726,418)	0	0	0	0
Speed Alert Mobile Trailer for Driver Speed Education	26,290	0	(26,290)	0	0	0	0
State Black Spot	1,203	0	(1,203)	0	0	0	0
Total	28,456,213	5,475,138	(4,231,866)	29,699,485	5,426,462	(3,249,968)	31,875,979

For grants and contributions where funds have not been fully expended at 30 June 2019, the balance of the grant has been transferred to the Restricted Grants and Contributions Reserve, relevant Developer Contribution Reserve or remains in net current assets at 30 June surplus. These funds are quarantined as Restricted Cash at year ended 30 June 2019 and will be expended in the 2019/20 year or as determined by the relevant Developer Contribution 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.

23. RATING INFORMATION

(a) Rates

RATE TYPE	Differential general rate / general rate	2018/19		2018/19		2018/19		2018/19		2018/19		2017/18	
		Number of Properties	Actual Rateable Value	Actual Rate	Actual Interim Rates	Actual Back Rates	Actual Total Revenue	Budget Interim Rate	Budget Total Revenue	Budget Rate	Budget Total Revenue	Actual Total Revenue	Actual Total Revenue
Rate in \$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Gross rental valuations													
Improved Residential		13,747	238,950,796	18,859,093	413,654	11,467	19,284,214		529,676	18,859,093	19,388,769	16,881,680	
Vacant Residential		376	7,792,630	1,375,819	(55,435)	(3,207)	1,317,177		0	1,375,819	1,375,819	1,309,947	
Improved Special Residential		815	19,436,231	1,372,308	11,525	(723)	1,383,110		0	1,372,308	1,372,308	1,253,425	
Light Industrial and Commercial		133	23,230,285	2,118,044	27,193	(2,340)	2,142,897		0	2,118,044	2,118,044	2,081,600	
General Industry and Service Commercial		319	35,313,111	3,074,926	28,378	(8,387)	3,094,917		0	3,074,926	3,074,926	3,048,910	
Large Scale General Industry and Service Commercial		47	47,549,186	4,178,852	22,756	37,854	4,239,462		0	4,178,852	4,178,852	4,021,528	
Vacant Non Residential		35	2,422,880	235,692	30,427	0	266,119		0	235,692	235,692	0	
Unimproved valuations													
General Industrial		3	121,200,000	2,131,908	0	0	2,131,908		0	2,131,908	2,131,908	2,055,552	
Rural		143	242,241,000	1,241,497	(3,753)	(630)	1,237,114		0	1,241,497	1,241,497	457,282	
Mining		25	39,960,000	338,461			338,461		0	338,461	338,461	319,309	
Urban/Urban Deferred		0	0	0	0	0	0		0	0	0	888,855	
Sub-Total		15,643	778,096,119	34,926,600	474,745	34,034	35,435,379		529,676	34,926,600	35,456,276	32,318,088	
Minimum payment													
Gross rental valuations													
Improved Residential		1,438	1,658,878	1,481,480	3,991	1,056	1,486,527		0	1,481,480	1,481,480	1,661,240	
Vacant Residential		904	923,572	992,488	(25,891)	452	967,049		0	992,488	992,488	901,155	
Improved Special Residential		4	6,228	3,108	1,036	0	4,144		0	3,108	3,108	6,228	
Light Industrial and Commercial		25	317,800	33,700	2,696	0	36,396		0	33,700	33,700	31,800	
General Industry and Service Commercial		34	47,994	45,832	0	0	45,832		0	45,832	45,832	47,994	
Large Scale General Industry and Service Commercial		0	0	0	0	0	0		0	2,072	2,072	0	
Vacant Non Residential		2	0	2,072	0	0	2,072		0	0	0	0	
Unimproved valuations													
General Industrial		0	923,572	0	0	0	0		0	0	0	0	
Rural		115	1,658,878	66,304	5,572	4,058	75,934		0	66,304	66,304	14,878	
Mining		16	47,994	20,220	1,344	0	21,564		0	20,220	20,220	17,011	
Urban/Urban Deferred		0	0	0	0	0	0		0	0	0	59,270	
Sub-Total		2,538	5,584,916	2,645,204	(11,252)	5,566	2,639,518		0	2,645,204	2,645,204	2,739,576	
Total amount raised from general rate		18,181	783,681,035	37,571,804	463,493	39,600	38,074,897		529,676	37,571,804	38,101,480	35,057,664	
Discounts/concessions expensed during the year (refer Note 23(b))							(6,477)				(6,243)	(7,302)	
							38,068,420				38,095,237	35,050,362	

SIGNIFICANT ACCOUNTING POLICIES

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

23. RATING INFORMATION (Continued)

(b) Discounts, Incentives, Concessions, & Write-offs

Rates Discounts

Rate or Fee Discount Granted	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Small Balance Write Off	1,477	1,243	2,302
Rates Incentive Prize	5,000	5,000	5,000
	6,477	6,243	7,302

(c) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge	Instalment Plan Interest Rate	Unpaid Rates Interest Rate
		\$	%	%
Option One				
Single full payment	07 Sep 2018	\$ 0.00	5.50%	11.00%
Option Two				
First instalment	07 Sep 2018	\$ 7.70	5.50%	11.00%
Second instalment	21 Jan 2019		5.50%	11.00%
Option Three				
First instalment	07 Sep 2018	\$ 23.10	5.50%	11.00%
Second instalment	09 Nov 2018		5.50%	11.00%
Third instalment	21 Jan 2019		5.50%	11.00%
Fourth instalment	25 Mar 2019		5.50%	11.00%
Option Four				
Direct debit option is available on a fortnightly deduction cycle. Instalment plan administration charge is charged annually on a pro-rata basis	28 Jun 2019	\$ 6.90	5.50%	11.00%
Option Five				
Direct debit option is available on a weekly deduction cycle. Instalment plan administration charge is charged annually on a pro-rata basis	28 Jun 2019	\$ 12.90	5.50%	11.00%

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Interest on unpaid rates	472,700	370,000	453,321
Interest on instalment plan	294,923	280,000	281,864
Deferred Pensioner Interest	18,317	0	14,860
Charges on instalment plan	164,002	118,000	119,040
	949,942	768,000	869,085

24. RATE SETTING STATEMENT INFORMATION

Note	2018/19 (30 June 2019 Carried Forward) \$	2018/19 Budget (30 June 2019 Carried Forward) \$	2018/19 (1 July 2018 Brought Forward) \$	
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(6,178)	(11,132)	(12,226)
Less: Reversal of prior year loss on revaluation of fixed assets		0	0	(2,762,144)
Movement in pensioner deferred rates (non-current)		(32,973)	0	(79,585)
Movement in Banksia Park deferred management fund receivable		610,100	0	4,648
Movement in Banksia Park valuation of unit contribution		(2,090,575)	0	(2,893,000)
Movement in employee benefit provisions		297,645	0	115,445
Add: Loss on disposal of assets	11(a)	152,265	200,172	181,971
Add: Loss on revaluation of fixed assets	10(a)	0	0	9,803
Add: Depreciation on assets	11(b)	15,359,581	13,672,393	14,200,785
Non cash amounts excluded from operating activities		14,289,865	13,861,433	8,765,697
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - restricted cash	3	(55,730,366)	(47,038,546)	(52,072,348)
Less: Financial assets at amortised cost - self supporting loans	8(a)	(16,709)	(16,709)	(16,168)
Less: Banksia Park DMF Receivable	8(a)	(297,819)	0	(346,925)
Add: Current Borrowings	14(a)	1,451,093	1,643,965	777,133
Add: Current Provisions	15	4,902,379	4,222,885	4,627,270
Add: Banksia Park Unit Contributions	13	17,133,425	0	19,224,000
Add: Allowance for impairment of receivables as at 1 July 2018	27(b)	0	0	(164,521)
Total adjustments to net current assets		(32,557,997)	(41,188,405)	(27,971,559)
Net current assets used in the Rate Setting Statement				
Total current assets		62,781,266	52,836,197	58,515,520
Less: Total current liabilities		(27,744,922)	(11,647,792)	(28,645,156)
Less: Total adjustments to net current assets		(32,557,997)	(41,188,405)	(27,971,559)
Net current assets used in the Rate Setting Statement		2,478,347	0	1,898,805

Difference:

There was a difference of \$164,521 between the 1 July 2018 surplus brought forward position used in the 2019 audited financial report and the surplus carried forward position as disclosed in the 2018 audited financial report. This difference relates to the recognition of the allowance for impairment of receivables as at 1 July 2018 due to the application of AASB 9: Financial Instruments.

25. FINANCIAL RISK MANAGEMENT

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

Risk	Exposure arising from	Measurement	Management
Market risk - interest rate	Long term borrowings at variable rates	Sensitivity analysis	Utilise fixed interest rate borrowings
Credit risk	Cash and cash equivalents, trade receivables, financial assets and	Aging analysis Credit analysis	Diversification of bank deposits, credit limits. Investment policy
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

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 finance area identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council have approved the overall risk management policy and provide policies on specific areas such as investment policy.

(a) Interest rate risk

Cash and cash equivalents

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

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

	Weighted Average Interest Rate %	Carrying Amounts \$	Fixed Interest Rate \$	Variable Interest Rate \$	Non Interest Bearing \$
2019					
Cash and cash equivalents	0.99%	11,888,157	2,135,837	9,747,750	4,570
Financial assets at amortised cost - term deposits	2.46%	45,348,386	45,348,386	0	0
2018					
Cash and cash equivalents	0.99%	9,367,549	6,742,910	2,619,989	4,650
Financial assets at amortised cost	2.49%	43,529,359	43,529,359	0	0

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	572,365	528,969

* Holding all other variables constant

Borrowings

The City manages interest rate risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The City does not consider there to be any interest rate risk in relation to borrowings. Details of interest rates applicable to each borrowing may be found at Note 14(b).

25. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

The City's major receivables comprise rates annual charges and user fees and charges. 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 applies the AASB 9 simplified approach to measuring expected credit losses using a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, rates receivable are separated from other trade receivables due to the difference in payment terms and security for rates receivable.

The expected loss rates are based on the payment profiles of rates and fees and charges over a period of 12 months before 1 July 2018 or 1 July 2019 respectively and the corresponding historical losses experienced within this period. Historical credit loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as the ability of ratepayers and residents to settle the receivables. Housing prices and unemployment rates have been identified as the most relevant factor in repayment rates, and accordingly adjustments are made to the expected credit loss rate based on these factors. There are no material receivables that have been subject to a re-negotiation of repayment terms.

No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates and properties associated with unpaid rates may be disposed of to recover outstanding amounts.

	Current	More than 1 year past due	Total
30 June 2019			
Rates receivable			
Expected credit loss	0.00%	0.00%	0.00%
Gross carrying amount	0	3,865,054	3,865,054
Loss allowance	0	0	0

01 July 2018

Rates receivable			
Expected credit loss	0.00%	0.00%	0.00%
Gross carrying amount	0	3,597,121	3,597,121
Loss allowance	0	0	0

The loss allowance as at 30 June 2019 and 1 July 2018 (on adoption of AASB 9) was determined as follows for sundry receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Sundry Receivables					
Expected credit loss	1.2%	3.6%	3.5%	35.9%	
Gross carrying amount	149,773	29,983	15,737	267,007	462,500
Loss allowance	1,812	1,084	558	95,967	99,421

01 July 2018

Sundry Receivables					
Expected credit loss	0.3%	3.2%	9.7%	38.3%	
Gross carrying amount	93,480	166,496	61,992	398,667	720,635
Loss allowance	310	5,408	6,044	152,759	164,521

25. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels and maintaining an adequate cash buffer. Payment terms can be extended and overdraft facilities drawn upon if required and disclosed in Note 14(d).

The contractual undiscounted cash flows of the City's payables and borrowings are set out in the liquidity table below. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2019					
Payables	5,308,025	8,041,713	8,041,713	21,391,450	21,391,450
Borrowings	2,505,552	13,396,661	10,808,530	26,710,743	21,552,398
	<u>7,813,577</u>	<u>21,438,373</u>	<u>18,850,243</u>	<u>48,102,193</u>	<u>42,943,848</u>
2018					
Payables	5,176,753	9,032,000	9,032,000	23,240,753	23,240,753
Borrowings	1,888,752	13,346,702	13,364,041	28,599,495	22,071,411
	<u>7,065,505</u>	<u>22,378,702</u>	<u>22,396,041</u>	<u>51,840,248</u>	<u>45,312,164</u>

26. TRUST FUNDS

Funds held at balance date which are required to be held in trust and which are not included in the financial statements are as follows:

In previous years, bonds and deposits were held as trust monies. In the current year they are included in Restricted cash at Note 3 and shown as a current liability at Note 13.

	1 July 2018	Amounts Received	Amounts Paid	Reclassification to Restricted Cash	30 June 2019
	\$	\$	\$	\$	\$
APU Security Bonds	15,481	580	(470)	0	15,591
Contiguous Local Authorities Group (CLAG)	200	3,594	(200)	0	3,594
Public Open Space Cash In Lieu	200,061	4,178	0	0	204,239
Hall Security Bonds	71,653	157,087	(161,236)	(67,504)	0
Footpath & Kerbing Security Deposits	410,680	1,123	(147,040)	(264,763)	0
Sports Forfeiture Security Deposits	200	0	0	(200)	0
Bus Hire Security Deposits	3,000	3,000	(2,500)	(3,500)	0
Demolition Security Deposits	2,351	0	0	(2,351)	0
Miscellaneous Deposits	82,423	3,156	(600)	(84,979)	0
Footpath Construction Bonds	2,000	0	0	(2,000)	0
Land Subdivision Bonds	588,211	69,322	(179,734)	(477,799)	0
Road Maintenance Bonds	293,234	53,165	(269,403)	(76,996)	0
Landscaping Subdivision Bonds	138,786	1,739	(1,196)	(139,329)	0
Mortimer Road - Community Trust	10,421	273	0	(10,694)	0
ATU Landscaping Bonds	2,378	0	0	(2,378)	0
Landscaping Development Bonds	64,477	627	0	(65,104)	0
Subdivision Handrails	15,395	0	0	(15,395)	0
Off Road Vehicles	1,510	0	0	(1,510)	0
DCA Contingency Bonds	265,736	47,240	(89,842)	(223,134)	0
Retention Funds	37,524	30,823	(43,751)	(24,596)	0
City of Kwinana Staff Christmas Saver	0	126,057	(6,352)	(119,705)	0
	2,205,721	501,964	(902,324)	(1,581,937)	223,424

27. INITIAL APPLICATION OF AUSTRALIAN 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 associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

AASB 9 Financial instruments

AASB 9 *Financial Instruments* replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual reporting periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The City applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9.7.2.15, the City has not restated the comparative information which continues to be reported under AASB 139. Differences arising from adoption have been recognised directly in accumulated surplus/(deficit).

The effect of adopting AASB 9 as at 1 July 2018 was, as follows:

	Adjustments	01 July 2018
		\$
Assets		
Trade receivables	(a),(b)	(164,521)
Total Assets		(164,521)
Total adjustments to Retained Surplus		
Retained surplus	(a),(b)	(164,521)
		(164,521)

The nature of these adjustments are described below:

(a) Classification and measurement

Under AASB 9, financial assets are subsequently measured at amortised cost, fair value through other comprehensive income (fair value through OCI) or fair value through profit or loss (fair value through P/L). The classification is based on two criteria: the City's business model for managing the assets; and whether the assets' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The assessment of the City's business model was made as of the date of initial application, 1 July 2018. The assessment of whether contractual cash flows on financial assets are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

27. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The classification and measurement requirements of AASB 9 did not have a significant impact on the City. The following are the changes in the classification of the City's financial assets:

- Trade receivables and Loans and advances (i.e. Other debtors) classified as Loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Financial assets at amortised cost beginning 1 July 2018.

In summary, upon the adoption of AASB 9, the City had the following required (or elected) reclassifications as at 1 July 2018:

AASB 139 category	AASB 139 value	AASB 9 category amortised cost	Fair value through OCI	Fair value through P/L
	\$	\$	\$	\$
Loans and receivables				
Trade receivables*	4,996,538	4,996,538	0	0
Loans and advances	282,850	282,850	0	0
	<u>5,279,388</u>	<u>5,279,388</u>	<u>0</u>	<u>0</u>

* The change in carrying amount is a result of additional impairment allowance. See the discussion on impairment below.

(b) Impairment

The adoption of AASB 9 has fundamentally changed the City's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the City to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. Upon adoption of AASB 9, the City recognised an additional impairment on the City's Trade receivables of \$164,521 which resulted in a decrease in retained surplus of \$164,521 as at 1 July 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with AASB 139 to the opening loss allowances determined, in accordance with AASB 9:

	Impairment under AASB 139 as at 30 June 2018	Remeasurement	ECL under AASB 9 as at 01 July 2018
	\$	\$	\$
Loans and receivables under AASB 139 / Financial assets at amortised cost under AASB 9	0	164,521	164,521
	<u>0</u>	<u>164,521</u>	<u>164,521</u>

(c) Impact of changes to Retained Surplus

The impact on the City of the changes as at 1 July 2018 is as follows:

	Adjustments	2018
		\$
Retained surplus - 30 June 2018		241,396,775
Adjustment to retained surplus from adoption of AASB 9	(164,521)	<u>(164,521)</u>
Retained surplus - 1 July 2018		241,232,254

28. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS

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.

This note explains management's assessment of the new and amended pronouncements that are relevant to the City, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*.

These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

The City will adopt AASB 15 Revenue from Contracts with Customers (issued December 2014) on 1 July 2019 resulting in changes in accounting policies. In accordance with the transition provisions AASB 15, the City will adopt the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments are expected to be made to the amounts recognised in the Statement of Financial Position at the date of initial application (1 July 2019):

	AASB 118 carrying amount		AASB 15 carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Contract liabilities - current			
Unspent grants, contributions and reimbursements	0	215,781	215,781
Developer contributions	0	8,230,641	8,230,641
Contract liabilities non-current			
Developer contributions	0	23,383,745	23,383,745
Adjustment to retained surplus from adoption of AASB 15	28(d)	(31,830,167)	

(b) Leases

The City will adopt AASB 16 retrospectively from 1 July 2019 as a result of a change in accounting policies. In accordance with the transition provisions of AASB 16, the City has applied this Standard to its leases retrospectively, with the cumulative effect of initially applying AASB 16 recognised on 1 July 2019. In applying the AASB 16 under the specific transition provisions chosen, the City will not restate comparatives for prior reporting periods.

On adoption of AASB 16, the City will recognise lease liabilities in relation to leases which had previously been classified as an 'operating lease' applying AASB 117. These lease liabilities will be measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on 1 July 2019. The weighted average lessee's incremental borrowing rates applied to the lease liabilities on 1 July 2019 is 2.35%.

	Note	2019
		\$
Operating lease commitments disclosed as at 30 June 2019		783,653
Lease liability recognised as at 1 July 2019		
Discounted using the City's incremental borrowing rate of 2.35%		230,899
Right-of-use asset recognised at at 1 July 2019		226,133
Adjustment to Retained Earnings 1 July 2019	28(d)	4,766
Low-value leases recognised on a straight-line basis as an expense		544,143

On adoption of AASB 16, the City will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019. Property, plant and equipment increases by \$226,133 on 1 July 2019 and an adjustment of \$4,766 to retained earnings.

On adoption of AASB 16 Leases (issued February 2016), for leases which had previously been classified as an 'operating lease' when applying AASB 117, the City is not required to make any adjustments on transition for leases for which the underlying asset is of low value. Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with Financial Management Regulation 17A (5).

In applying AASB 16 for the first time, the City will use the following practical expedient permitted by the standard.

- The exclusion of initial direct costs from the measurement of the right-of-use asset at the date of initial application.

28. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS FOR APPLICATION IN FUTURE YEARS (Continued)

(c) Income For Not-For-Profit Entities

The City will adopt AASB 1058 *Income for Not-for-Profit Entities* (issued December 2016) on 1 July 2019 which will result in changes in accounting policies. In accordance with the transition provisions AASB 1058, the City will adopt the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods shall not be restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 prospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes will occur to the following financial statement line items by application of AASB 1058 as compared to AASB 1004 Contributions before the change:

	AASB 1004 carrying amount		AASB 1058 carrying amount
Note	30 June 2019	Reclassification	01 July 2019
	\$	\$	\$
Trade and other payables	21,391,450	904,842	22,296,292
Adjustment to retained surplus from adoption of AASB 1058	28(d)	(904,842)	

Prepaid rates are, until the taxable event for the rates has occurred, refundable at the request of the ratepayer. Therefore the rates received in advance give rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates will be recognised as a financial asset and a related amount recognised as a financial liability and no income recognised by the City. When the taxable event occurs the financial liability will be extinguished and the City will recognise income for the prepaid rates that have not been refunded.

Assets that were acquired for consideration, that were significantly less than fair value principally to enable the City to further its objectives, may have been measured on initial recognition under other Australian Accounting Standards at a cost that was significantly less than fair value. Such assets are not required to be remeasured at fair value.

Volunteer Services in relation to Volunteer Fire Services will not be recognised in revenue and expenditure as the fair value of the services cannot be reliably estimated.

(d) Impact of changes to Retained Surplus

The impact on the City of the changes as at 1 July 2019 is as follows:

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019			244,608,437
Adjustment to retained surplus from adoption of AASB 15	28(a)	(31,830,167)	
Adjustment to retained surplus from adoption of AASB 16	28(b)	4,766	
Adjustment to retained surplus from adoption of AASB 1058	28(c)	(904,842)	(32,730,243)
Retained surplus - 01 July 2019			211,878,194

29. EFFECT OF CHANGE IN ACCOUNTING POLICY / CORRECTION OF ERROR

Balances relating to the 2018 comparative period have been amended due to a change in accounting policy and correction of error. These amendments have been adjusted as shown below.

(a) Change in Accounting Policy

On the 26th June 2018 Paragraph 17A (5) was inserted into Local Government (Financial Management) Regulations 1996. The regulation stated an asset is to be excluded from the assets of a local government if the fair value of the asset at the date of acquisition by the local government is under \$5,000.

Australian Accounting Standard AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors, required this amendment to the asset values to be treated as a change in accounting policy. The standard requires balances to be adjusted retrospectively, unless it is impracticable to determine the period-specific or cumulative effects of the change.

The City has applied this change retrospectively, adjusting the Financial report balances as at 30 June 2018. Assets with a fair value at the date of acquisition of under \$5,000 and purchased prior to 30 June 2018 have been excluded from the assets of the City.

(b) Correction of error

The following adjustments have been made to comparative amounts in the 30 June 2018 Financial Report to bring in to account financial activities that were incorrectly classified in prior years.

Banksia Park Retirement Village Unit Contributions payable have historically been split as current and non-current liabilities dependant on the City's view on timing of lease terminations. Irrespective of the City's expectation that the liability will not be settled within the next 12 months, there is no unconditional right to defer settlement of the liability beyond that period and as such the contributions should be recognised wholly as a current liability in accordance with AASB101 Presentation of Financial Statements.

Financial Assistance Grants paid in the current financial year but relating to the future financial year have been reclassified from restricted to unrestricted cash for the 2018 comparatives.

These changes have resulted in restating each of the affected financial statement line items for the prior periods as follows:

2017	30 June 17 Original Balance	Increase/ (Decrease)	1 July 17 Restated
<u>Statement of Financial Position</u>	\$	\$	\$
Non-Current Assets			
Property, plant and equipment	159,964,117	(800,283)	159,163,834
Current Liabilities			
Current Trade and other payables	4,269,486	22,117,000	26,386,486
Non-Current Liabilities			
Non-Current Payables	22,117,000	(22,117,000)	0
Equity			
Retained Surplus	232,470,241	(800,283)	231,669,958
Financial Ratios			
Current Ratio	1.48	(1.19)	0.29
Debt service cover ratio	1.97	(0.18)	1.79
Operating surplus ratio	(0.10)	(0.01)	(0.11)
Own source revenue coverage ratio	0.79	(0.01)	0.78

29. EFFECT OF CHANGE IN ACCOUNTING POLICY / CORRECTION OF ERROR (Continued)

2018	30 June 18 Original Balance	Increase/ (Decrease)	30 June 18 Restated
	\$	\$	\$
Statement of Financial Position			
Non-Current Assets			
Property, plant and equipment	155,477,757	(622,635)	154,855,122
Current Liabilities			
Current Trade and other payables	4,016,753	19,224,000	23,240,753
Non-Current Liabilities			
Non-Current Payables	19,224,000	(19,224,000)	0
Equity			
Retained Surplus	241,215,987	180,788	241,396,775
Reserves Cash Backed	52,875,771	(803,423)	52,072,348
Statement of Comprehensive Income			
<i>By Nature or Type</i>			
Expenses - Depreciation on non-current assets	(14,379,553)	178,768	(14,200,785)
Loss on disposal of assets	(180,851)	(1,120)	(181,971)
<i>By program</i>			
Governance	(5,286,761)	30,948	(5,255,813)
General purpose funding	(1,200,118)	0	(1,200,118)
Law, order, public safety	(3,165,065)	6,717	(3,158,348)
Health	(1,185,747)	2,725	(1,183,022)
Education and welfare	(10,907,996)	18,706	(10,889,290)
Community amenities	(9,480,011)	6,446	(9,473,565)
Recreation and culture	(18,851,782)	71,748	(18,780,034)
Transport	(13,325,344)	77	(13,325,267)
Economic services	(1,888,929)	2,645	(1,886,284)
Other property and services	(3,704,608)	38,756	(3,665,852)
(Loss) on asset disposals	(180,851)	(1,120)	(181,971)
Net result for the period	11,277,858	177,648	11,455,506
Total comprehensive income for the period	68,425,734	177,648	68,603,382
Rate Setting Statement			
Expenditure from operating activities			
Governance	(5,366,680)	29,828	(5,336,852)
General purpose funding	(1,200,118)	0	(1,200,118)
Law, order, public safety	(3,211,075)	6,717	(3,204,357)
Health	(1,185,747)	2,725	(1,183,022)
Education and welfare	(11,007,437)	18,706	(10,988,731)
Community amenities	(9,485,946)	6,446	(9,479,501)
Recreation and culture	(19,697,694)	71,748	(19,625,946)
Transport	(13,511,834)	77	(13,511,758)
Economic services	(1,888,929)	2,645	(1,886,284)
Other property and services	(1,027,063)	38,756	(988,306)
	(67,582,523)	177,648	(67,404,875)
Non-cash amounts excluded from operating activities	8,943,345	(177,648)	8,765,697
Transfers to reserves (restricted assets)	(9,919,440)	803,423	(9,116,017)
Surplus/(deficit) after imposition of general rates	1,259,903	803,423	2,063,326

29. EFFECT OF CHANGE IN ACCOUNTING POLICY / CORRECTION OF ERROR (Continued)

2018	30 June 18 Original Balance	Increase/ (Decrease)	30 June 18 Restated
	\$	\$	\$
Note 9 - Property, Plant and Equipment			
Opening Balance as at 1st July 2018	159,964,117	(800,283)	159,163,834
Additions	2,237,698	0	2,237,698
Disposals	(699,972)	(1,120)	(701,092)
Depreciation (expense)	(6,024,086)	178,768	(5,845,318)
Carrying amount at 30 June 2018	155,477,757	(622,635)	154,855,122
Note 11(a) - Disposal of Assets			
Netbook Value	699,972	1,120	701,092
Loss on Disposal	(180,851)	(1,120)	(181,971)
Note 11(b) - Depreciation			
Buildings - specialised	4,643,062	1,345	4,641,717
Furniture and equipment	492,885	149,668	343,217
Plant and equipment	888,139	27,755	860,384
Infrastructure - Roads	4,918,898	0	4,918,898
Infrastructure - Footpaths	1,045,795	0	1,045,795
Infrastructure - Drainage	884,616	0	884,616
Infrastructure - Car Parks	154,554	0	154,554
Infrastructure - Bus Shelters	72,860	0	72,860
Infrastructure - Street Lights	55,799	0	55,799
Infrastructure - Parks & Ovals	1,153,434	0	1,153,434
Infrastructure - Other	69,511	0	69,511
	14,379,553	178,768	14,200,785
Note 16 - Notes to the Statement of Cash Flows			
Net Result	11,277,858	(177,648)	11,455,506
Depreciation	14,379,553	178,768	14,200,785
Profit/(loss) on sale of asset	168,625	(1,120)	169,745
Note 17 - Total Assets Classified by Function and Activity			
Governance	70,100,083	89,084	70,010,999
Law, order, public safety	2,204,801	19,084	2,185,717
Health	99,513	5,760	93,753
Education and welfare	33,416,340	74,075	33,342,265
Community amenities	908,486	15,538	892,948
Recreation and culture	84,968,301	304,054	84,664,247
Transport	329,275,107	0	329,275,107
Economic services	51,599,340	9,800	51,589,540
Other property and services	3,638,124	105,240	3,532,884
	576,210,095	622,635	575,587,460
Note 31 - Financial Ratios			
Current Ratio	1.09	(0.83)	0.26
Operating surplus ratio	(0.08)	0.01	(0.07)
Asset renewal funding ratio *	0.78	0.28	1.06

*The asset renewal funding ratio changed due the discount rate being incorrectly entered as 2.5 rather than 2.5% in the 2018 Financial report.

30. OTHER SIGNIFICANT ACCOUNTING POLICIES

a) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

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) Current and non-current classification

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

c) Rounding off figures

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

d) Comparative figures

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

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

e) Budget comparative figures

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

f) Superannuation

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

g) Fair value of assets and liabilities

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

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

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

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

h) Fair value hierarchy

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

Level 1

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

Level 2

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

Level 3

Measurements based on unobservable inputs for the asset or liability.

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

Valuation techniques

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

Market approach

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

Income approach

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

Cost approach

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

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

i) Impairment of assets

In accordance with Australian Accounting Standards the City's cash generating non-specialised 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 specialised assets that are measured under the revaluation model, such as roads, drains, public buildings and the like, no annual assessment of impairment is required. Rather AASB 116.31 applies and revaluations need only be made with sufficient regulatory to ensure the carrying value does not differ materially from that which would be determined using fair value at the ends of the reporting period.

31. FINANCIAL RATIOS

	2019 Actual	2018 Actual	2017 Actual
Current ratio ¹	0.25	0.26	0.29
Asset consumption ratio	0.79	0.81	0.76
Asset renewal funding ratio ³	0.91	1.06	1.02
Asset sustainability ratio	0.22	0.24	0.31
Debt service cover ratio ²	4.55	6.44	1.79
Operating surplus ratio ²	(0.14)	(0.07)	(0.11)
Own source revenue coverage ratio ²	0.77	0.78	0.78

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 consumption ratio	$\frac{\text{depreciated replacement costs of depreciable assets}}{\text{current replacement cost of depreciable assets}}$
Asset renewal funding ratio	$\frac{\text{NPV of planned capital renewal over 10 years}}{\text{NPV of required capital expenditure over 10 years}}$
Asset sustainability ratio	$\frac{\text{capital renewal and replacement expenditure}}{\text{depreciation}}$
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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

- The prior years Current Ratio has been restated due to the reclassification of the Banksia Park Retirement Village Unit Contribution from a Non-Current Liability to a Current Liability. Refer Note 29(b)
 This results in a distortion of the ratio as any future lease termination will be accompanied by a corresponding debtor. The City does not expect the full liability to be realised within the next 12 months.
 The 2018 current ratio is also restated due to the reclassification of Financial Assistance Grants from restricted to unrestricted cash.
- The prior years Debt Service Cover ratio, Operating Surplus ratio and Own Source Revenue coverage ratio have been restated due to a change in accounting policy resulting from the application of Local Government (Financial Management) Regulation 17A(5).
- The 2018 Asset Renewal Funding ratio has been restated due to the discount rate being inadvertently entered as 250% rather than 2.5%



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the City of Kwinana

Report on the Audit of the Financial Report

Opinion

I have audited the annual financial report of the City of Kwinana which comprises the Statement of Financial Position as at 30 June 2019, the Statement of Comprehensive Income by Nature or Type, Statement of Comprehensive Income by Program, Statement of Changes in Equity, Statement of Cash Flows and Rate Setting Statement for the year then ended, and notes comprising a summary of significant accounting policies and other explanatory information, and the Statement by the Chief Executive Officer.

In my opinion the annual financial report of the City of Kwinana:

- (i) is based on proper accounts and records; and
- (ii) fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2019 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant 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 my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

I draw attention to Note 1 to the annual financial report, which describes the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the City's annual financial reporting responsibilities under the Act. Regulation 16 of the Local Government (Financial Management) Regulations 1996 (Regulations), does not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report. My opinion is not modified in respect of this matter.

Responsibilities of the Chief Executive Officer and Council for the Financial Report

The Chief Executive Officer (CEO) of the City is responsible for the preparation and fair presentation of the annual financial report in accordance with the requirements of the Act, the Regulations and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards. The CEO is also responsible for such internal control as the CEO determines is necessary to enable the preparation of an annual financial report that is free from material misstatement, whether due to fraud or error.

In preparing the annual financial report, the CEO is responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the State government has made decisions affecting the continued existence of the City.

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

Auditor's Responsibility for the Audit of the Financial Report

The objectives of my audit are to obtain reasonable assurance about whether the annual 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 my 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 the annual financial report.

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the annual financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the CEO.
- Conclude on the appropriateness of the CEO's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the City's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the annual financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report, as we cannot predict future events or conditions that may have an impact.
- Evaluate the overall presentation, structure and content of the annual financial report, including the disclosures, and whether the annual financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Council and the CEO regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Report on Other Legal and Regulatory Requirements

In accordance with the Local Government (Audit) Regulations 1996 I report that:

- (i) In my opinion, the following material matters indicate significant adverse trends in the financial position of the City:
 - a. The Current Ratio, Asset Sustainability Ratio and the Operating Surplus Ratio have been below the Department of Local Government, Sport and Cultural Industries (DLGSC) standard for the past 3 years.
The financial ratios are reported in Note 31 of the financial report.
- (ii) The following material matter indicating non-compliance with Part 6 of the *Local Government Act 1995*, the Local Government (Financial Management) Regulations 1996 or applicable financial controls of any other written law was identified during the course of my audit:
 - a. The City's unrestricted cash position as at 30 June 2019 is a negative balance of \$75,760 as the City had transferred funds into reserves that exceeded the balance of unrestricted cash that was in the Municipal Fund.
- (iii) All required information and explanations were obtained by me.
- (iv) All audit procedures were satisfactorily completed.
- (v) In my opinion, the asset consumption ratio and the asset renewal funding ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The annual financial report of the City for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 31 of the audited annual financial report were included in the supplementary information and/or audited annual financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

This auditor's report relates to the annual financial report of the City of Kwinana for the year ended 30 June 2019 included on the City's website. The City's management is responsible for the integrity of the City's website. This audit does not provide assurance on the integrity of the City's website. The auditor's report refers only to the annual financial report described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this annual financial report. If users of the annual financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited annual financial report to confirm the information contained in this website version of the annual financial report.



CAROLINE SPENCER
AUDITOR GENERAL
FOR WESTERN AUSTRALIA
Perth, Western Australia
29 November 2019





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