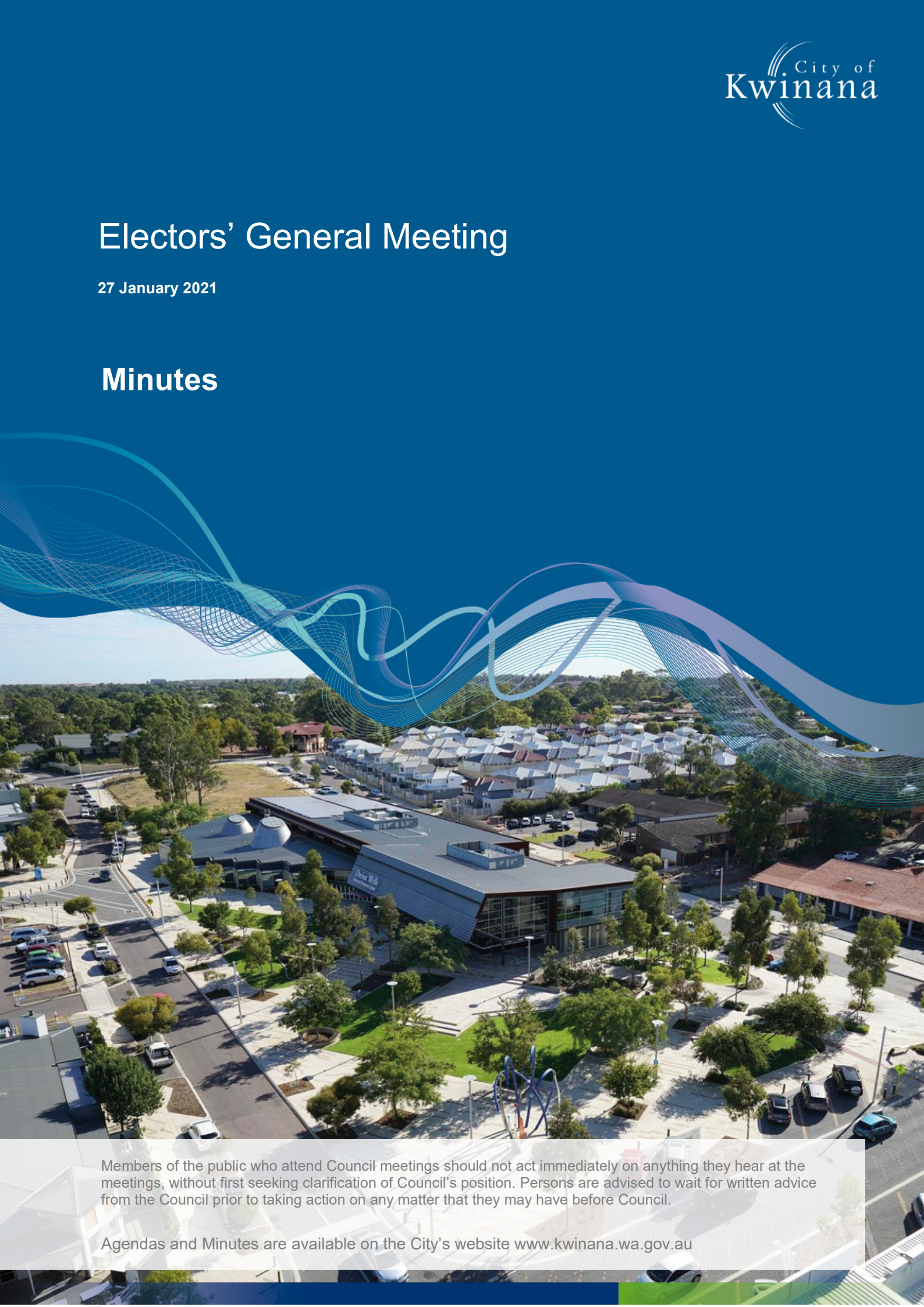


Electors' General Meeting

27 January 2021

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

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Present:

MAYOR CAROL ADAMS, OAM
DEPUTY MAYOR PETER FEASEY
CR W COOPER
CR M KEARNEY
CR S LEE
CR M ROWSE
CR D WOOD
CR S WOOD

MR W JACK - Chief Executive Officer
MRS B POWELL - Director City Engagement
MRS M COOKE - Director City Development and Sustainability
MRS A NICHOLAS - Acting Director City Infrastructure / Acting Director City Business
MS A MCKENZIE - Council Administration Officer

Members of the Press 0
Members of the Public 0

1 Opening and announcement of visitors

Presiding Member declared the meeting open at 5:03pm and welcomed all 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 2019/2020

5.1 The Mayor's Report:

Mayor Carol Adams presented the Mayor's report for the year ended 30 June 2020.

I think it's safe to say that 2020 has been a year like no other. It has forced many communities, businesses and individuals to adapt to a new and ever-changing situation and that has been no different for the City of Kwinana.

While we ended 2019 strong and came into 2020 with our usual great intentions, things were abruptly brought to a standstill while we navigated our way around the issue of a global pandemic.

Our immediate concern was about our community and the ability to help people adapt to the changing environment. While we did have to cancel some of our programs and events for health and safety reasons, the City quickly changed how we worked to bring in online learning and events, a helpline for our community and remote work environments for the City's administration staff. This was all helped by the upgrades in technology the City has introduced over the past few years and our ability to access the wider community remotely.

The City also initiated the Stay Loyal, Shop Local idea to help out those local businesses who suffered during the pandemic and we froze rates to help mitigate financial impact on our community.

Despite all the challenges, the City of Kwinana and Council quickly altered our ways of working and feel we managed to maintain 'business as usual', albeit modified, to meet the needs of our community. One of the notable changes to the City was the introduction of our new Chief Executive Officer, Wayne Jack, in April this year. Coming all the way over from New Zealand, Wayne took over from our acting CEO, Graeme Mackenzie. I would like to take this opportunity to both welcome Wayne and thank Graeme for his service with us while we undertook the recruitment process for our permanent CEO.

Wayne took up the reigns at an interesting time, but managed to hit the ground running.

The City still managed to put on a massive show in December 2019 when the Perth Symphony Orchestra returned to Kwinana to perform the biggest concert Kwinana has ever seen.

The 55-piece orchestra performed the ultimate music experience to an audience of thousands under the stars on Calista Oval.

We rounded off our event season just before social distancing restrictions were enforced with the Alcoa Children's Party in March 2020, which attracted our biggest crowd yet.

Another win for the year was the announcement from the McGowan Government about the commitment to develop an outer harbour in the coming years.

The announcement confirms the City's long held position that a land-backed port within the Kwinana Industrial Area, connected by an uninterrupted freight corridor via Anketell Road and the Tonkin Highway, will best serve Perth's long term freight needs.

So, despite recent events, the last year has proven that the City of Kwinana, our Elected Members and staff are adaptable, resourceful and able to work well together in a time of crisis. For this, I am extremely proud.

I want to thank my fellow Councillors, hardworking CEO, Executive Team and all staff for their support and commitment to the City over the past 12 months. We all look forward to a fruitful year ahead.

5.2 The Chief Executive Officer's Report:

The Chief Executive Officer, Mr Wayne Jack presented the Chief Executive Officer's report for the year ended 30 June 2020.

I was welcomed with open arms into the role of Chief Executive Officer of the City of Kwinana in April of this year – right in the middle of a global pandemic. To say my start here has been interesting is an understatement.

I started with the City and barely had time to meet my staff when pandemic protocol forced us into remote working conditions. This challenging time required us all to adapt, both here at the City and of course as a wider community. Our commitment to keeping our residents safe and healthy was – and continues to be – unwavering.

With regret, this meant our community centres, library and Recquatic Centre had to be closed while many of our social gatherings, programs and events had to be cancelled or adapted. We appreciate the support and understanding from our community during this time.

This of course impacted our budget for the current 2020/21 financial year and as a result, we had to streamline our offerings to adhere to a strict budget and maintain the rates freeze to help our residents.

We've also been busy streamlining internal processes, looking at our organisational structures and how we can enhance efficiency in our business processes. Having worked through the COVID-19 pandemic, we now have an understanding and lived experience of how we can manage any large-scale disruption to our services moving forward.

We have a team of committed, experienced and educated people here at the City of Kwinana who work tirelessly to make our City the very best it can be. I want to thank all of the staff and Elected Members who have grand visions for Kwinana and are unwavering in their dedication to making these visions a reality.

While there are still uncertain times ahead, I have no doubt that the future is bright for the City of Kwinana and I'm proud to play a part in the City's evolution.

6 General Business

6.1 Questions by Electors:

Nil

6.2 Motions by Electors:

Nil

7 Reports

7.1 Confirmation of minutes

COUNCIL DECISION

331

MOVED CR S LEE

SECONDED CR M KEARNEY

That the Minutes of the Electors General Meeting held on 29 January 2020 be confirmed as a true and correct record of the meeting.

**CARRIED
8/0**

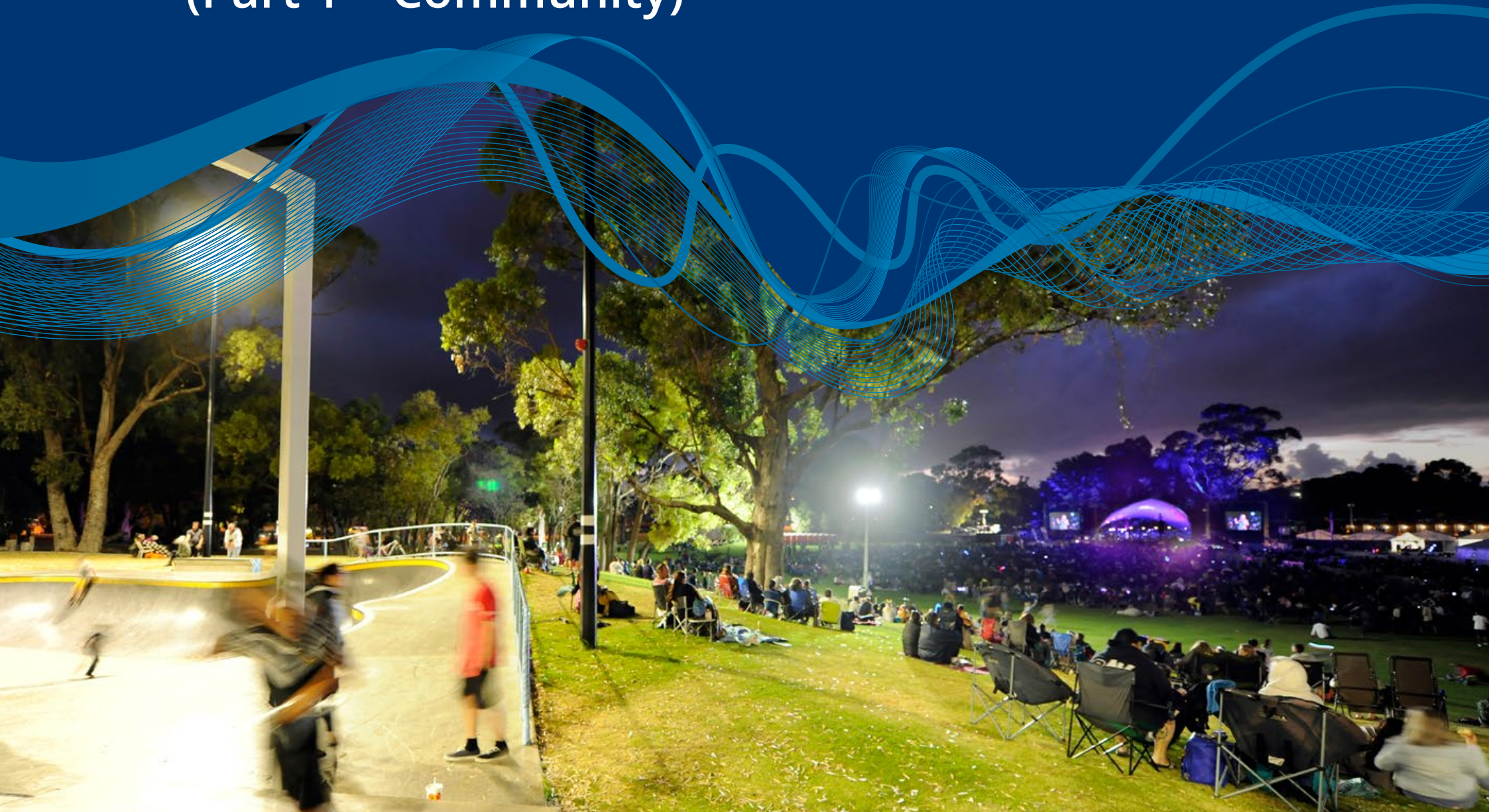
8 Close of meeting

The Mayor declared the meeting closed at 5:05pm.

Chairperson: _____

Annual Report 2019/20

(Part 1 – Community)



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Welcome

Mayor's Welcome

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I want to thank my fellow Councillors, hardworking CEO, Executive Team and all staff for their support and commitment to the City over the past 12 months. We all look forward to a fruitful year ahead.

Carol Adams OAM
Mayor of Kwinana



CEO's Welcome

I was welcomed with open arms into the role of Chief Executive Officer of the City of Kwinana in April of this year – right in the middle of a global pandemic. To say my start here has been interesting is an understatement.

I started with the City and barely had time to meet my staff when pandemic protocol forced us into remote working conditions. This challenging time required us all to adapt, both here at the City and of course as a wider community. Our commitment to keeping our residents safe and healthy was – and continues to be – unwavering.

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We have a team of committed, experienced and educated people here at the City of Kwinana who work tirelessly to make our City the very best it can be. I want to thank all of the staff and Elected Members who have grand visions for Kwinana and are unwavering in their dedication to making these visions a reality.

While there are still uncertain times ahead, I have no doubt that the future is bright for the City of Kwinana and I'm proud to play a part in the City's evolution.

Wayne Jack
Chief Executive Officer

Introduction

The City of Kwinana's Annual Report 2019/20 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 2019/20 (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.



2019/20 Snapshot

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

2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 • 2020 •

JULY

Costco has Kwinana in its Sights

Kwinana is set to become home to one of only two Costco stores being planned by the US retail giant for Western Australia.



AUGUST

Westport Shortlist Securing Future for Outer Harbour

The Westport Taskforce released a shortlist of five future port options with the Outer Harbour in Kwinana being proposed in each of the five options.

City Receives Award for Climate Change

The City received a Commendable Award in the category of Climate Change at the 2019 Local Government Policy Awards.

Recquatic Recognised as a Waterwise Aquatic Centre

The Kwinana Recquatic was recognised as a Waterwise Aquatic Centre at the 50th Annual State Conference of the Leisure Institute of WA Aquatics (LIWA).



SEPTEMBER

OCTOBER

Election Welcomes Back Familiar Faces

The 2019 Local Government Election received 20,481 votes which resulted in the re-election of current Councillors Dennis Wood, Peter Feasey and Wendy Cooper, and past Councillor Sherilyn Wood.



NOVEMBER

Kwinana Children's Services have a Bright Future

Bright Futures Children's Services once again named winners in the Excellence in Family Day Care Awards for 2019 for Western Australia and South Australia.



DECEMBER

Another Huge Symphony Success for Kwinana

The Perth Symphony Orchestra returned to Kwinana on Saturday, 7 December to perform the biggest concert Kwinana has ever seen.

City Announces 2020 Scholarship Winners

The Leadership, Youth, and Respect in Kwinana (LyriK) Educational Scholarships award ceremony awarded sixteen local youths scholarships for 2020.

JANUARY

Kwinana Welcomes New Citizens on Australia Day

The City of Kwinana joined towns and regions across the nation to welcome our newest Australian citizens as part of Australia Day 2020 celebrations.



FEBRUARY

City Welcomes New CEO

At the Ordinary Meeting of Council held on Wednesday, 25 February 2020, the City of Kwinana Council formally appointed Mr Wayne Jack at its new CEO.



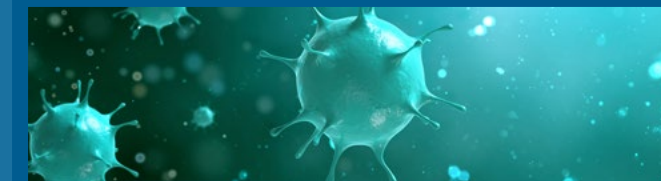
MARCH

Alcoa Children's Festival Captures Imaginations Again

The highly anticipated 2020 Alcoa Children's Festival was enjoyed by more than 9,000 local residents on Saturday 7 March 2020.

Kwinana Responds to COVID-19 Pandemic

In light of the Federal and State Government approaches to the COVID-19 pandemic the City of Kwinana made the difficult decision to cancel the 2020 youth festival as well as all other City of Kwinana larger scale events.



APRIL

Kwinana Recovery Coordination Group Kicks off

The City started to look beyond the COVID-19 pandemic by becoming one of the first councils in Western Australia to activate its Local Recovery Coordination Group.

MAY

City Steps Up Support for Local Small Business

The City of Kwinana released grants of up to \$1,000 each for local retail businesses who were impacted by the COVID-19 pandemic.



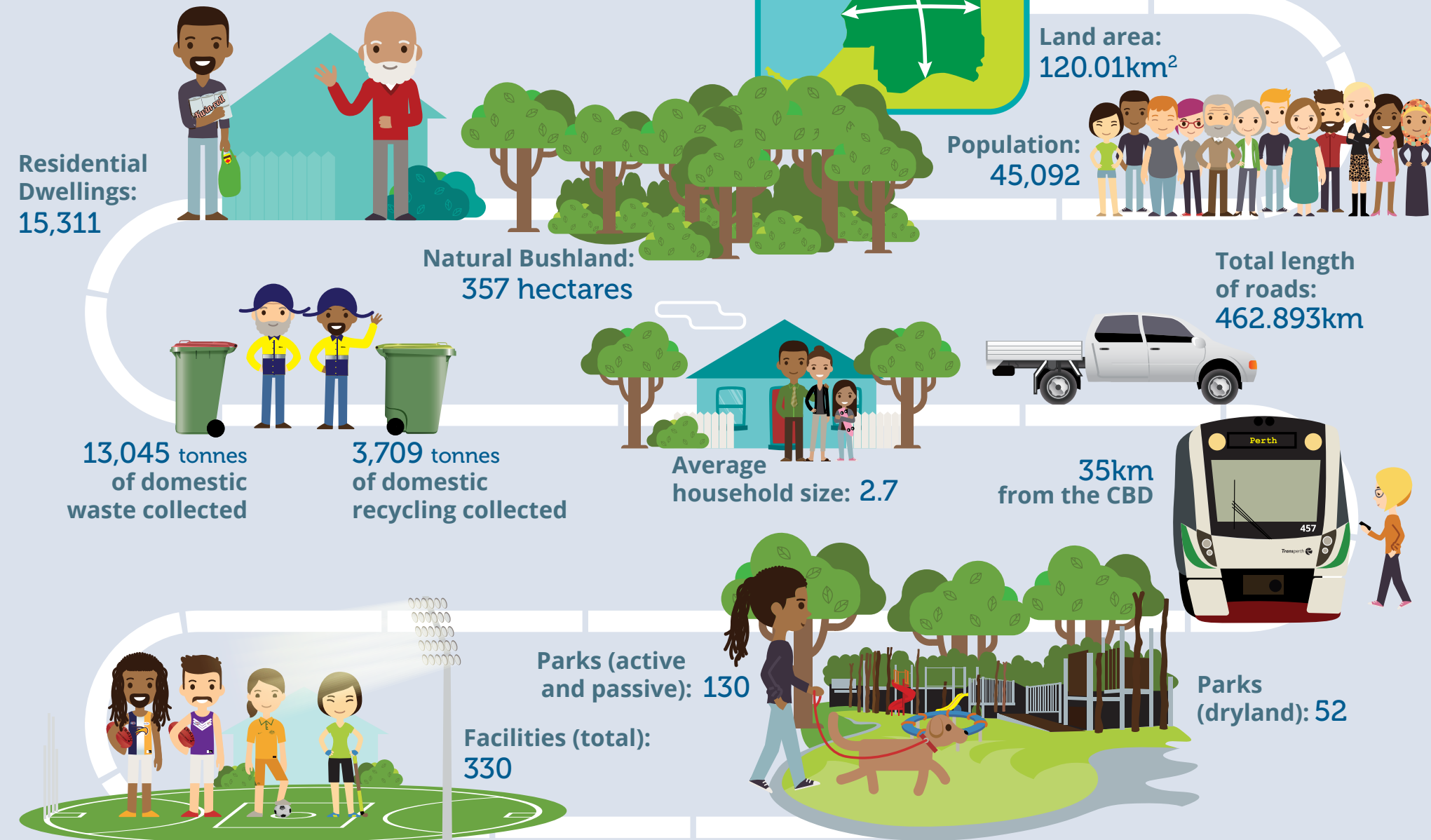
JUNE

City Cuts Budget to Deliver on Zero Rate Increase Promise

The City of Kwinana Council formally adopted its 2020/21 Budget at its Ordinary Meeting of Council on 24 June 2020.



Kwinana at a Glance



(Data obtained from ABS 2016 Census, ABS 2019 Estimated Resident Population and Forecast.id population forecast.)

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.

 Mayor Carol Adams	Term of office expires: 2021	 Deputy Mayor Peter Feasey	Term of office expires: 2023
 Councillor Wendy Cooper	2023	 Councillor Merv Kearney	2021
 Councillor Sandra Lee	2021	 Councillor Sherilyn Wood	2023
 Councillor Matthew Rowse	2021	 Councillor Dennis Wood	2023

Elected Member attendance at Council meetings 2019/2020

(Includes all current Elected Members and the outgoing Elected Member of 2019).

Elected Member	Ordinary Council	Special Council	Electors General
	Meetings Attended		
Total meetings held	22	4	1
Carol Adams	21	4	1
Peter Feasey	22	3	1
Wendy Cooper	22	4	1
Merv Kearney	17	4	1
Sandra Lee	21	4	1
Matthew Rowse	21	3	1
Dennis Wood	18	4	1
Sherilyn Wood (Elected October 2019)	15 ¹	4 ²	1
Sheila Mills (outgoing Elected Member)	6 ³	Meetings not held whilst elected to office	

NOTE:
¹ 15 Ordinary Council Meetings held since elected to office.
² 4 Special Council Meetings held since elected to office.
³ 7 Ordinary Council Meetings held whilst elected to office.

Due to the COVID-19 pandemic social distancing requirements, and in accordance with recently amended *Local Government (Administration) Regulations 1996*, the following Ordinary Council Meetings were held electronically and the Elected Members attended via instantaneous media:

- 8 April 2020
- 13 May 2020
- 22 April 2020
- 27 May 2020



City of Kwinana Staff

Employees

Employees as at 30 June 2020:

Full Time:	192
Part Time:	70
Casual:	104
Total:	366 (head count)
Total FTE's:	269.88

City of Kwinana Leadership Team (as at 30 June 2020)



Wayne Jack
Chief Executive Officer



Michelle Bell
Director City Legal

Bruce Mentz
Manager Essential Services
Vacant
Manager Contracts



Maria Cooke
Director City Regulation

Troy Morley
Manager Environment Health
Paul Neilson
Manager Planning and Development
Rodney Molyneux
Manager Building Services



Doug Elkins
Director City Infrastructure

David Boccuzzi
Manager City Operations
Reza Najafzadeh
Manager Engineering Services
Ann Nicholas
Manager Asset Management Services



Kelli Hayward
Director City Business

Warwick Carter
Economic Development and Advocacy Manager
Natasha Dransfield
Manager Customer and Communications
Stacey Hobbins
Manager Finance
Mathew Smith
Manager Information Technology
Sue Wiltshire
Manager Human Resources



Barbara Powell
Director City Engagement

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 etc; 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);
- emergency services and 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;
- community support and social inclusion; 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 etc.

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, control of diseases 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 etc;
- upkeep of the City's buildings;
- development applications, structure plan assessments, planning policy development and implementation and administering 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 continuously 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 2019-2029, 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 2019-2029*.

The City’s *Corporate Business Plan 2019-2024* 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 2019-2029*.

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

Key Items of Expenditure

Expenditure for key projects and programs delivered in the 2019/20 year includes:

- \$301,000 in development initiatives, including local business grants and programs;
- \$2.24m towards safety and security, with a focus on improved CCTV, City Assist services, Senior Security Subsidy Scheme and control of illegal dumping;
- \$1.65m towards the Zone Youth including welcoming the Diversity Strategy that has a focus on working with at-risk, disengaged or homeless community members at popular locations in the City Centre;
- \$2.2m spend on road upgrades and renewals with the Wellard Road duplication project to be carried forward to 2020/21;
- \$248,751 towards lighting upgrades at Thomas Oval;
- \$457,000 spent on community events including the Alcoa Children’s Festival and end-of-year community concert; and
- \$407,212 to support the Koorliny Arts Centre.

2019/20 Key Priorities Achieved

Key organisational priorities in the 2019/20 year that were achieved include:

- continued to lobby and advocate for a new port in Kwinana;
- continued the implementation of the Community Safety and Crime Prevention Plan;
- progressed the development of the Conciliation Action Plan;
- progressed the development of the Love My Neighbourhood Framework;
- progression of the Local Planning Strategy;
- initiated the Town Planning Scheme as part of the Local Planning Strategy;
- completion of the Public Health Plan;
- commenced the review of the City’s Waste Management Strategy;
- progressed the implementation of a new Corporate Business System;
- progressed the development of a new City website;
- completed a review of the City’s Ground Water Operating Strategy;
- progressed the update of the Asset Management Strategy; and
- completed a review of the Kwinana Adventure Park Management Plan.



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 Program	Public Art Masterplan
Active Citizenship Strategy	History and Heritage Implementation Plan
Heritage Assets	Life Long Learning Strategy

Key Projects/Achievements in 2019/20:

The City hosted a range of crowd-pleasing, show-stopping events in 2019/20.

The City once again teamed up with the Perth Symphony Orchestra to host the 2019 Summer Symphony. Held on the first Saturday in December 2019, the event was the City's brightest, loudest and most popular concert event so far, with over 7,000 attendees.

When it came to our Christmas events, the City's Seniors' Christmas lunches welcomed 200 guests who were serenaded by local children singing carols while the annual Lolly Run once again saw Santa and his crew of helpers drive every street in Kwinana on Christmas morning to spread cheer and goodwill. A total of 88 volunteers distributed approximately 13,000 lolly bags to Kwinana residents.

On 26 January 2020, around 1,000 community members attended the Kwinana Adventure Park to celebrate Australia Day. Attendees enjoyed a free BBQ breakfast cooked by the Kwinana Rotary Club, free entertainment and celebrated the crowning of Kwinana's Citizen of the Year.

Our event season was rounded out by the Alcoa Children's Festival. Held at Calista Oval on Saturday, 7 March 2020. The event, themed 'Once Upon a Time' welcomed an estimated 9,500 attendees – our biggest so far.

Kwinana Library and Community Resource Centres continued to be a focal point in our community. These are places where firm friendships are formed, social inclusion is promoted and people can learn new skills while having fun.

The City's Bookings Team worked with regular hirer groups to support them in using City-owned buildings, promoting their programs and ensuring their long-term sustainability.

Community facilities were booked for a total of 34,257 hours down from 36,437 last year due to the COVID-19 pandemic.

Seasonal tenants were the biggest user of the community facilities with a share of 7,562 hours. Medina Hall was the most popular community facility with 2,706 hours booked over the year. The Patio at the Adventure Park continues to be popular during the summer months with the weekends being the peak booking periods.

The City's crèches at the Darius Wells Library and Resource Centre and the Recquatic Centre saw 10,536 children attend from July 2019 to March 2020 prior to closing during the COVID-19 pandemic.

The children in our community were well catered for with over 400 attending sensory and craft activities run by our crèche staff at the William Bertram and John Wellard Community Centres.

The Kwinana Public Library refurbishment was completed with welcoming comfortable zones including new furniture, resources and improved access to information. This change allows for an increase in customer experience with roaming staff who are more accessible to patrons.

Last financial year, there were 134,433 loans and renewals of physical items at the Kwinana Library. The library added 4,224 physical items to its collection and offered home delivery and click and collect services which were used by 282 residents during the 11 weeks the library was closed due to the COVID-19 pandemic restrictions.

Sixty residents used the John Slinger IT Lab's computers during shutdown and there were over 50,036 uses of our online e-resources over the year.

The focus of the library's local history area was on enhancing the profile of local history information and improving access to the resources of this collection. A project has commenced to add photographs from the library's collection to the online catalogue and the oral history collection has now been made available online through SoundCloud.

Kwinana Youth Services ran a series of programs and events to serve and support the young people in our community.

The Drop-in Lounge at the Zone Youth Space continued to provide a safe space for young people to socialise, build life skills and connect with and get wellbeing support from the youth team. Support was offered to many of Kwinana's most vulnerable young people through case management, advocacy, program delivery, outreach and more. In 2019/20, 2,386 vulnerable young people accessed support.

Youth Intervention and Youth Participation Working Groups helped support young people in a coordinated manner. These programs were run in collaboration with a number of external agencies including Centrelink, Youth Justice, the Department of Education and Department of Communities. The City continued to be successful in securing external grant funding for the full cost of this service.

The Youth Advisory Council (YAC) for aspiring young leaders continued to meet fortnightly to help promote the interests of local young people and develop initiatives.

A range of programs and activities for young people continued, including skills workshops, sports, cooking classes, LAN gaming, social support groups, skate/scooter workshops and competitions, themed events, school holiday activities, Beatball and Nightfields. A total of 52 different youth programs were delivered, plus 162 separate activity sessions with a total attendance of 2,421.

The team adapted to delivering programs online during the COVID-19 pandemic restrictions.

The Zone Youth Space also ran a range of programs from external providers. The facility is available for bookings by community groups and individuals and continues to grow in popularity as an appealing space for hire.

Bright Futures Children's Services continued to go from strength to strength, providing much-needed support to local families and carers.

Bright Futures Children's Services was the recipient of the 2019 State Excellence in Family Day Care awards and a national finalist. Lynne Brooke was the winner of the Family Day Care Coordinator of the Year State award and national finalist 2019.

The In Home Care service grew considerably over the 12 months with 26 educators and 28 families enrolled across Perth metro and regional areas.

Family Day Care provided 494,082 hours of care over the year, averaging 9,687 hours per week. In Home Care provided 43,447 hours of care over the year, averaging 852 hours per week and the Moorditj Kulungar Playgroup averaged 13 children per session in Term 1 with 18 families enrolled.

In partnership with Earbus, Connecting Community for Kids and The Smith Family, Bright Futures staff were trained in ear health. This has enabled the team to screen children from the Aboriginal community and offer support for referrals on to a specialist if required. A total of 64 children under five years of age were screened - 22 from Aboriginal families.

During the COVID-19 pandemic, Bright Futures worked as an advocate for Family Day Care in WA on the Family Day Care Australia Advisory Committee, providing important input into matters arising from the COVID-19 pandemic and its effects on the Family Day Care sector.

The City continued to focus on creating more activities in suburbs across the City and the City's Place Leaders continued to build connections with local community groups and businesses to deliver initiatives and collaborative projects while supporting local leadership.

Place Plans were developed for Bertram, Medina and Wellard, as well as place audits with local communities. A range of community-led projects such as the Mad Hatters Tea Party, movie nights, markets and the Ridley Green Magic Garden were deemed successful amongst the local community.

In 2019/20, the Parks for People program was introduced as a collaboration between the City and communities surrounding Harrison Park in Calista and Morrit Park in Parmelia. The Harrison Park engagement saw the incorporation of natural features including planting of mature trees, improvements in accessibility and a new shelter and picnic bench. Morrit Park received more shelter, supported benches, lounges and some new play elements in its design.

In addition to Parks for People, the installation of \$100,000 of CCTV throughout the Medina Town Centre formed part of infrastructure upgrades delivered.



Community safety is always a key priority for the City. The City continued its work with the community to implement a number of initiatives designed to bring people together throughout the year and foster community spirit in Kwinana.

The City's 'Neighbour Day Every Day' program encourages neighbours to connect with each other street by street. This initiative has seen the City of Kwinana acknowledged as a 'Very Neighbourly Organisation' by Relationships Australia.

The Medina Town Centre CCTV project was completed with funding through the State Government 'Local Projects, Local Jobs' program. The grant supported the installation of 23 new CCTV cameras, public lighting upgrades, public Wi-Fi installation, street cleaning and delivery of activation projects within the Medina Town Centre. The works were completed through collaboration with local businesses and residents.

The City also worked with the Western Australian Police Service, Crime Prevention Unit and key stakeholders to improve knowledge and awareness of property and personal safety. This included distribution of Community Safety Information Kits at City facilities, events and through existing community networks.

All 47 actions in the Community Safety and Crime Prevention Plan have been implemented or progressed. Western Australian Police Service data shows crime statistics for the City of Kwinana are lower in 2020 than in previous years.

The City Assist team worked to educate the community around matters such as responsible dog ownership, traffic management and parking, amongst other safety measures. During the year some significant improvements were made to community assistance.

The team reviewed the City's authorised dog exercise areas and installed dedicated signage to better identify these parks and reserves. City Assist also completed a draft of the City's new Cat Local Law and a new Nuisance and Amenity Local Law and Health Local Laws.

During 2019/20, the City Assist team received a total of 9,098 calls, averaging 758 per month. The team also received 1,479 dog complaints, 724 parking complaints, 363 fire complaints and 213 noise complaints.

City Assist registered 752 new dogs and 181 new cats with the City. Of the 382 dogs impounded, 261 were reunited with their owners and 105 were rehomed.

A strategic change to the City Assist fleet set up and overall look was carried out and vehicles are now more attuned to the various needs of the team.

City Assist also received runner up in the WA Ranger Team of the Year Awards in October 2019.

The City's Community Outreach Service supported homeless and people at risk of homelessness in the community, including people who are experiencing social disadvantage.

The service, together with the City's Community Liaison Service, helped the City to engage directly with community members, businesses, services and agencies.

The aim of the City's Community Outreach Service is to help improve wellbeing by providing information, advocacy, referral or assistance. In the last financial year, the team actively engaged with 267 vulnerable adults or children experiencing difficulty who were not accessing support services, accommodation or benefits.

During the COVID-19 pandemic restrictions, a Community Support Line was established to make it easier for the community to access wellbeing information and support. In total, 53 people called the helpline for support, with follow-up occurring in-person as restrictions eased.

Community Liaison Officers continue to provide a positive engagement service within the central business district and other key localities. This year the service engaged with 3,322 people and made 457 referrals for additional support.

Promoting diversity, multiculturalism, arts and the history of our City were a large focus for our Community Engagement team in 2019/20. The City worked to strengthen multiculturalism and social cohesion in Kwinana through programs and events.

The Learning English through Story Time program was facilitated at the City's library. This program is designed to teach adults basic English and develop the skills needed to promote and assist their children in learning English as a second language.

A Job Opportunity Expo was conducted at the John Wellard Centre in August 2019 and incorporated workshops, stalls and presentations by recruitment agencies and service providers. Over 200 people attended the expo with approximately 35% of people being from a culturally and linguistically diverse background.

The City supported the Kwinana Heritage Group with a \$10,000 contribution to assist with custodianship and ongoing presentation of key historical artifacts at the heritage site, Smirk's Cottages, to the community.

City Officers contributed to a review of a Public Art Proposal as part of the Local Planning Policy Development Contribution to Art and the City contributed \$407,212 towards operational costs of the Koorliny Arts Centre, in order to make it an accessible and vibrant arts and culture space available to the community.





Key Outcome Measures:

Measure	Industry Average (%)	Performance 2016 (%)	Performance 2018 (%)*
Increase in MARKYT Performance Score for % of community satisfied with festivals, events and cultural activities	64	64	71
Increase in MARKYT Performance Score for % of community satisfied with safety and security	54	41	45
Increase in MARKYT Performance Score for 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 2020/21:

- implementation of Local Place Plans for Bertram, Medina, and Wellard;
- implementation of the Love My Neighbourhood Framework;
- development and implementation of the Community Engagement Framework;
- ongoing delivery of actions in the Community Safety and Crime Prevention Plan;
- working towards accreditation as a 'Safe Community' within the Pan Pacific Safe Communities Network;
- Parks for People - Ascot Park, Bertram upgrade;
- consultation and construction – Honeywood Oval Sporting Clubrooms;
- consultation for shared bike path installations on Gilmore and Parmelia Avenues;
- 2021 Alcoa Children's Festival;

- implementation of the Innovate Conciliation Action Plan;
- implementation of the Kwinana History and Heritage Plan;
- development of a new Arts and Cultural Plan;
- revision of the Public Art Master Plan;
- development of a new Multicultural Action Plan;
- development of a new Disability Access and Inclusion Plan;
- celebration of Kwinana Loop Trail upgrades;
- completion of Thomas Oval Stage 1a lighting project;
- review of the Youth Strategy;
- expansion of activities for young people to more locations than the Zone Youth Space and Edge Skate Park;
- review of Bright Futures' current business model and recruitment of additional staff resources to rebuild the service after the impact the COVID-19 pandemic;
- training for Bright Futures service staff and educators in nature-based play; and
- continued collaboration with Earbus to plan further ear screening sessions and ensure all children requiring a follow up are seen and referred if needed.





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
Multicultural Action Plan	

Key Projects/Achievements in 2019/20:

While the COVID-19 pandemic put a stop to many events and in-person gatherings, including the closure of our Community Resource Centres, the City continued 'business as usual', albeit adapted to meet the circumstances, all the while making sure we were Alive with Opportunity.

Some community and youth service programs were shifted to an online model while the library offered at-home delivery and non-contact returns.

Community Resource Centres adapted their programs, offering practical support to residents seeking employment, managing budgets and lifelong learning programs online.

Curriculum programs were also added for children learning from home and opportunities for adults to upskill and connect while in isolation.

The City developed a 2020/21 Lifelong Learning Strategy to include a significant focus on digital literacy in response to residents' needs during the economic crisis as a result of the COVID-19 pandemic.

Our Volunteer Resource Centre celebrated referring 362 volunteers to 66 community agencies for placement this year.

Prior to physically closing in March 2020, there were 158 active volunteers assisting in Kwinana. The Volunteer Resource Centre adapted its focus over the year to attract more host community agencies and reviewed its processes to be able to involve more volunteers in all departments of the City.

The introduction of the Bright Futures Children's Services intergenerational playgroup meant an increased connection was formed across the community.

Bright Futures partnered with Chorus to facilitate intergenerational play sessions. Ageless play brings together adults, caregivers and children, helping to overcome social isolation and enabling connection across generations. The sessions were held every week and we welcomed children and aged care residents to enjoy activities together.

The program was hugely successful with many new friendships being formed between residents and the children.

During COVID-19 pandemic restrictions, the service maintained connections by recording messages to each other and sending them through to one another as videos for all to enjoy.

The Community Engagement team was busy connecting with key pockets of the community in Kwinana and increased its focus on health and wellbeing, with the help of a mutually beneficial collaboration with the South Metropolitan Health Services (SMHS) Health Promotion team.

The City and SMHS worked collaboratively to deliver actions within the City's Public Health and Wellbeing Plan. These actions included a Healthier Sporting Club forum for local government officers and health professionals, success in external funding grants from Healthway and Injury Matters for Health Promotion projects and the formation of a project group focusing on reducing smoking levels in the City.

As part of the response to the COVID-19 pandemic, the City established virtual roundtables in collaboration with local resident associations. Groups met regularly online to help identify specific needs in the community, encourage greater community-driven leadership and sharing of resources and ideas between neighbourhood groups.

Funding has benefitted many areas of our community.

Over the last three years, the Kwinana Community Fund, a partnership between the City of Kwinana, the Kwinana branch of the Bendigo Bank and Community Chest has provided \$176,560 to 66 projects with a total project value of over \$923,000.

Over the past 12 months alone, 23 applications were received with the panel supporting 21 projects to the value of \$56,012, with a combined project value of over \$356,000. The City of Kwinana contributed \$17,746.

KidSport has once again been a popular funding option, allowing families to play sport locally. Last year, 349 KidSport vouchers amounting to \$65,193 were gifted. Kwinana Junior Knights Football Club was the fourth highest recipient of KidSport throughout the whole of WA. The Sports Financial Assistance Fund supported 32 athletes to the value of \$6,050.

Kwinana Recquatic had a rewarding year, despite the COVID-19 pandemic slow-down.

The Centre successfully navigated COVID-19 pandemic restrictions and completed an internal restructure with the appointment of a new Customer Experience Team Leader, Business Development Specialist, Centre Operations Supervisor, Fitness Programs and Member Engagement Team Leader and Recquatic Manager.

In March 2020, prior to the COVID-19 pandemic, the Recquatic was tracking significantly ahead of budget. This was through a combination of increased revenue and a decrease in expenditure via the introduction of a new business model, review of administrative procedures and customer request training for staff.

Aside from the three-month closure, it was business as usual at the Recquatic, which accommodated 31,867 school children for their in-term swimming lessons, run by the Department of Education.

Kwinana Swim School received funding for another year for the Specialised Access Inclusion Lessons (SAIL) program through Royal Life Saving WA. The funding helped over 40 students per term.

The stretching room at the Recquatic was transformed into a Range of Motion Workout of the Day (ROMWOD) dedicated studio - the first of its kind within any local government recreation facility within Australia. The ROMWOD program is a world renowned daily stretching program that is accessible to all members.

The stadium roof was replaced over a six-week period. Despite the closure during this time, the stadium saw a 90% retention rate for sports.

The new birthday party area in the café hosted 22 parties and the Recquatic team held another successful open day with 1,550 people attending.

On 20 February, four lifeguards from the Aquatics team participated in the annual Pool Lifeguard Challenge run by Royal Life Saving Society WA and Leisure Industry WA, with the aim of testing teams of professional lifeguards. The event provides pool lifeguards with the opportunity to practice essential lifesaving skills under guidance of professional industry examiners.

The Recquatic completed a full review of its current membership structure, identifying areas for improvement and creating a new fees and charges structure. This new structure was to be rolled out from July 2020.

The City progressed with the development of several strategic plans and continued to advocate for initiatives that will bring economic stability and increased employment opportunities to the region.

The City progressed the implementation of the Local Commercial and Activity Centre Grants with over 20 grants awarded.

The City also continued engagement and advocacy with Westport to support the case to bring the new port to Kwinana and formed the Economic Recovery Subcommittee for the response to the impacts of the COVID-19 pandemic on local business. A business case was also completed for destination attraction concepts.



Key Outcome Measures:

Measure	Industry Average (%)	Performance 2016 (%)	Performance 2018 (%)*
Increase in MARKYT Performance Score for % of community satisfied with how the City Centre is being developed	52	62	64
Increase in MARKYT Performance Score for % of community satisfied with economic development	45	43	50
Increase in MARKYT Performance Score for 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 2020/21:

- the City's Lifelong Learning Strategy for 2020/22 with a focus on Kwinana's current economic situation. The plan prioritises programs and tools which support literacy upskilling, vocational and job-ready training alongside practical life skills such as money matters, DIY projects by partnering with local businesses and community groups;
- activation of our centres by adapting our opening times and offers to provide greater reach and more flexibility for local residents to learn and connect;
- expansion of library services to John Wellard and William Bertram Community Centres so that residents can collect and drop-off resources where they live;

- new activities at all the City's crèches, including sensory play and clever craft activities to improve early childhood education;
- implementation of a simpler and more efficient community facilities booking system;
- complete refurbishment of the Mandogalup Volunteer Bush Fire Brigade;
- demolition and rebuild of the new Kwinana South Volunteer Bush Fire Brigade;
- refurbishment of the City's animal care facility;
- support of State Government initiatives around Westport;
- stronger engagement with local businesses;
- significant operational changes to the City Assist and Essential Services, including revised operational hours;
- launch of Recquatic Strength and Conditioning custom programming in the Functional Training Studio;
- increased use of functional training room to attract new members to the Recquatic centre;
- upgrade of all leased cardiovascular and gym strength equipment at the Recquatic Centre; and
- creation of a Recquatic Customer Experience Plan to align with City of Kwinana Customer Services Charter.





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 Asset Management Plan
Mosquito and Midge Management Plan	

Key Projects/Achievements in 2019/20:

In 2019/20, the City adopted a new fire notice and received additional funding to undertake the refurbishment of the Mandogalup Volunteer Bush Fire Brigade station. We're continually working to maintain the beauty of our City while ensuring the safety of our community.

The City implemented upgrades to the Kwinana Loop Trail to the value of \$80,000.

The trail upgrade project, supported by Lotterywest, features the creation of 11 bi-lingual signs, and two rest stops through close collaboration with the Aboriginal community.

City officers worked closely with an Aboriginal artist, whose painting depicts the Aboriginal connection to local lands. The artist's work will be used on bi-lingual signs, shelter structure, maps and materials.

Assets to the value of \$7,286,522 were gifted from private developers for environmental upgrades around the City.

The City installed three additional water data loggers at Wells Park, Peace Park and Bertram Community Centre, to assist with real-time tracking of water use and identification of water leaks.

The City also installed solar panels at Wellard Pavilion (10kW) and Fiona Harris Pavilion (10kW) in May 2020, saving approximately \$6,300 per year in electricity costs.

Some of the City's popular environment programs were transferred online including the Seedling Subsidy Scheme, Living Smart Program and a virtual Wildflower Walk while the Nightstalk and Plant ID Workshops went ahead as planned.

Maintaining the natural beauty of Kwinana is one of the City's priorities. In the 2019/20 year:

- 1,200 planted trees were watered;
- 7,463 verge trees were pruned to maintain clearance from overhead power lines;
- a total of 567 trees were planted through capital projects;
- six parks in new development areas, totalling 12.42 hectares were handed over to the City;
- the City gained a 9.93/10 rating for 'usefulness' and 9.87/10 rating for 'satisfaction' from participants of our online Living Smart program, the highest ever ratings achieved by facilitator Shani Graham;
- 1,923 subsidised seedlings were provided to the community;
- around 17,000 native seedlings planted (including 2,000 as part of Coastcare);
- around 70 community volunteers assisted with community planting days;



- 305 students and children assisted with planting at the beginning of the financial year;
- 119 participants attended the Annual Wildflower Walk in 2019 – the highest number to date;
- a total of 82,138 mosquitoes were trapped across 10 monitoring sites; and
- there was a 22% increase in total tonnage of green waste verge collections.

In addition, the City:

- completed a review and update of the Calista Oval Management Plan 2020;
- designed and installed a new irrigation system at Apex and Rhodes Park to the value of \$168,000;
- completed the replacement of post and rail fencing around Medina Oval to the value of \$42,000;
- completed the Irrigation Development Guidelines document (2019);
- finalised a new five-year maintenance agreement with Main Roads Western Australia to maintain Rockingham and Thomas Road median island and verges;
- landscaped and planted 222 new trees along Orelia Avenue and McWhirter Promenade;
- planted trees in areas with low canopy coverage as part of the ongoing street tree planting program, with 220 planted in Bertram and 123 planted along Henry Street in the Kwinana Industrial Area; and
- received Gold award from the Water Wise Council.

Key Outcome Measures:

Measure	Industry Average (%)	Performance 2016 (%)	Performance 2018 (%)*
Increase in MARKYT Performance Score for % of community satisfied with conservation and environmental management	58	57	64
Increase in MARKYT Performance Score for % of community satisfied with animal and pest control	55	54	59
Increase in MARKYT Performance Score for Increase in % of community satisfied with effort to promote and adopt sustainable practices	56	52	63
Increase in MARKYT Performance Score for Increase in % of community satisfied with management of food, health, noise and pollution issues.	57	53	59
Increase in MARKYT Performance Score for 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 2020/21:

- ongoing roll out of sustainability initiatives for Council buildings/sites;
- development of a Sea Level Rise policy to inform development along the City Coastline;
- review and update of the Climate Change Mitigation and Adaptation Plan 2015-2020;
- review of the Sustainable Water Management Plan 2018-2023;
- review and update of the Waste Education Plan 2019-2020;
- review and update of the Environment Education Strategy 2019-2024;
- review and update of the Waste Management Strategy 2017-2020;
- review of the bulk waste collection service;
- draft Bushfire Mitigation Plan; and
- review of the City's Fire Notice.



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
Parks Upgrade Strategy	Streetscape Upgrade Strategy
Public Health Plan	

Key Projects/Achievements in 2019/20:

A total of 20,423 tonnes of waste and recycling was collected by the City's waste contractors with 27.3% of this material diverted from landfill. The City saw a 4% increase in kerb-side waste collection with 13,045 tonnes collected and a 3% increase in kerb-side recycling, with 3,709 tonnes collected. Green waste collection was up by 22% on the last year with 1,769 tonnes collected while 1,799 tonnes of bulk waste was collected across two verge collections.

The City continued to provide waste education messages to the community through worm farming workshops, compost workshops and the annual Garage Sale Trail, which encourages the reduce, reuse and recycle message nationwide.

The Public Health Plan was adopted and the Mosquito and Midge Management Plan was reviewed and updated.

The Environmental Health team was also actively engaged in the City's response to the COVID-19 pandemic and State Government emergency directions. The City inspected 647 food businesses and processed 655 applications. Of the 462 health complaints processed, 204 were noise complaints.

The City was successful in its application for several Community Sport and Recreation Facilities Fund (CSRFF) grants, provided by the Department of Local Government and Communities.

Projects included:

- lighting at Thomas Oval – a \$450,000 project due to be completed in 2020/21, which received \$150,000 in funding;
- Medina Oval change rooms – a \$190,518 project was completed in May 2020 and received \$72,160 in funding; and
- the Honeywood Sporting Clubrooms – a \$3.718m construction, which received \$400,000 in funding. Construction is due to begin before December 2020.

The Asset Management team was busy providing updates to the City's facilities and structures.

The crèche roof at the Kwinana Recquatic Centre was replaced, while the Koorliny Community Arts Centre received shade sails with balustrades in the courtyard.

The City also refurbished the Medina Oval change rooms, began construction of the Mandogalup Volunteer Bush Fire Brigade extension and started the design process for the Honeywood Sporting Clubrooms.

In addition, 25,555m² of roads were rehabilitated and resurfaced around the City, 268 residential lots were developed by private developers in Wellard, Wandi and Mandogalup and the City had assets to the value of \$3,732,597 gifted by private developers towards pavements, kerbs, footpaths, pipes and parking areas.

The City's Information Technology (IT) team used an extensive network that incorporated facilities, halls and ovals to expand the City's public Wi-Fi services and replace all legacy phone systems.

The team also developed Cyber Security Training to further secure the City of Kwinana and protect against increasing IT threats.

The team planned and implemented a mobile workforce strategy. This involved providing portable tablet PCs, permanent wireless (4G) internet connectivity and seamless VPN for a secure and 'always on' corporate network connection to the majority of staff.

This was finalised prior to the COVID-19 pandemic and the benefits were immediately realised, as the majority of employees were able to easily transition to working-from-home situation without any major involvement from IT.

In 2018/19, the City engaged the community around a number of key studies as part of Stage 1 of the Local Planning Strategy (LPS), including housing, integrated land use and transport, employment and economic development, biodiversity and rural lands.

The outcomes were endorsed by Council in September 2019. Council asked that City Officers consider the outcomes of the Community Consultation and Engagement Program for Stage 2 of the Local Planning Strategy.

Subsequently, the City progressed Stage 2 of the LPS over the remainder of 2019 and into the first half of 2020. City Officers have worked closely with Council to ensure the vision, objectives and strategies established are in keeping with its intent and the community consultation outcomes.

The adoption of a final draft LPS by Council is anticipated late 2020.

Council adopted the Kwinana City Centre Master Plan at its December meeting 2019. It provides a vision for the City Centre and sets the scene for more detailed planning.

The City undertook a period of community engagement including a number of community workshops. The findings of the community consultation fed into the final Master Plan.

In addition, the City completed the detailed design of Wellard Road duplication project to the value of \$15million. The City also successfully obtained approval for grant funding from WA Bicycle Network (WABN) Grants program (50/50 cost sharing between the City and WABN) for the design of two key bike path projects along Gilmore Avenue and Parmelia Avenue.

The combination of these two projects is estimated to be worth around \$1.3million with the amount being evenly split between the WABN and the City over the next two to three years.

Key Outcome Measures:

Measure	Industry Average (%)	Performance 2016 (%)	Performance 2018 (%)*
Increase in MARKYT Performance Score for % of community satisfied with community centres and facilities	58	65	67
Increase in MARKYT Performance Score for % of community satisfied with sport and recreation facilities	65	66	68
Increase in MARKYT Performance Score for Increase in % of community satisfied with playgrounds	68	65	77
Increase in MARKYT Performance Score for 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 2020/21:

- commence construction of Honeywood Oval Sports Pavilion;
- design and construction of new Kwinana South Volunteer Bush Fire Brigade Station;
- design of an accessible toilet facility at Rhodes Park;



- refurbishment of toilet facilities at Kwinana Tennis Clubrooms;
- fleet and plant replacement program – value \$1.25million;
- Public Open Space (POS) renewal of bores, fencing and irrigation – value \$216,700;
- new backup system for the City's IT team;
- new corporate business system;
- complete migration to a Cloud environment;
- progression of the Local Planning Strategy to its final draft for adoption by Council and for referral to the Western Australian Planning Commission;
- progression of the City Centre Activity Centre Plan;
- continued structure planning and subdivision approvals for new growth areas; and
- a range of policy-based planning for residential and industrial development in the City.

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%	77%
	Asset Renewal Funding Ratio (%)	Greater than 75%	30%
	Asset Sustainability Ratio (%)	90%	27%
Business Performance	Development Applications assessed within statutory timeframes (%)	100	98
	Local Development Plans assessed within statutory timeframes (%)	100	100
	Subdivision Applications assessed within statutory timeframes (%)	100	70.8
	Building Approval Certificates processed and issued 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 2020.

Statutory Reporting

Disability Access and Inclusion Plan

Throughout 2019/20 the City continued to actively work to ensure all people living, working in and visiting the City had unconditional access to its services and facilities. 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 2019/20 including:

- The City's Events team attended Inclusion Solutions workshop 'Hosting Inclusive Events'. This workshop assisted the Events team gain a greater understanding of the needs of people with disabilities and has helped to shape the planning of the City's major events.
- In planning the 2019 Summer Symphony, Event staff sought feedback in relation to the layout of the City's ACROD viewing area, toilet facilities and parking. Adjustments were then made to increase the size of the viewing area and locating it closer to the ACROD parking bays, accessible toilets and ramp access. Security were also made available to offer individuals assistance to cross the grassed area. An increased number of ACROD bays were made available for this event with a total of 31 cars parked in these spaces. The City provided an accessible shuttle bus arranged through Events Care. The bus provided transport from both the City's train stations. Alternative pick-up locations were also offered to local community members.
- The City's Alcoa Children's Festival 2020 included a sensory chill-out tent. The tent included activities such as audio books (through headphones) and sensory play trays along with alternative seating options including grassed areas, picnic blankets, beanbags and chairs.
- The John Wellard Community Centre planned and facilitated 'Sensory Play for Pre-schoolers' program. The program was facilitated by City Officers over eight weeks during the school term and is aligned with Early Childhood Frameworks. The program has been marketed to all abilities and has seen a record number of children and parents take part -at times having up to 40 children in attendance.
- City Officers continue to monitor facilities and infrastructure to ensure compliance with the minimum service standards.
- Each year the City enhances selected parks as part of its Parks Renewal and Upgrade Strategy. Morrit Park (Parmelia) and Harrison Park (Calista) were upgraded this year, informed via community engagement with community members living locally, as well as other relevant stakeholders. The engagement identified areas to improve accessibility which included an accessible picnic setting, paths and ramps.
- 40 City Officers completed the City's internal optimisation and accessibility training, which taught staff how to create and set up documents in word and PDF so they can be easily read by assistive technology such as screen readers. This ensures documents uploaded to the City's website are accessible to people who may be blind, illiterate and/or have a learning disability. These standards have been incorporated into the City's Style Guide.
- The City hosted a Disability Inclusion in Clubs workshop that was facilitated by Football West. This workshop promoted disability awareness, provided practical information and assisted clubs to identify how they could incorporate strategies within their frameworks and policies that would support their clubs to be more accessible and inclusive to people with disabilities. The workshop was promoted to all clubs in the local area with representatives from three local sporting clubs in attendance as well as four City Officers.

- The City's Recquatic team had customer service training focusing on delivering the best customer experience to individuals. A particular objective of the training is supporting people with disabilities to feel safe and welcomed at a facility. Topics included how to identify the needs of people who come into the Centre and strategies staff can use to ensure they are providing the best quality of service to people with disabilities.
- The City of Kwinana and the City of Mandurah were approached by the City of Rockingham to help facilitate their Access and Inclusion Networking Meetings. Meetings are open to service providers, organisations and people working in the access and inclusion space, and offer opportunities to network and collaborate. The meetings provide another opportunity to engage with people with disabilities through their service providers and networks.
- The City recently took part in AccessAbility Day - an Australian Government initiative that encourages employers to connect with jobseekers who have disabilities (participants). This initiative offers awareness for both employees and employers to see the potential of people with a disability being included in the workplace.
- The City worked in partnership with Disability Employment Service Provider Matchworks and hosted a young lady for a day in the library. This experience gave staff greater insight into the abilities of people with disabilities and actively promoted a culture of inclusion in the workplace.
- The City's Disability Access and Inclusion Plan (DAIP) is included in all executed Contracts, including WALGA Contracts, to ensure Contractors adhere to DAIP strategies. In some instances, Contracts may include further clause provisions for a Contractor to implement and report on the DAIP when providing services or infrastructure involving the public.

Reconciliation Action Plan

In December 2018, the *Reflect Reconciliation Action Plan (RAP)* 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 *Boola Maar (Many Hands) Advisory Group* and align with the outcome areas. City Officers and community have continued to work together to achieve positive outcomes, including actions from the Reflect RAP.

In June 2020, the draft Innovate Reconciliation Action Plan was adopted by Council and was then forwarded to Reconciliation Australia prior to being launched to the community. Throughout the review of the Reflect RAP and the development of the Innovate RAP, the following actions by the City were noted:

- worked with local organisations and the Aboriginal and Torres Strait Islander communities in the planning and delivery of NAIDOC events;
- supported community groups and organisations to deliver projects across the City, including Relationships Australia's National Empowerment Program, Blue Tree community project;
- staff and members of Boola Maar Advisory Group attended the Sorry Day event, planned and delivered by Moorditj Koort;
- hosted an Aboriginal and Torres Strait Islander community engagement meeting in March 2020;
- provided Aboriginal and Torres Strait Islander cultural awareness training to 230 staff members, delivered by Aboriginal Leaders Danny Ford and Rosemary Walley of Kambarang Services;
- liaised with an external provider to support grant applications to deliver Aboriginal and Torres Strait Islander cultural awareness training to community members;

- displayed Aboriginal and Torres Strait Islander flags at all citizenship ceremonies and significant events;
- permanent Aboriginal Flag displayed at the City's Administration Building;
- upgraded Loop Trail signage to include Acknowledgement of Country, dual language, stories and rest stops at significant Aboriginal sites;
- developed a marketing communications plan to promote Aboriginal and Torres Strait Islander days of significance via social media;
- included Acknowledgement to Country on all staff signatures, power point presentations and City agenda templates;
- created an additional two Aboriginal and Torres Strait Islander specific (50D) positions across the City Engagement Directorate;
- continued one Aboriginal and Torres Strait Islander traineeship at the City Operations Centre in partnership with Kwinana Industries Council and the Clontarf Academy;
- worked in collaboration with the Institute of Indigenous Wellbeing and Sports to deliver a fortnightly Beat Ball program at the Recquatic; and
- the Koya, Kinship Empowerment Program was supported with in-kind services to assist the delivery of their programs throughout the City.





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 2020.

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

The *State Records Act 2000* is currently being assessed for the need for review by the State Records Office of Western Australia. The City of Kwinana’s Records Management Coordinator provided input and observations via the Local Government Records Managers Association. The onset of the COVID-19 pandemic stalled the review process.

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 the process and compliance of the retention, storage and destruction of digital and hardcopy records. The Records and IT team liaise to achieve digital compliance.

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 adapted to comply with social distancing requirements due to the COVID-19 pandemic and to ensure all individuals felt safe and yet were still provided with suitable training to enable them to carry out their duties and ensure awareness of their roles and responsibilities.

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:

	2019-2020
FOI Requests	6
Access in Full	1
Edited Access	5
Applications withdrawn	0
Access deferred	0
Access refused	0

The City also reviewed and updated the *Information Statement* as required by the *Freedom of Information Act 1992* in August 2018. The *Information Statement* is due to be reported to the Information Commissioner in August 2020.

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 647 inspections during the 2019/20 financial year. This was a slight reduction on the number of inspections carried out the year before, due to the COVID-19 pandemic restriction closure period.

Equal Opportunities

The City of Kwinana recently reviewed and updated its *Equal Employment Opportunity Management Plan 2020-2023*. The plan was submitted and acknowledged by the EEO Commission in June 2020.

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.

Occupational Safety and Health

Our vision is to achieve excellence in safety and health management through a framework that is an integral part of business planning with Safety and Health Management goals and targets established to drive continuous improvement in performance. The City's mission is to strengthen and grow a safety culture at the City.

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 is committed to meeting its moral and legal obligation to provide a safe and healthy work environment for employees, contractors, customers and visitors. This commitment extends to ensuring the City's operations do not place the community at risk of injury, illness or property damage.

The City, in partnership with its employees, will endeavour to recognise the potential risks associated with hazards that may exist within the workplace and will take practical steps to provide and maintain a safe and healthy work environment for all persons.

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 through a robust and compliant Safety and Health Management Framework.

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 2019/20 financial year, with the following Local Laws being progressed to varying levels:

- The *Standing Orders Local Law* was finalised in the 2019/20 financial year.
- The *Activities in Thoroughfares and Public Places and Trading Local Law* was reviewed and is due for finalisation in the 2020/21 financial year.
- The *Urban Environment and Nuisance Local Law* was reviewed and is due for finalisation in the 2020/21 financial year.
- The City is currently investigating the implementation of a *Cat Local Law* due for finalisation in the 2021/22 financial year.

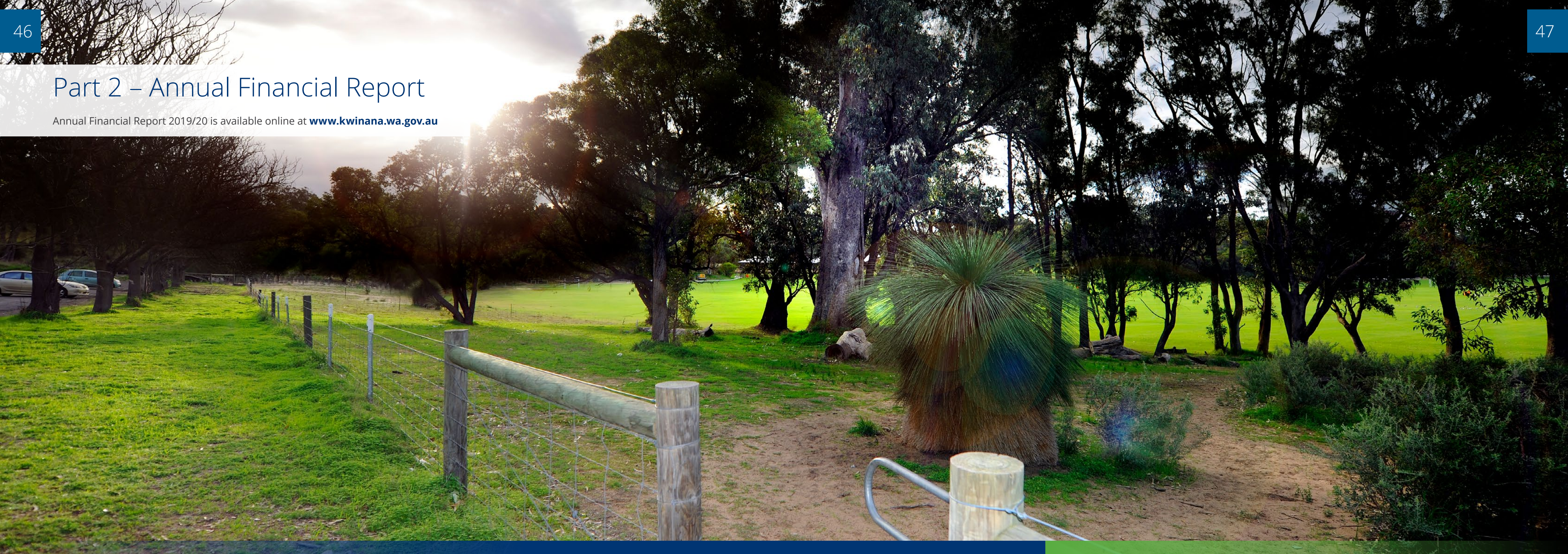
Annual Salaries

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 2020, 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	12
\$110,000 and \$120,000	4
\$120,000 and \$130,000	8
\$140,000 and \$150,000	3
\$160,000 and \$170,000	3
\$190,000 and \$200,000	2
\$200,000 and \$210,000	2
\$300,000 and \$310,000	1
Total	35

Part 2 – Annual Financial Report

Annual Financial Report 2019/20 is available online at www.kwinana.wa.gov.au





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PO Box 21, Kwinana WA 6966

Telephone 08 9439 0200

customer@kwinana.wa.gov.au

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Annual Report 2019/20

(Part 2 – Annual Financial Report)



Introduction

The City of Kwinana's Annual Report 2019/20 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 2019/20 (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 30 JUNE 2020

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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 30 JUNE 2020**

*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 2020 is based on proper accounts and records to present fairly the financial position of the City of Kwinana at 30 June 2020 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 31st day of December 2020



Chief Executive Officer

Wayne Jack

Name of Chief Executive Officer

**CITY OF KWINANA
STATEMENT OF COMPREHENSIVE INCOME
BY NATURE OR TYPE
FOR THE YEAR ENDED 30 JUNE 2020**

NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue			
Rates	39,435,048	39,802,378	38,074,897
Operating grants, subsidies and contributions	7,445,800	8,971,318	8,608,169
Fees and charges	11,438,704	12,254,403	11,876,679
Interest earnings	1,825,211	2,088,408	2,309,386
Other revenue	1,308,211	685,839	2,946,617
	<u>61,452,974</u>	<u>63,802,346</u>	<u>63,815,748</u>
Expenses			
Employee costs	(27,440,286)	(29,800,091)	(27,064,970)
Materials and contracts	(24,052,350)	(29,036,680)	(24,574,645)
Utility charges	(2,500,313)	(2,377,800)	(2,414,314)
Depreciation on non-current assets	(15,630,143)	(14,269,092)	(15,359,581)
Interest expenses	(1,058,626)	(1,054,610)	(1,110,457)
Insurance expenses	(574,494)	(575,863)	(571,974)
Other expenditure	(37,756)	(122,229)	(20,507)
	<u>(71,293,968)</u>	<u>(77,236,365)</u>	<u>(71,116,448)</u>
	(9,840,994)	(13,434,019)	(7,300,700)
Non-operating grants, subsidies and contributions	10,810,522	10,936,569	14,907,344
Profit on asset disposals	124,076	42,863	6,178
(Loss) on asset disposals	(1,247,307)	(101,926)	(152,265)
Fair value adjustments to financial assets at fair value through profit or loss - Banksia Park Deferred Management Fee	110,762	0	(610,100)
Fair value adjustments to financial assets at fair value through profit or loss - Local Government House Trust	2,017	0	122,620
Share of net profit of associates accounted for using the equity method	18,131	0	61,124
	<u>9,818,201</u>	<u>10,877,506</u>	<u>14,334,901</u>
	<u>(22,793)</u>	<u>(2,556,513)</u>	<u>7,034,201</u>
Net result for the period			
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Changes in asset revaluation surplus	431,670	0	0
	<u>431,670</u>	<u>0</u>	<u>0</u>
Total other comprehensive income for the period			
	<u>408,877</u>	<u>(2,556,513)</u>	<u>7,034,201</u>
Total comprehensive income for the period			

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 30 JUNE 2020

	NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
Revenue				
Governance	2(a)	457,683	31,786	277,380
General purpose funding		43,528,014	43,734,955	42,768,055
Law, order, public safety		579,054	345,445	545,969
Health		167,748	166,229	92,426
Education and welfare		6,525,695	8,408,713	9,843,996
Community amenities		6,060,354	6,074,580	5,596,612
Recreation and culture		2,343,973	2,980,825	2,993,510
Transport		345,961	324,478	307,985
Economic services		1,164,861	1,260,737	1,188,472
Other property and services		279,631	474,598	201,343
		61,452,974	63,802,346	63,815,748
Expenses				
Governance	2(b)	(4,938,245)	(4,750,355)	(2,212,220)
General purpose funding		(1,153,777)	(1,099,586)	(756,875)
Law, order, public safety		(3,098,933)	(3,318,431)	(3,440,502)
Health		(856,942)	(940,939)	(997,155)
Education and welfare		(10,204,491)	(12,652,758)	(11,451,861)
Community amenities		(9,540,849)	(10,410,075)	(9,561,640)
Recreation and culture		(20,669,023)	(22,117,455)	(21,521,585)
Transport		(14,915,194)	(14,935,910)	(14,601,299)
Economic services		(1,360,878)	(1,742,856)	(1,599,830)
Other property and services		(3,497,010)	(4,213,390)	(3,863,024)
		(70,235,342)	(76,181,755)	(70,005,991)
Finance Costs				
Governance	2(b)	(50,204)	(45,130)	(51,272)
General purpose funding		(253)	0	0
Education and welfare		(82,765)	(82,693)	(91,138)
Recreation and culture		(785,313)	(786,562)	(819,581)
Transport		(140,091)	(140,225)	(148,466)
		(1,058,626)	(1,054,610)	(1,110,457)
		(9,840,994)	(13,434,019)	(7,300,700)
Non-operating grants, subsidies and contributions	2(a)	10,810,522	10,936,569	14,907,344
Profit on disposal of assets	11(a)	124,076	42,863	6,178
(Loss) on disposal of assets	11(a)	(1,247,307)	(101,926)	(152,265)
Fair value adjustments to financial assets at fair value through profit or loss		112,779	0	(487,480)
Share of net profit of associates accounted for using the equity method	25	18,131	0	61,124
		9,818,201	10,877,506	14,334,901
Net result for the period		(22,793)	(2,556,513)	7,034,201
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Changes in asset revaluation surplus	14	431,670	0	0
Total other comprehensive income for the period		431,670	0	0
Total comprehensive income for the period		408,877	(2,556,513)	7,034,201

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



CITY OF KWINANA
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	NOTE	2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	3	25,471,026	11,888,157
Trade and other receivables	6	4,455,262	4,541,131
Other financial assets	5(a)	34,124,318	45,662,914
Inventories	7	37,323	32,920
Contract assets	2(a)	44,388	0
Other assets	8	1,731,667	656,144
TOTAL CURRENT ASSETS		65,863,984	62,781,266
NON-CURRENT ASSETS			
Trade and other receivables	6	760,126	711,755
Other financial assets	5(b)	3,542,013	3,468,175
Investment in associate	25	504,775	319,244
Property, plant and equipment	9	135,058,794	150,484,396
Infrastructure	10	363,572,821	362,312,960
Intangible assets	13	616,115	308,673
Right of use assets	12(a)	190,679	0
TOTAL NON-CURRENT ASSETS		504,245,323	517,605,203
TOTAL ASSETS		570,109,307	580,386,469
CURRENT LIABILITIES			
Trade and other payables	15	24,256,420	21,391,450
Contract liabilities	16	356,545	0
Other liabilities	16	10,087,995	0
Lease liabilities	17(a)	114,357	0
Borrowings	18(a)	2,314,779	1,451,093
Employee related provisions	19	5,505,931	4,902,379
TOTAL CURRENT LIABILITIES		42,636,027	27,744,922
NON-CURRENT LIABILITIES			
Other liabilities	16	16,953,626	0
Lease liabilities	17(a)	77,148	0
Borrowings	18(a)	17,953,926	20,101,305
Employee related provisions	19	410,209	469,604
TOTAL NON-CURRENT LIABILITIES		35,394,909	20,570,909
TOTAL LIABILITIES		78,030,936	48,315,831
NET ASSETS		492,078,371	532,070,638
EQUITY			
Retained surplus		216,805,180	244,608,437
Reserves - cash/financial asset backed	4	55,249,686	55,730,366
Revaluation surplus	14	220,023,505	231,731,835
TOTAL EQUITY		492,078,371	532,070,638

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



CITY OF KWINANA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2020

NOTE	RETAINED SURPLUS \$	RESERVES	REVALUATION SURPLUS \$	TOTAL EQUITY \$
		CASH/FINANCIAL ASSET BACKED \$		
Balance as at 1 July 2018	241,396,775	52,072,348	231,731,835	525,200,958
Change in accounting policy	(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 reserves	4 6,042,436	(6,042,436)	0	0
Transfers to reserves	4 (9,700,454)	9,700,454	0	0
Balance as at 30 June 2019	244,608,437	55,730,366	231,731,835	532,070,638
Change in accounting policy	30(b) (28,261,144)	0	(12,140,000)	(40,401,144)
Restated total equity at 1 July 2019	216,347,293	55,730,366	219,591,835	491,669,494
Comprehensive income				
Net result for the period	(22,793)	0	0	(22,793)
Changes on revaluation of assets	0	0	431,670	431,670
Total comprehensive income	(22,793)	0	431,670	408,877
Transfers from reserves	4 15,090,636	(15,090,636)	0	0
Transfers to reserves	4 (14,609,956)	14,609,956	0	0
Balance as at 30 June 2020	216,805,180	55,249,686	220,023,505	492,078,371

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

CITY OF KWINANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2020

NOTE	2020 Actual \$	2020 Budget \$	2019 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts			
Rates	39,956,734	41,502,378	37,773,991
Operating grants, subsidies and contributions	6,682,681	9,121,318	6,390,524
Fees and charges	8,649,778	12,254,403	11,876,679
Interest received	1,811,395	2,088,408	1,884,438
Goods and services tax received	2,738,222	0	2,835,628
Other revenue	1,308,211	685,839	2,946,617
	61,147,021	65,652,346	63,707,877
Payments			
Employee costs	(26,697,613)	(29,800,091)	(27,141,971)
Materials and contracts	(23,107,086)	(29,536,680)	(25,580,365)
Utility charges	(2,500,313)	(2,377,800)	(2,414,314)
Interest expenses	(1,060,470)	(1,054,610)	(1,111,761)
Insurance paid	(574,494)	(575,863)	(571,974)
Goods and services tax paid	(671,965)	0	(531,932)
Other expenditure	(37,756)	(122,229)	(20,507)
	(54,649,697)	(63,467,273)	(57,372,824)
Net cash provided by (used in) operating activities	20 6,497,324	2,185,073	6,335,053
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for financial assets at amortised cost	0	0	(1,819,027)
Payments for purchase of property, plant & equipment	9(a) (2,520,306)	(8,098,360)	(1,793,705)
Payments for construction of infrastructure	10(a) (4,738,586)	(12,242,614)	(3,982,448)
Payments for intangible assets	13(a) (307,442)	0	(308,673)
Non-operating grants, subsidies and contributions	2(a) 3,944,619	10,936,569	4,476,940
Proceeds from financial assets at amortised cost - term deposits	11,560,827	0	0
Proceeds from financial assets at amortised cost - self supporting loans	16,710	16,709	16,168
Proceeds from sale of property, plant & equipment	11(a) 696,834	334,500	373,433
Net cash provided by (used in) investment activities	8,652,656	(9,053,196)	(3,037,312)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of borrowings	18(b) (1,451,093)	(1,451,093)	(777,133)
Payments for principal portion of lease liabilities	17(b) (116,018)	0	0
Proceeds from new borrowings	18(b) 0	2,268,000	0
Net cash provided by (used in) financing activities	(1,567,111)	816,907	(777,133)
Net increase (decrease) in cash held	13,582,869	(6,051,216)	2,520,608
Cash at beginning of year	11,888,157	54,690,424	9,367,549
Cash and cash equivalents at the end of the year	20 25,471,026	48,639,208	11,888,157

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

CITY OF KWINANA
RATE SETTING STATEMENT
FOR THE YEAR ENDED 30 JUNE 2020

NOTE	2020 Actual \$	2020 Budget \$	2019 Actual	
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	27 (b)	1,573,505	1,504,912	1,898,805
		1,573,505	1,504,912	1,898,805
Revenue from operating activities (excluding rates)				
Governance		483,250	37,438	277,380
General purpose funding		4,092,966	3,932,577	4,693,158
Law, order, public safety		594,845	357,487	545,969
Health		176,266	166,229	92,426
Education and welfare		6,636,457	8,408,713	9,843,996
Community amenities		6,082,531	6,081,141	5,596,612
Recreation and culture		2,346,762	2,983,041	2,993,510
Transport		345,961	324,478	307,985
Economic services		1,185,400	1,261,187	1,188,472
Other property and services		328,474	490,540	207,521
		22,272,912	24,042,831	25,747,029
Expenditure from operating activities				
Governance		(4,991,014)	(4,795,485)	(2,299,800)
General purpose funding		(1,154,030)	(1,099,586)	(756,875)
Law, order, public safety		(3,122,690)	(3,318,431)	(3,478,283)
Health		(862,553)	(949,882)	(997,155)
Education and welfare		(10,287,256)	(12,735,451)	(12,153,099)
Community amenities		(9,550,266)	(10,423,143)	(9,564,944)
Recreation and culture		(21,477,137)	(22,904,017)	(22,360,221)
Transport		(16,137,127)	(15,076,180)	(14,752,938)
Economic services		(1,360,878)	(1,742,856)	(1,609,317)
Other property and services		(3,598,324)	(4,293,260)	(3,906,181)
		(72,541,275)	(77,338,291)	(71,878,813)
Non-cash amounts excluded from operating activities	27(a)	16,843,365	14,328,155	14,289,865
Amount attributable to operating activities		(31,851,493)	(37,462,393)	(29,943,114)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions	2(a)	10,810,522	10,936,569	14,907,344
Proceeds from disposal of assets	11(a)	696,834	334,500	373,433
Proceeds from financial assets at amortised cost - self supporting loans		16,710	16,709	16,168
Purchase of property, plant and equipment	9(a)	(2,603,033)	(8,098,360)	(1,793,705)
Purchase and construction of infrastructure	10(a)	(12,276,761)	(12,242,614)	(14,412,852)
Payments for intangible assets	13(a)	(307,442)	0	(308,673)
Amount attributable to investing activities		(3,663,170)	(9,053,196)	(1,218,285)
FINANCING ACTIVITIES				
Repayment of borrowings	18(b)	(1,451,093)	(1,451,093)	(777,133)
Proceeds from borrowings	18(c)	0	2,268,000	0
Payments for principal portion of lease liabilities	17(b)	(116,018)	0	0
Transfers to reserves (restricted assets)	4	(14,609,956)	(15,869,208)	(9,700,454)
Transfers from reserves (restricted assets)	4	15,090,636	21,765,512	6,042,436
Amount attributable to financing activities		(1,086,431)	6,713,211	(4,435,151)
Surplus/(deficit) before imposition of general rates		(36,601,094)	(39,802,378)	(35,596,550)
Total amount raised from general rates	26(a)	39,435,048	39,802,378	38,074,897
Surplus/(deficit) after imposition of general rates	27(b)	2,833,954	0	2,478,347

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

CITY OF KWINANA
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FOR THE YEAR ENDED 30 JUNE 2020

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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.

AMENDMENTS TO LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996

The *Local Government (Financial Management) Regulations 1996* take precedence over Australian Accounting Standards. Prior to 1 July 2019, *Financial Management Regulation 16* arbitrarily prohibited a local government from recognising as assets Crown land that is a public thoroughfare, i.e. 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 pertaining to vested land, including land under roads acquired on or after 1 July 2008, were not recognised in previous financial reports of the City. This was not in accordance with the requirements of AASB 1051 *Land Under Roads* paragraph 15 and AASB 116 *Property, Plant and Equipment* paragraph 7.

From 1 July 2019, the City has applied AASB 16 Leases which requires leases to be included by lessees in the statement of financial position. Also, the *Local Government (Financial Management) Regulations 1996* have been amended to specify that vested land is a right-of-use asset to be measured at cost. All right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position) rather than at fair value. The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which continue to be reported at fair value, as opposed to the vested land which is measured at zero cost. The measurement of vested improvements at fair value is a departure from AASB 16 which would have required the City to measure any vested improvements at zero cost.

The City has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparative year amounts have been retained as AASB 16 does not require comparatives to be restated in the year of transition.

Therefore the departure from AASB 1051 and AASB 16 in respect of the comparatives for the year ended 30 June 2019 remains.

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.

NEW ACCOUNTING STANDARDS FOR APPLICATION IN FUTURE YEARS

On 1 July 2020 the following new accounting standards are to be adopted:

- AASB 1059 *Service Concession Arrangements: Grantors*
- AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*

AASB 1059 *Service Concession Arrangements: Grantors* is not expected to impact the financial report.

Specific impacts of AASB 2018-7 *Amendments to Australian Accounting Standards - Materiality*, have not been identified.

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 31 to these financial statements.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

REVENUE RECOGNITION POLICY

Recognition of revenue is dependent on the source of revenue and the associated terms and conditions associated with each source of revenue and recognised as follows:

Revenue Category	Nature of goods and services	When obligations typically satisfied	Payment terms	Returns/Refunds/Warranties	Determination of transaction price	Allocating transaction price	Measuring obligations for returns	Timing of revenue recognition
Rates	General Rates	Over time	Payment dates adopted by Council during the year	None	Adopted by council annually	When taxable event occurs	Not applicable	When rates notice is issued
Grant contracts with customers	Community events, minor facilities, research, design, planning evaluation and services	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Contract obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants, subsidies or contributions for the construction of non-financial assets	Construction or acquisition of recognisable non-financial assets to be controlled by the local government	Over time	Fixed terms transfer of funds based on agreed milestones and reporting	Obligation if project not complete	Set by mutual agreement with the customer	Based on the progress of works to match performance obligations	Returns limited to repayment of transaction price of terms breached	Output method based on project milestones and/or completion date matched to performance obligations as inputs are shared
Grants with no contract commitments	General appropriations and contributions with no reciprocal commitment	No obligations	Not applicable	Not applicable	Cash received	On receipt of funds	Not applicable	When assets are controlled
Licences/ Registrations/ Approvals	Building, planning, development and animal management, having the same nature as a licence regardless of naming.	Single point in time	Full payment prior to issue	None	Set by State legislation or limited by legislation to the cost of provision	Based on timing of issue of the associated rights	No refunds	On payment and issue of the licence, registration or approval
Poof inspections	Compliance safety check	Single point in time	Equal proportion based on an equal annually fee	None	Set by State legislation	Apportioned equally across the inspection cycle	No refunds	After inspection complete based on a 4 year cycle
Other inspections	Regulatory Food, Health and Safety	Single point in time	Full payment prior to inspection	None	Set by State legislation or limited by legislation to the cost of provision	Applied fully on timing of inspection	Not applicable	Revenue recognised after inspection event occurs
Waste management collections	Kerbside collection service	Over time	Payment on an annual basis in advance	None	Adopted by council annually	Apportioned equally across the collection period	Not applicable	Output method based on regular weekly and fortnightly period as proportionate to collection service
Property hire and entry	Use of halls and facilities	Single point in time	In full in advance	Refund if event cancelled within terms	Adopted by council annually	Based on timing of entry to facility	Returns limited to repayment of transaction price	On entry or at conclusion of hire
Memberships	Gym and pool membership	Over time	Payment in full in advance or by instalments	Refund as per terms and conditions	Adopted by council annually	Apportioned equally across the access period	Returns limited to repayment of transaction price	Output method Over 12 months matched to access right
Fees and charges for other goods and services	Cemetery services, library fees, reinstatements and private works	Single point in time	Payment in full in advance	None	Adopted by council annually	Applied fully based on timing of provision	Not applicable	Output method based on provision of service or completion of works
Sale of stock	Aviation fuel, kiosk and visitor centre stock	Single point in time	In full in advance, on 15 day credit	Refund for faulty goods	Adopted by council annually, set by mutual agreement	Applied fully based on timing of provision	Returns limited to repayment of transaction price	Output method based on goods
Commissions	Commissions on licencing and ticket sales	Over time	Payment in full on sale	None	Set by mutual agreement with the customer	On receipt of funds	Not applicable	When assets are controlled
Reimbursements	Insurance claims	Single point in time	Payment in arrears for claimable event	None	Set by mutual agreement with the customer	When claim is agreed	Not applicable	When claim is agreed

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES

(a) Grant revenue

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

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions			
General purpose funding	1,796,876	1,580,138	1,978,780
Law, order, public safety	202,912	163,650	182,144
Health	14,703	12,150	35,072
Education and welfare	4,772,577	6,406,485	5,708,537
Community amenities	78,832	107,000	42,017
Recreation and culture	250,337	377,417	353,634
Transport	329,563	324,478	307,985
	7,445,800	8,971,318	8,608,169
Non-operating grants, subsidies and contributions			
Law, order, public safety	260,745	631,000	72,000
Community amenities	891,296	8,015,014	3,144,657
Recreation and culture	201,506	279,836	39,603
Transport	9,366,982	1,910,719	11,604,814
Economic services	89,993	100,000	0
Other property and services	0	0	46,270
	10,810,522	10,936,569	14,907,344
Total grants, subsidies and contributions	18,256,322	19,907,887	23,515,513
Fees and charges			
Governance	4,124	8,800	15,966
General purpose funding	253,441	181,600	195,531
Law, order, public safety	318,813	146,095	303,782
Health	126,491	145,959	42,533
Education and welfare	1,557,274	1,966,551	1,995,768
Community amenities	5,946,335	5,938,370	5,541,723
Recreation and culture	1,976,234	2,507,170	2,533,678
Economic services	1,113,046	1,199,560	1,147,445
Other property and services	142,946	160,298	100,253
	11,438,704	12,254,403	11,876,679

Grants, subsidies and contributions

Operating grants, subsidies and contributions are grants, subsidies or contributions that are not non-operating in nature.

Non-operating grants, subsidies and contributions are amounts received for the acquisition or construction of recognisable non-financial assets to be controlled by the local government.

Fees and Charges

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

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Contracts with customers and transfers for recognisable non-financial assets

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City was recognised during the year for the following nature or types of goods or services:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Operating grants, subsidies and contributions	953,896	8,971,318	0
Fees and charges	10,161,087	11,189,173	10,693,362
Non-operating grants, subsidies and contributions	3,272,347	10,936,569	0
	14,387,330	31,097,060	10,693,362

Revenue from contracts with customers and transfers to enable the acquisition or construction of recognisable non-financial assets to be controlled by the City is comprised of:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Contracts with customers included as a contract liability at the start of the period	72,428	0	0
Other revenue from contracts with customers recognised during the year	11,042,554	20,160,491	0
Transfers intended for acquiring or constructing recognisable non-financial assets included as a liability at the start of the period	928,646	0	0
Other revenue from performance obligations satisfied during the year	2,343,701	10,936,569	10,693,362
	14,387,330	31,097,060	0

Information about receivables, contract assets and contract liabilities from contracts with customers along with financial assets and associated liabilities arising from transfers to enable the acquisition or construction of recognisable non-financial assets is:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
Trade and other receivables from contracts with customers	560,351	0	0
Contract assets	44,388	0	0
Other liabilities from contracts with customers	(194,030)	0	0
Financial assets held from transfers for recognisable financial assets	27,041,621	0	0
Other liabilities from transfers for recognisable non-financial assets	(27,041,621)	0	0

Contract assets primarily relate to the City's right to consideration for work completed but not billed at 30 June 2020. Impairment of assets associated with contracts with customers are detailed at note 2 (b) under 'Other expenditure'. Contract liabilities for contracts with customers primarily relate to grants with performance obligations received in advance, for which revenue is recognised over time as the performance obligations are met. Information is not provided about remaining performance obligations for contracts with customers that had an original expected duration of one year or less. Consideration from contracts with customers is included in the transaction price. Performance obligations in relation to liabilities from transfers for recognisable non-financial assets are satisfied as project milestones are met or completion of construction or acquisition of the asset.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)

Revenue from statutory requirements

Revenue from statutory requirements was recognised during the year for the following nature or types of goods or services:

	2020 Actual \$	2020 Budget \$	2019 Actual \$
General rates	39,428,423	39,794,978	38,068,420
Statutory permits and licences	1,065,098	993,930	961,969
Fines	210,339	69,140	219,279
	40,703,860	40,858,048	39,249,668

Assets and services acquired below fair value

Contributed assets	7,538,175	0	10,430,404
Grants, subsidies and contributions	6,491,904	0	0
	14,030,079	0	10,430,404

Other revenue

Reimbursements and recoveries	1,105,989	640,959	832,661
Other	202,222	44,880	2,113,956
	1,308,211	685,839	2,946,617

Interest earnings

Financial assets at amortised cost - self supporting loans	10,516	10,551	11,167
Interest on reserve funds	846,100	860,000	1,352,653
Rates instalment and penalty interest (refer Note 26(c))	784,551	743,408	785,940
Other interest earnings	184,044	474,449	159,626
	1,825,211	2,088,408	2,309,386

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.

(b) Expenses

Auditors remuneration

	Note	2020 Actual \$	2020 Budget \$	2019 Actual \$
- Audit of the Annual Financial Report		67,000	60,000	60,000
- Other services		2,000	5,000	22,298
		69,000	65,000	82,298

Interest expenses (finance costs)

Borrowings	18(b)	1,052,767	1,054,610	1,110,457
Interest expense - other		249	0	0
Lease liabilities	17(b)	5,610	0	0
		1,058,626	1,054,610	1,110,457

Other expenditure

Impairment loss on trade and other receivables		12,379	2,600	(12,194)
DCA - City Contributions		0	65,629	0
Sundry expenses		25,377	54,000	32,701
		37,756	122,229	20,507

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

3. CASH AND CASH EQUIVALENTS

	NOTE	2020 \$	2019 \$
Cash at bank and on hand		25,471,026	9,752,320
Term deposits <91 days		0	2,135,837
Total cash and cash equivalents		25,471,026	11,888,157

Restrictions

The following classes of assets have restrictions imposed by regulations or other externally imposed requirements which limit or direct the purpose for which the resources may be used:

- Cash and cash equivalents		22,695,291	11,963,917
- Financial assets at amortised cost		33,787,559	45,348,386
		56,482,850	57,312,303

The restricted assets are a result of the following specific purposes to which the assets may be used:

Reserves - cash/financial asset backed	4	55,249,686	55,730,366
Contract liabilities from contracts with customers	16	194,030	0
Other liabilities from transfers for recognisable non financial assets	16	27,041,621	0
Deposits and Bonds Held		1,070,649	1,581,937
Less contract and other liabilities - reserve backed		(27,073,136)	0
Total restricted assets		56,482,850	57,312,303

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 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.

Restricted assets

Restricted asset balances are not available for general use by the local government due to externally imposed restrictions. Externally imposed restrictions are specified in an agreement, contract or legislation. This applies to reserves, unspent grants, subsidies and contributions and unspent loans that have not been fully expended in the manner specified by the contributor, legislation or loan agreement.

**CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020**

4. RESERVES - CASH/FINANCIAL ASSET BACKED

	2020 Actual		2020 Actual		2020 Budget		2020 Budget		2019 Actual		2019 Actual		2019 Actual	
	Opening Balance	Actual Transfer to	Actual Transfer from	Closing Balance	Opening Balance	Budget Transfer to	Budget Transfer from	Closing Balance	Opening Balance	Actual Transfer to	Actual Transfer from	Closing Balance	Actual Transfer to	Actual Transfer from
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Aged Persons Units Reserve	807,624	208,083	(274,663)	741,044	721,244	176,770	(190,000)	708,014	748,728	58,896	0	807,624	0	0
(b) Asset Management Reserve	762,988	6,058,755	(1,658,496)	5,163,247	637,921	5,028,582	(1,952,609)	3,713,894	501,595	440,034	(178,641)	762,988	0	0
(c) Banksia Park Reserve	190,418	2,830	(169,251)	23,997	120,249	21,268	(90,000)	51,517	115,626	74,792	0	190,418	0	0
(d) City Assist Initiative Reserve	0	0	0	0	15,083	194	(15,000)	277	100,401	2,571	(102,972)	0	0	0
(e) City Infrastructure Reserve	0	1,592,930	(597,675)	995,255	0	1,547,468	(930,511)	616,957	0	0	0	0	0	0
(f) Contiguous Local Authorities Group Reserve	275,223	19,508	(28,813)	265,918	278,100	13,862	(29,000)	262,962	265,873	43,284	(33,934)	275,223	0	0
(g) Community Services & Emergency Relief Reserve	88,835	252,160	0	340,995	88,063	1,134	0	89,197	84,017	4,818	0	88,835	0	0
(h) Employee Leave Reserve	4,033,993	573,816	(2,119,426)	2,488,383	3,729,783	0	(2,119,426)	1,610,357	4,231,590	102,403	(300,000)	4,033,993	0	0
(i) Employee Vacancy Reserve	0	500,233	0	500,233	0	0	0	0	0	0	0	0	0	0
(j) Family Day Care Reserve	1,489,179	20,247	(279,523)	1,229,903	1,400,660	18,036	(246,171)	1,172,525	1,462,302	36,542	(9,665)	1,489,179	0	0
(k) Future Community Infrastructure Reserve	1,067,201	0	(1,067,201)	0	1,032,565	0	(1,032,565)	0	1,381,900	35,718	(350,417)	1,067,201	0	0
(l) Golf Course Cottage Reserve	28,887	509	0	29,396	28,635	369	0	29,004	28,033	864	0	28,887	0	0
(m) Golf Club Maintenance Reserve	0	8,846	0	8,846	0	0	0	0	0	0	0	0	0	0
(n) Information Technology Reserve	2,068,659	989,813	(461,304)	2,597,168	2,145,970	27,633	(974,433)	1,199,170	1,890,703	413,040	(235,084)	2,068,659	0	0
(o) Infrastructure Reserve	348,075	1,648	(349,723)	0	345,032	198	(345,230)	0	339,968	8,107	0	348,075	0	0
(p) Plant and Equipment Replacement Reserve	579,628	609,396	(758,125)	430,899	588,784	514,020	(812,600)	290,204	498,123	315,384	(233,879)	579,628	0	0
(q) Refuse Reserve	8,844,888	0	(3,200,000)	5,644,888	8,928,629	0	(3,242,000)	5,686,629	8,736,657	194,769	(86,536)	8,844,888	0	0
(r) Renewable Energy Efficiency Reserve	53,983	8,861	(28,672)	34,172	60,058	773	(25,000)	35,831	0	53,983	0	53,983	0	0
(s) Restricted Grants & Contributions Reserve	3,170,082	1,582,614	(2,564,711)	2,187,985	1,573,326	0	(1,530,326)	43,000	1,686,298	2,788,948	(1,307,164)	3,170,082	0	0
(t) Settlement Agreement Reserve	164,874	2,897	0	167,771	163,440	2,105	0	165,545	160,000	4,874	0	164,874	0	0
(u) Workers Compensation Reserve	141,443	2,485	0	143,928	138,404	1,782	0	140,186	338,710	7,980	(205,247)	141,443	0	0
(v) Youth Engagement Reserve	0	0	0	0	2,131,883	32,766	(695,753)	1,468,896	1,887,550	4,581	(149,231)	0	0	0
(w) DCA 1 - Hard Infrastructure - Bertram	228,688	401,282	(30,248)	599,722	2,574,546	3,940,205	(2,279,000)	4,235,751	1,877,524	697,023	(139,134)	2,435,413	0	0
(x) DCA 2 - Hard Infrastructure - Wellard	2,435,413	40,432	(487,551)	1,988,294	0	0	0	0	0	0	0	0	0	0
(y) DCA 3 - Hard Infrastructure - Casuarina	533,009	7,298	(18,817)	521,490	633,006	9,729	0	642,735	0	633,006	(99,997)	533,009	0	0
(z) DCA 4 - Hard Infrastructure - Anketell	1,073,049	15,909	(681,740)	427,218	1,232,061	1,030,936	(1,453,795)	809,202	1,309,322	32,888	(269,161)	1,073,049	0	0
(aa) DCA 5 - Hard Infrastructure - Mandogalup	0	398,205	(124,150)	274,055	0	0	0	0	0	0	0	0	0	0
(ab) DCA 6 - Hard Infrastructure - Mandogalup West/Bertram	2,988	15,183	0	18,171	23,918	368	0	24,286	11,713	12,205	(20,930)	2,988	0	0
(ac) DCA 7 - Hard Infrastructure - Mandogalup	471,270	6,453	(27,222)	450,501	0	0	0	0	0	0	0	0	0	0
(ad) DCA 8 - Soft Infrastructure - Wandil/Anketell	11,762,971	205,101	(26,798)	11,941,274	11,770,673	180,905	(1,004,445)	10,947,133	10,487,573	1,283,101	(7,703)	11,762,971	0	0
(ae) DCA 9 - Soft Infrastructure - Wandil/Anketell	225,488	3,951	(25,257)	204,182	233,191	3,584	(4,545)	232,230	227,912	5,279	(7,703)	225,488	0	0
(af) DCA 10 - Soft Infrastructure - Casuarina/Anketell	6,079,450	99,723	(26,196)	6,152,977	5,642,461	86,721	(4,545)	5,724,637	5,944,304	586,940	(452,394)	6,079,450	0	0
(ag) DCA 11 - Soft Infrastructure - Wellard East	7,741,470	753,764	(27,138)	8,468,096	7,206,957	110,766	(4,545)	7,313,178	6,663,351	1,085,824	(7,705)	7,741,470	0	0
(ah) DCA 12 - Soft Infrastructure - Wellard West	283,533	4,963	(25,170)	263,326	291,237	4,476	(4,545)	291,168	282,230	9,007	(7,704)	283,533	0	0
(ai) DCA 13 - Soft Infrastructure - Bertram	614,490	121,201	(28,770)	706,921	622,193	9,563	(16,045)	615,711	504,779	117,415	(7,704)	614,490	0	0
(aj) DCA 14 - Soft Infrastructure - Wellard/Leda	162,567	100,860	(23,986)	239,431	170,270	357,617	(16,045)	511,842	158,316	11,955	(7,704)	162,567	0	0
(ak) DCA 15 - Soft Infrastructure - Townsite	55,730,366	14,609,956	(15,090,636)	55,249,686	54,528,342	15,869,208	(21,765,512)	48,632,038	52,072,348	9,700,454	(6,042,436)	55,730,366	0	0

All reserves are supported by cash and cash equivalents and financial assets at amortised cost and are restricted within equity as Reserves - cash/financial assets backed.

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In accordance with Council resolutions or adopted budget 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	date of use	Purpose of the reserve
(a) Aged Persons Units Reserve	Ongoing	This Reserve was established to provide funds 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) Banksia Park Reserve	Complete	This Reserve has been established to provide funds for the capital acquisition and maintenance of the Banksia Park Retirement Village.
(d) City Assist Initiative Reserve	Ongoing	This Reserve was established to provide funds for infrastructure and other initiatives to enhance the safety and security of the City.
(e) City Infrastructure Reserve	Ongoing	This Reserve was established to fund the City's contributions to community infrastructure projects.
(f) Contiguous Local Authorities Group 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) Employee Vacancy Reserve	Ongoing	This Reserve was established to ensure that adequate funds are available to finance employee costs.
(j) Family Day Care Reserve	Ongoing	This Reserve provides for the capital acquisitions and maintenance of this facility.
(k) 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.
(l) Golf Course Cottage Reserve	Ongoing	This Reserve was established to provide funds for the maintenance of this building.
(m) Golf Club Maintenance Reserve	Ongoing	This Reserve was established to provide funds for the maintenance of this building.
(n) Information Technology Reserve	Ongoing	This Reserve was established to provide funds for the implementation and maintenance of the City's software requirements.
(o) Infrastructure Reserve	Ongoing	This Reserve was established to provide funds for the major upgrade of City assets or for the major upgrade of City assets to increase the service level provided by the asset.
(p) Plant and Equipment Replacement Reserve	Ongoing	This Reserve is utilised to replace existing fleet, plant and other City assets.
(q) Refuse Reserve	Ongoing	This Reserve was established to provide funds for the costs and subsidy of Waste Management in the City.
(r) Renewable Energy Efficiency Reserve	Ongoing	This Reserve was established to provide funds for renewable energy and water efficiency initiatives.
(s) Restricted Grants & Contributions Reserve	Ongoing	This Reserve was established to restrict funds required to complete projects relating to prior financial years.
(t) Settlement Agreement Reserve	Ongoing	This Reserve was established to provide funds to account for future negotiated settlement payments.
(u) 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.
(v) Youth Engagement Reserve	Ongoing	This Reserve was established to assist with youth engagement and diversion initiatives.
(w) 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.
(x) 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.
(y) DCA 3 - Hard Infrastructure - Casuarina	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 3 Hard Infrastructure Casuarina.
(z) 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.
(aa) DCA 5 - Hard Infrastructure - Wandil	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 Wandil.
(ab) DCA 6 - Hard Infrastructure - Mandogalup	Ongoing	This Reserve was established to restrict funds received from Developers for contributions towards future infrastructure costs and administrative costs for DCA 6 Hard Infrastructure Mandogalup.
(ac) DCA 7 - Hard Infrastructure - Mandogalup West/Bertram	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/Bertram.
(ad) 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.
(ae) DCA 9 - Soft Infrastructure - Wandil/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 Wandil/Anketell.
(af) 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.
(ag) 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.
(ah) 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.
(ai) 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.
(aj) 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.
(ak) 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.

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5. OTHER FINANCIAL ASSETS

(a) Current assets

Financial assets at amortised cost
Financial assets at fair value through profit and loss

	2020 \$	2019 \$
Financial assets at amortised cost	33,804,828	45,365,095
Financial assets at fair value through profit and loss	319,490	297,819
	<u>34,124,318</u>	<u>45,662,914</u>

Other financial assets at amortised cost

Term deposits - term greater than 90 days
Self supporting loans

Term deposits - term greater than 90 days	33,787,559	45,348,386
Self supporting loans	17,269	16,709
	<u>33,804,828</u>	<u>45,365,095</u>

Financial assets at fair value through profit and loss

Banksia Park Deferred Management Fee

Banksia Park Deferred Management Fee	319,490	297,819
	<u>319,490</u>	<u>297,819</u>

(b) Non-current assets

Financial assets at amortised cost
Financial assets at fair value through profit and loss

Financial assets at amortised cost	232,703	249,973
Financial assets at fair value through profit and loss	3,309,310	3,218,202
	<u>3,542,013</u>	<u>3,468,175</u>

Financial assets at amortised cost

Self supporting loans

Self supporting loans	232,703	249,973
	<u>232,703</u>	<u>249,973</u>

Financial assets at fair value through profit and loss

Units in Local Government House Trust
Banksia Park Deferred Management Fee

Units in Local Government House Trust	124,637	122,620
Banksia Park Deferred Management Fee	3,184,673	3,095,582
	<u>3,309,310</u>	<u>3,218,202</u>

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 18(b) as self supporting loans.

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 cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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.

Impairment and risk

Information regarding impairment and exposure to risk can be found at Note 28.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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6. TRADE AND OTHER RECEIVABLES

Current

Rates receivable
Trade and other receivables
GST receivable
Allowance for impairment of receivables

	2020 \$	2019 \$
Rates receivable	3,588,655	3,865,054
Trade and other receivables	560,351	462,500
GST receivable	404,862	312,998
Allowance for impairment of receivables	(98,606)	(99,421)
	<u>4,455,262</u>	<u>4,541,131</u>

Non-current

Pensioner's rates and ESL deferred

Pensioner's rates and ESL deferred	760,126	711,755
	<u>760,126</u>	<u>711,755</u>

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 28.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 cash flows 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.

CITY OF KWINANA
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7. INVENTORIES

Current

Stores and materials

	2020	2019
	\$	\$
Stores and materials	37,323	32,920
	37,323	32,920
Carrying amount at beginning of period	32,920	34,180
Inventories expensed during the year	(65,045)	(144,689)
Additions to inventory	69,448	143,429
Carrying amount at end of period	37,323	32,920

The following movements in inventories occurred during the year:

Carrying amount at beginning of period

Inventories expensed during the year

Additions to inventory

Carrying amount at end of period

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.

8. OTHER ASSETS

Other assets - current

Prepayments

Accrued income

	2020	2019
	\$	\$
Prepayments	164,937	28,963
Accrued income	1,566,730	627,181
	1,731,667	656,144

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.

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
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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 - vested in and under the control of Council	Total land	Buildings - specialised	Total buildings	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2018	35,431,000	12,140,000	47,571,000	100,243,079	100,243,079	147,814,079	976,193	6,064,850	154,855,122
Additions	0	0	0	924,854	924,854	924,854	8,149	860,702	1,793,705
(Disposals)	0	0	0	0	0	0	0	(519,520)	(519,520)
Depreciation (expense)	0	0	0	(4,481,581)	(4,481,581)	(4,481,581)	(260,892)	(902,438)	(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	150,484,396
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	166,854,218
Accumulated depreciation at 30 June 2019	0	0	0	(9,123,298)	(9,123,298)	(9,123,298)	(3,765,494)	(3,481,030)	(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	150,484,396
Change in accounting policy	0	(12,140,000)	(12,140,000)	0	0	(12,140,000)	0	0	(12,140,000)
Carrying amount at 1 July 2019	35,431,000	0	35,431,000	96,686,352	96,686,352	132,117,352	723,450	5,503,594	138,344,396
Additions	0	0	0	1,316,754	1,316,754	1,316,754	180,830	1,105,449	2,603,033
(Disposals)	0	0	0	0	0	0	(24,385)	(713,838)	(738,223)
Revaluation increments / (decrements) transferred to revaluation surplus	0	0	0	0	0	0	58,484	373,186	431,670
Depreciation (expense)	0	0	0	(4,495,716)	(4,495,716)	(4,495,716)	(196,691)	(889,675)	(5,582,082)
Carrying amount at 30 June 2020	35,431,000	0	35,431,000	93,507,390	93,507,390	128,938,390	741,688	5,378,716	135,058,794
Comprises:									
Gross carrying amount at 30 June 2020	35,431,000	0	35,431,000	107,126,404	107,126,404	142,557,404	2,469,987	5,378,716	150,406,107
Accumulated depreciation at 30 June 2020	0	0	0	(13,619,014)	(13,619,014)	(13,619,014)	(1,728,299)	0	(15,347,313)
Carrying amount at 30 June 2020	35,431,000	0	35,431,000	93,507,390	93,507,390	128,938,390	741,688	5,378,716	135,058,794

**CITY OF KWINANA
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FOR THE YEAR ENDED 30 JUNE 2020**

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
- 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 costs	Independent registered valuer	June 2020	Purchase costs and current condition (Level 2), residual values and remaining useful life assessments (level 3) inputs
- Independent valuation	3	Cost approach using depreciated replacement costs	Management valuation	June 2020	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 2020	Market price per item
- Independent valuation	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2020	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 2020	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.

Following a change to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out previously were not reversed as it was deemed fair value approximates cost at the date of change.

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**CITY OF KWINANA
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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 - Parks	Infrastructure - Car Parks	Infrastructure - Bus Shelters	Infrastructure - Street Lights	Infrastructure - Parks & Ovals	Infrastructure - Other	Total Infrastructure
Balance at 1 July 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	\$ 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	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)	(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	362,312,960
Comprises:										
Gross carrying amount at 30 June 2019	247,149,438	38,305,300	48,839,015	3,130,618	638,770	1,233,621	32,104,197	526,671	372,027,630	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)	(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	362,312,960
Additions	4,572,717	848,910	1,627,944	23,442	15,397	58,424	5,129,927	0	12,276,761	12,276,761
(Disposals)	(1,081,842)	0	0	0	0	0	0	0	(1,081,842)	(1,081,842)
Depreciation (expense)	(6,337,844)	(586,091)	(588,643)	(347,479)	(45,105)	(64,033)	(1,867,841)	(98,022)	(9,935,058)	(9,935,058)
Carrying amount at 30 June 2020	237,977,356	37,995,886	49,415,579	2,459,403	564,618	1,175,103	33,654,026	330,850	363,572,821	363,572,821
Comprises:										
Gross carrying amount at 30 June 2020	250,559,079	39,154,210	50,566,959	3,154,060	654,167	1,292,045	37,234,123	526,671	383,141,314	383,141,314
Accumulated depreciation at 30 June 2020	(12,581,723)	(1,158,324)	(1,151,380)	(694,657)	(89,549)	(116,942)	(3,580,097)	(195,821)	(19,568,493)	(19,568,493)
Carrying amount at 30 June 2020	237,977,356	37,995,886	49,415,579	2,459,403	564,618	1,175,103	33,654,026	330,850	363,572,821	363,572,821

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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.

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11. FIXED ASSETS

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

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)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

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 zero cost or otherwise significantly less than fair value, 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 that are land, buildings and infrastructure 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 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 land, buildings and infrastructure is determined at least every five years in accordance with the regulatory framework. This includes buildings and infrastructure items which were pre-existing improvements (i.e. vested improvements) on vested land acquired by the City.

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 land, buildings, infrastructure, investment properties and vested improvements 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 prior to 1 July 2019

In accordance with the then *Local Government (Financial Management) Regulation 16(a)(ii)*, the City was previously required to include as an asset (by 30 June 2013), vested 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.

Land under roads prior to 1 July 2019

In Western Australia, most 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 then *Local Government (Financial Management) Regulation 16(a)(i)* which arbitrarily prohibited local governments from recognising such land as an asset. This regulation has now been deleted.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, the then *Local Government (Financial Management) Regulation 16(a)(i)* prohibited 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 was not included as an asset of the City.

Land under roads from 1 July 2019

As a result of amendments to the *Local Government (Financial Management) Regulations 1996*, effective from 1 July 2019, vested land, including land under roads, are treated as right-of-use assets measured at zero cost. Therefore, the previous inconsistency with AASB 1051 in respect of non-recognition of land under roads acquired on or after 1 July 2008 has been removed, even though measurement at zero cost means that land under roads is still not included in the statement of financial position.

The City has accounted for the removal of the vested land values associated with vested land previously recognised by removing the land value and associated revaluation reserve as at 1 July 2019. The comparatives have not been restated.

Vested improvements from 1 July 2019

The measurement of vested improvements at fair value in accordance with *Local Government (Financial Management) Regulation 17A(2)(iv)* is a departure from AASB 16 which would have required the City to measure the vested improvements as part of the related right-of-use assets at zero cost.

Refer to Note 12 that details the significant accounting policies applying to leases (including right of use assets).

CITY OF KWINANA
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2020

11. FIXED ASSETS

(a) Disposals of Assets

	2020 Actual		2020 Budget		2019 Actual		2019 Budget	
	Net Book Value	Actual Proceeds	Net Book Value	Actual Proceeds	Net Book Value	Actual Proceeds	Net Book Value	Actual Proceeds
Furniture and equipment	24,385	0	0	0	0	0	0	0
Plant and equipment	713,838	696,834	124,076	124,076	519,520	373,433	6,178	(152,265)
Infrastructure - Roads	1,081,842	0	0	0	0	0	0	0
	1,820,065	696,834	124,076	124,076	519,520	373,433	6,178	(152,265)

The following assets were disposed of during the year.

Disposals

	2020 Actual Net Book Value	2020 Actual Proceeds	2020 Actual Profit	2020 Actual Loss
Governance				
P526 1GJD112	28,763	27,782	0	(981)
P496 1GDR926	16,178	25,282	9,104	0
P513 1GIW674	23,875	38,321	14,446	0
Minor plant & equipment written off during fair value review	1,584	0	0	(1,584)
Law, order, public safety				
P450 KWN2063	13,089	21,873	8,784	0
P449 KWN2061	9,866	16,873	7,007	0
K9 Kube Dog Catcher System - attached to KWN2061	23,757	0	0	(23,757)
Health				
P458 KWN1981	26,802	21,181	0	(5,611)
P457 KWN1981	6,082	14,600	8,518	0
Community amenities				
P429 KWN1956	20,000	15,055	0	(4,945)
P454 1EWO0610	23,390	18,918	0	(4,472)
P480 KWN2027	10,319	18,691	8,372	0
P486 KWN2067	11,996	25,055	13,059	0
P473 Piglet Mower - Environment	2,890	3,636	746	0
Recreation and culture				
Minor plant & equipment written off during fair value review	22,801	0	0	(22,801)
Plant Replacement - P491 1GCH843	11,175	13,964	2,789	0
Transport				
Kwinana Beach Road transferred to Main Roads	1,081,842	0	0	(1,081,842)
Economic services				
P482 1GDA257	9,088	11,496	2,408	0
Other property and services				
P456 KWN1986	22,433	15,736	0	(6,697)
P452 KWN2023	20,000	19,145	0	(855)
P409 KWN1896	20,000	16,418	0	(3,582)
P453 KWN1989	24,203	21,873	0	(2,330)
P408 KWN1899	22,000	19,827	0	(2,173)
P431 KWN1982	27,989	21,645	0	(6,354)
P434 KWN1981	26,000	20,282	0	(5,718)
P265 Footpath grinder	800	420	0	(380)
P306 1TKU712 Boxtop trailer	1,131	656	0	(475)
P324 KWN1833 Hino 300 Series 816 Crew Cab	32,993	20,379	0	(12,614)
P333 KWN1835 Signage Truck	27,850	8,511	0	(19,339)
P530 1GJU179 Toro Ground Master Ride On Mower	137,825	101,028	0	(36,797)
P451 KWN2025	11,879	20,509	8,630	0
P520 KWN2049	19,264	25,509	6,245	0
P51 KWN650 Massey Ferguson 362 Tractor	0	8,300	8,300	0
P208 3 PTL Hyd Drive Road Broom Hyd Angle	0	1,000	1,000	0
P235 1TJO798 Mowing Dovetail Trailer	1,000	5,285	4,285	0
P252 KWN1761	52,480	60,475	7,995	0
P323 1TLN469 Mowing Trailer Industrial Crew	2,548	5,284	2,736	0
P325 1TLL524 Flat Top Trailer	2,597	5,285	2,688	0
P534 Trailer - Transportable Radar Speed Display Trailer	19,566	26,530	6,964	0
	1,820,065	696,834	124,076	(1,247,307)

CITY OF KWINANA
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11. FIXED ASSETS

(b) Depreciation

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Buildings - specialised	4,495,716	4,489,788	4,481,581
Furniture and equipment	196,691	454,980	260,892
Plant and equipment	889,675	890,784	902,438
Infrastructure - Roads	6,337,844	5,306,849	6,325,113
Infrastructure - Footpaths	586,091	480,111	572,233
Infrastructure - Drainage	588,643	472,144	562,737
Infrastructure - Car Parks	347,479	291,287	347,178
Infrastructure - Bus Shelters	45,105	44,448	44,444
Infrastructure - Street Lights	64,033	44,390	52,909
Infrastructure - Parks & Ovals	1,867,841	1,712,256	1,712,257
Infrastructure - Other	98,022	82,055	97,799
Right of use assets - plant and equipment	113,003	0	0
	15,630,143	14,269,092	15,359,581

Revision of useful lives of plant and equipment

Property, plant and equipment were assessed for fair value adjustments during the year. Some asset useful lives and residual values were also revised during this process to align with expected future use.

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets, excluding freehold land, vested land, artwork and road sub-grade 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
Plant and equipment	5 to 15 years
Motor Vehicles	3 to 10 years
Other Plant & Equipment	3 to 20 years
Infrastructure	
Roads	12 to 80 years
Footpaths	40 to 80 years
Drainage	100 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 on revaluation

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.

Amortisation

All intangible assets with a finite useful life, are amortised on a straight-line basis over the individual asset's useful life from the time the asset is held for use.

The residual value of intangible assets is considered to be zero and the useful life and amortisation method are reviewed at the end of each financial year.

Amortisation is included within Depreciation on non-current assets in the Statement of Comprehensive Income and in the note above.

12. LEASES

(a) Right of Use Assets

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

	Right of use assets - plant and equipment	Right of use assets Total
	\$	\$
Carrying amount at 30 June 2019	0	0
Recognised on initial application of AASB 16	226,618	226,618
Restated total equity at the beginning of the financial year	226,618	226,618
Additions	77,064	77,064
Depreciation (expense)	(113,003)	(113,003)
Carrying amount at 30 June 2020	190,679	190,679
(b) Cash outflow from leases		
Interest expense on lease liabilities	5,610	5,610
Lease principal expense	116,017	116,017
Total cash outflow from leases	121,627	121,627
(c) Other expenses and income relating to leases		
Short-term lease payments recognised as expense	268,226	268,226
Low-value asset lease payments recognised as expense	127,714	127,714
	395,940	395,940

SIGNIFICANT ACCOUNTING POLICIES

Leases

At inception of a contract, the City assesses if the contract contains or is a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date, a right-of-use asset is recognised at cost and lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the City uses its incremental borrowing rate.

All contracts that are classified as short-term leases (i.e. a lease with a remaining term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Leases for right-of-use assets are secured over the asset being leased.

Right-of-use assets - valuation

Right-of-use assets are measured at cost. This means that all right-of-use assets (other than vested improvements) under zero cost concessionary leases are measured at zero cost (i.e. not included in the statement of financial position). The exception is vested improvements on concessionary land leases such as roads, buildings or other infrastructure which are reported at fair value.

Refer to Note 11 for details on the significant accounting policies applying to vested improvements.

Right-of-use assets - depreciation

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset, whichever is the shortest. Where a lease transfers ownership of the underlying asset, or the cost of the right-of-use asset reflects that the City anticipates to exercise a purchase option, the specific asset is amortised over the useful life of the underlying asset.

13. INTANGIBLE ASSETS

(a) Computer Software

Non-current

Intangible asset - Computer Software

	2020 Actual	2019 Actual
	\$	\$
	616,115	308,673
	616,115	308,673

Movements in carrying amounts of computer software during the financial year are shown as follows:

Carrying amount at beginning of period	308,673	0
Recognition of Intangible asset - Computer Software	307,442	308,673
Carrying amount at end of period	616,115	308,673
TOTAL INTANGIBLE ASSETS	616,115	308,673

SIGNIFICANT ACCOUNTING POLICIES

Computer software

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the the City are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use;
- management intends to complete the software and use or sell it;
- there is an ability to use or sell the software.
- it can be demonstrated how the software will generate probable future economic benefits;

Computer software (continued)

- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use.

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14. REVALUATION SURPLUS

	2020		2020		2020		2020		2020		2020		2020		2019		2019		2019	
	Opening Balance	Change in Accounting Policy	Revaluation Increment	Revaluation (Decrement)	Total Revaluation	Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation	Movement on Revaluation	Closing Balance	Opening Balance	Revaluation Increment	Revaluation (Decrement)	Total Revaluation	Movement on Revaluation	Closing Balance	
Revaluation surplus - Land	78,166,636	(12,140,000)	0	0	0	(12,140,000)	66,026,636	78,166,636	0	0	0	0	78,166,636	78,166,636	0	0	0	0	78,166,636	
Revaluation surplus - Furniture and equipment	199,013	0	58,484	0	58,484	0	257,497	199,013	0	0	0	0	199,013	199,013	0	0	0	0	199,013	
Revaluation surplus - Plant and equipment	1,581,222	0	373,186	0	373,186	0	1,954,408	1,581,222	0	0	0	0	1,581,222	1,581,222	0	0	0	0	1,581,222	
Revaluation surplus - Roads	112,417,177	0	0	0	0	0	112,417,177	112,417,177	0	0	0	0	112,417,177	112,417,177	0	0	0	0	112,417,177	
Revaluation surplus - Infrastructure - Footpaths	14,917,826	0	0	0	0	0	14,917,826	14,917,826	0	0	0	0	14,917,826	14,917,826	0	0	0	0	14,917,826	
Revaluation surplus - Infrastructure - Drainage	17,185,601	0	0	0	0	0	17,185,601	17,185,601	0	0	0	0	17,185,601	17,185,601	0	0	0	0	17,185,601	
Revaluation surplus - Car Parks	1,837,027	0	0	0	0	0	1,837,027	1,837,027	0	0	0	0	1,837,027	1,837,027	0	0	0	0	1,837,027	
Revaluation surplus - Infrastructure - Bus Shelters	379,791	0	0	0	0	0	379,791	379,791	0	0	0	0	379,791	379,791	0	0	0	0	379,791	
Revaluation surplus - Infrastructure - Parks & Ovals	4,869,464	0	0	0	0	0	4,869,464	4,869,464	0	0	0	0	4,869,464	4,869,464	0	0	0	0	4,869,464	
Revaluation surplus - Infrastructure - Other	178,078	0	0	0	0	0	178,078	178,078	0	0	0	0	178,078	178,078	0	0	0	0	178,078	
	231,731,835	(12,140,000)	431,670	0	(11,708,330)	0	220,023,505	231,731,835	431,670	0	(11,708,330)	0	220,023,505	231,731,835	0	0	0	0	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.

CITY OF KWINANA
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15. TRADE AND OTHER PAYABLES

Current

Sundry creditors	3,061,626	1,826,349
Prepaid rates	1,198,500	0
Accrued salaries and wages	828,470	629,954
Bonds and deposits held	1,070,649	1,581,937
Accrued Expenses	1,091,374	187,490
Accrued Interest on long term borrowings	30,451	32,295
Unit Contribution - Banksia Park	16,975,350	17,133,425
	24,256,420	21,391,450

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.

	2020	2019
	\$	\$
Sundry creditors	3,061,626	1,826,349
Prepaid rates	1,198,500	0
Accrued salaries and wages	828,470	629,954
Bonds and deposits held	1,070,649	1,581,937
Accrued Expenses	1,091,374	187,490
Accrued Interest on long term borrowings	30,451	32,295
Unit Contribution - Banksia Park	16,975,350	17,133,425
	24,256,420	21,391,450

Prepaid rates

Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.

16. CONTRACT AND OTHER LIABILITIES

Current

Contract liabilities from contracts with customers - fees & charges
 Contract liabilities from contracts with customers - operating grants
 Other liabilities from transfers for recognisable non financial assets

Non-current

Other liabilities from transfers for recognisable non financial assets

	2020	2019
	\$	\$
Contract liabilities from contracts with customers - fees & charges	162,515	0
Contract liabilities from contracts with customers - operating grants	194,030	0
Other liabilities from transfers for recognisable non financial assets	10,087,995	0
	10,444,540	0
Other liabilities from transfers for recognisable non financial assets	16,953,626	0
	16,953,626	0
	27,398,166	0

Performance obligations from contracts and other liabilities are expected to be recognised as revenue in accordance with the following time bands:

Less than 1 year	4,650,761
1 to 2 years	6,873,436
2 to 3 years	4,773,145
3 to 4 years	11,100,824
4 to 5 years	0
> 5 years	0
	27,398,166

SIGNIFICANT ACCOUNTING POLICIES

Contract Liabilities

Contract liabilities represent the the City's obligation to transfer goods or services to a customer for which the City has received consideration from the customer.

Contract liabilities are recognised as revenue when the performance obligations in the contract are satisfied.

With respect to transfers for recognisable non-financial assets, liabilities represent performance obligations which are not yet satisfied.

CITY OF KWINANA
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17. LEASE LIABILITIES

(a) Lease Liabilities

	2020	2019
	\$	\$
Current	114,357	0
Non-current	77,148	0
	191,505	0

(b) Movements in Carrying Amounts

Purpose	Lease Number	Institution	Lease Interest Rate	Lease Term	30 June 2020		30 June 2020		30 June 2020		30 June 2020	
					Actual Lease Principal 1 July 2019	Actual New Leases	Actual Lease Principal	Actual Lease Repayments	Actual Lease Principal	Actual Lease Repayments	Actual Lease Interest	Actual Repayments
Education and welfare												
Vehicle Lease - Bright Futures	1EYT548	Toyota Finance	2.00%	February 2021	6,819	0	4,282	2,537	96			
Vehicle Lease - Youth	1EWZ823	Easifleet	2.00%	November 2020	11,373	0	8,501	2,872	150			
Recreation and culture												
Nifisk - Floor Scrubber - Recquatic	Nifisk	Nifisk	1.70%	December 2022	0	21,044	4,008	17,036	192			
Other property and services												
Data#3 Limited Server Storage	E6N0160168	Alleasing	2.00%	June 2021	114,276	0	56,568	57,708	1,863			
ELB 4x Proline84 Interactive	E6N0160185	Alleasing	2.00%	June 2022	31,188	0	10,189	20,999	548			
Kyocera Equipment	5389066248AUS1	HP	3.65%	June 2022	66,803	0	22,109	44,694	2,072			
Photocopier/Printers	E6N0162743	Maia	1.80%	October 2024	0	56,020	10,361	45,659	689			
					230,459	77,064	116,018	191,505	5,610			

**CITY OF KWINANA
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18. INFORMATION ON BORROWINGS

	2020	2019
(a) Borrowings	\$	\$
Current	2,314,779	1,451,093
Non-current	47,953,926	20,101,305
	20,268,705	21,552,398

(b) Repayments - Borrowings

Particulars	30 June 2020		30 June 2020		30 June 2020		30 June 2020		30 June 2019		30 June 2019		30 June 2019	
	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest	Budget Principal	Budget Interest	Actual Principal	Actual Interest
Government														
Administration Office Renovations	671,799	45,032	671,799	45,130	0	0	0	0	761,572	51,272	761,572	51,272	0	0
Administration / Chambers Building Refurbishment	0	0	0	0	2,268,000	0	2,268,000	0	0	0	0	0	0	0
Education and welfare														
Youth Specific Space	122,474	9,482	27,312	9,565	0	0	0	0	147,840	25,366	147,840	25,366	11,586	11,586
Youth Specific Space Stage 2	1,398,797	73,040	128,303	73,138	0	0	0	0	1,521,312	79,551	1,521,312	79,551	1,398,797	1,398,797
Recreation and culture														
Wellard Sports Pavilion	158,337	9,908	49,501	10,406	0	0	0	0	204,825	46,488	204,825	46,488	13,236	13,236
Orelia Oval Pavilion	293,938	22,757	65,548	22,933	0	0	0	0	354,815	60,877	354,815	60,877	27,608	27,608
95	1,486,494	99,643	211,250	99,643	0	0	0	0	1,685,135	188,641	1,685,135	188,641	113,449	113,449
97	7,421,567	378,715	601,391	378,715	0	0	0	0	7,421,567	0	7,421,567	0	386,720	386,720
Resource & Knowledge Centre	3,350,000	0	0	0	0	0	0	0	3,350,000	0	3,350,000	0	159,125	159,125
102	3,350,000	0	0	0	0	0	0	0	3,350,000	0	3,350,000	0	0	0
Rescue Centre Upgrade	1,296,840	50,840	27,568	50,840	0	0	0	0	1,296,840	0	1,296,840	0	50,827	50,827
104	1,296,840	50,840	27,568	50,840	0	0	0	0	1,296,840	0	1,296,840	0	50,827	50,827
Bertram Community Centre	1,420,420	53,554	99,153	53,554	0	0	0	0	1,516,532	96,112	1,516,532	96,112	57,249	57,249
105	1,420,420	53,554	99,153	53,554	0	0	0	0	1,516,532	96,112	1,516,532	96,112	57,249	57,249
106	1,420,420	53,554	99,153	53,554	0	0	0	0	1,516,532	96,112	1,516,532	96,112	57,249	57,249
Transport														
Industrial Area Streetscape	906,930	60,793	128,886	60,793	0	0	0	0	1,028,123	121,193	1,028,123	121,193	69,217	69,217
88	906,930	60,793	128,886	60,793	0	0	0	0	1,028,123	121,193	1,028,123	121,193	69,217	69,217
101	2,500,000	79,298	0	79,298	0	0	0	0	2,500,000	79,250	2,500,000	79,250	2,500,000	2,500,000
City Centre Redevelopment	21,027,596	1,042,251	1,434,383	1,042,251	2,268,000	1,434,384	2,268,000	1,044,059	21,861,211	1,089,290	21,788,561	1,089,290	21,027,596	21,027,596
Self Supporting Loans														
Recreation and culture														
Kwinana Golf Club Refurbishment	286,682	16,710	16,710	10,516	0	0	0	0	282,850	16,168	282,850	16,168	286,682	286,682
103B	286,682	16,710	16,710	10,516	0	0	0	0	282,850	16,168	282,850	16,168	286,682	286,682
Share of SMRC Loan	258,120	0	0	0	0	0	0	0	0	0	0	0	0	258,120
	21,552,398	1,052,767	1,451,093	1,052,767	2,268,000	1,451,093	2,268,000	1,054,610	22,111,184	1,110,457	22,071,411	1,110,457	21,552,398	21,552,398

* WATC = WA Treasury Corporation

Self supporting loans are financed by payments from third parties. These are shown in Note 5 as other financial assets at amortised cost. All other loan repayments were financed by general purpose revenue.

Current portion of borrowings includes \$425,520, which represents the City's share of the Southern Metropolitan Regional Council (SMRC) Administration Building loan with the WATC.

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18. INFORMATION ON BORROWINGS (Continued)

(c) New Borrowings - 2019/20

Particulars/Purpose	Institution	Loan Type	Term Years	Interest Rate %	Amount Borrowed		Amount (Used)		Total Interest & Charges	Total Actual Balance Unspent
					2020 Actual	2020 Budget	2020 Actual	2020 Budget		
Loan 107 - Administration / Chambers Building Refurbishment	WATC	Debenture	10	3.52%	0	2,268,000	0	2,268,000	0	0
* WA Treasury Corporation					0	2,268,000	0	2,268,000	0	0

(d) Undrawn Borrowing Facilities
Credit Standby Arrangements

	2020	2019
Bank overdraft limit	0	0
Bank overdraft at balance date	0	0
Credit card limit	100,000	100,000
Credit card balance at balance date	(11,308)	(31,535)
Total amount of credit unused	88,692	68,465
Loan facilities		
Loan facilities - current	2,314,779	1,451,093
Loan facilities - non-current	17,953,926	20,101,305
Lease liabilities - current	114,357	0
Lease liabilities - non-current	77,148	0
Total facilities in use at balance date	20,460,210	21,552,398

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 28.

CITY OF KWINANA
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19. EMPLOYEE RELATED PROVISIONS

(a) Employee Related Provisions

	Provision for Annual Leave	Provision for Long Service Leave	Provision for Other Leave	Total
	\$	\$	\$	\$
Opening balance at 1 July 2019				
Current provisions	2,248,789	2,021,200	632,390	4,902,379
Non-current provisions	0	469,604	0	469,604
	2,248,789	2,490,804	632,390	5,371,983
Additional provision				
	258,449	169,641	116,067	544,157
Balance at 30 June 2020	2,507,238	2,660,445	748,457	5,916,140
Comprises				
Current	2,507,238	2,250,236	748,457	5,505,931
Non-current	0	410,209	0	410,209
	2,507,238	2,660,445	748,457	5,916,140
	2020	2019		
	\$	\$		
Less than 12 months after the reporting date	4,372,097	3,446,078		
More than 12 months from reporting date	1,544,043	1,925,905		
	5,916,140	5,371,983		

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

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.

CITY OF KWINANA
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20. 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:

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Cash and cash equivalents	25,471,026	48,639,208	11,888,157
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(22,793)	(2,556,513)	7,034,201
Non-cash flows in Net result:			
Adjustments to fair value of financial assets through profit and loss - Banksia Park DMF Receivable	(110,762)	0	610,100
Adjustments to fair value of financial assets through profit and loss - Local Government House Trust	(2,017)	0	(122,620)
Depreciation	15,630,143	14,269,092	15,359,581
(Profit)/loss on sale of asset	1,123,231	59,063	146,087
Contributed Assets	(7,538,175)	0	(10,430,404)
Share of profits of associates (SMRC)	(18,131)	0	(61,124)
Changes in assets and liabilities:			
(Increase)/decrease in receivables	37,498	1,850,000	(9,213)
(Increase)/decrease in financial assets	(1,023,821)	0	0
(Increase)/decrease in inventories	(4,403)	0	1,260
(Increase)/decrease in other assets	(44,388)	0	(164,217)
Increase/(decrease) in payables	1,877,401	(500,000)	(1,849,303)
Increase/(decrease) in provisions	544,157	0	297,645
Increase/(decrease) in contract and other liabilities	(678,269)	0	0
Grants contributions for the development of assets	(3,272,347)	(10,936,569)	(4,476,940)
Net cash from operating activities	6,497,324	2,185,073	6,335,053

21. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2020	2019
	\$	\$
Governance	73,884,766	73,748,984
Law, order, public safety	2,339,301	1,953,715
Health	82,182	80,256
Education and welfare	33,937,419	31,885,016
Community amenities	851,964	1,128,260
Recreation and culture	87,482,048	85,910,119
Transport	329,262,657	330,930,080
Economic services	39,089,204	51,402,122
Other property and services	3,179,766	3,347,917
	570,109,307	580,386,469

22. CONTINGENT LIABILITIES AND CONTAMINATED SITES

The City did not have any contingent liabilities as at 30 June 2020.

The City has currently identified the following potentially contaminated sites:

Peace Park - the City is currently seeking a contaminated sites audit certification to classify the site as 'remediated for restricted use'.

City Depot site - the City is currently seeking a 'non contaminated - unrestricted use' or 'decontaminated' classification.

Kwinana Golf Course - the City is currently seeking a 'contaminated restricted use' classification. Ground water monitoring is undertaken periodically.

Banksia Road (Reserve R24784) - classification is unknown and the site is subject to a preliminary contaminated sites assessment by the City. The property is currently subject to a mining lease conditioned that the lessee remediate the site.

Lot 434 & 304 Thomas Road Landfill - both sites are leased by the City to the Department of Planning and Infrastructure. The lease provides that the lessee is responsible for post operation management.

Each of the above sites has been reported to the Department of Water and Environmental Regulation (DWER), however none have been classified as 'contaminated' nor registered in the DWER Contaminated Sites database.

As the obligation and cost to remediate the sites remain uncertain and is not expected to be material, the City has not recognised a liability as at 30 June 2020.

23. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:
 - capital expenditure projects
 - plant & equipment purchases

Payable:
 - not later than one year

Varris Park Upgrade
 Smirks Cottage Tractor Shed Preliminaries
 Gilmore Avenue Crossing Signals
 Thomas Oval Lighting Towers
 Website Design Redevelopment
 Wellard Road Electrical Infrastructure
 Wellard Road Landscape Design
 Library Self Checkout Touchscreens & Workstations

	2020	2019
	\$	\$
	503,500	103,866
	7,751	0
	511,251	103,866
	511,251	103,866
	0	81,569
	0	22,297
	220,042	0
	196,984	0
	65,819	0
	11,308	0
	9,347	0
	7,751	0

(b) Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts (short term and low value leases).

Payable:
 - not later than one year
 - later than one year but not later than five years

	2020	2019
	\$	\$
	226,748	438,663
	65,379	344,990
	292,127	783,653

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

24. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

	2020 Actual	2020 Budget	2019 Actual
The following fees, expenses and allowances were paid to council members and/or the Mayor.	\$	\$	\$
Meeting fees	276,462	276,462	273,794
Mayor's allowance	89,753	89,753	88,864
Deputy Mayor's allowance	22,438	22,438	22,216
Travelling expenses	2,610	6,000	2,396
Telecommunications allowance	28,000	28,000	28,000
	<u>419,263</u>	<u>422,653</u>	<u>415,270</u>

Key Management Personnel (KMP) Compensation Disclosure

	2020 Actual	2019 Actual
The total of remuneration paid to KMP of the City during the year are as follows:	\$	\$
Short-term employee benefits	1,428,736	1,343,082
Post-employment benefits	142,883	142,026
Other long-term benefits	32,510	31,216
	<u>1,604,129</u>	<u>1,516,324</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.

24. 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.

	2020 Actual	2019 Actual
The following transactions occurred with related parties:	\$	\$
Sale of goods and services	52,519	69,384
Purchase of goods and services	182,110	183,964

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. Other Related Parties

The associate person of KMP was employed by the City under normal employment terms and conditions.

iii. 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.

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25. INVESTMENT IN ASSOCIATES

South Metropolitan Regional Council (SMRC)

The SMRC is a statutory local government authority established in 1991 by the local governments of Canning, Cockburn, East Fremantle, Kwinana, Melville and Rockingham. The SMRC is responsible for developing environmentally sustainable waste management solutions for the communities of the Participants.

The member local governments have jointly agreed to establish SMRC under an Establishment Agreement and each participant may participate in regional projects that are governed by a Participants' Project Agreement.

There are two core projects, being:

1. The Regional Resource Recovery Centre (RRRC) Project and;
2. The Office Accommodation Project.

Both the projects were established through separate project participants' agreements. The City of Kwinana are not participants in the RRRC project. In addition to the above two projects, the support activities of SMRC such as Administrative activities, Education and Marketing and Research and Development, are referred to as Existing Undertakings.

The following local governments have since withdrawn from the Regional Council:

City of Canning in June 2010, City of Rockingham in June 2012 and City of Cockburn in June 2019.

	Note	2020 \$	2019 \$
The City's Share of Associate Entity's Net Assets		504,775	319,244
Equity Ratio		17.85%	11.39%
Represented by Share of Associate Entity's Statement of Financial Position			
Current Assets		304,299	327,835
Non Current Assets		300,253	451,078
Total Assets		604,552	778,913
Current Liabilities		98,192	198,641
Non-Current Liabilities		1,585	261,028
Total Liabilities		99,777	459,669
Net Assets		504,775	319,244
Net Increase in Share of Associate Entity's Net Assets:			
Net Assets		185,531	319,244
Less: City of Kwinana's Share of SMRC Loan Liability	14	(167,400)	(258,120)
		18,131	61,124

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 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.

SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investment in associates (Continued)

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.

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26. RATING INFORMATION

(a) Rates

RATE TYPE	2019/20		2019/20		2019/20		2019/20		2019/20		2018/19	
	Rate in \$	Number of Properties	Actual Rate	Actual Revenue	Actual Interim Rates	Actual Interim Revenue	Actual Back Rates	Actual Back Revenue	Budget Rate	Budget Revenue	Budget Total Revenue	Actual Total Revenue
Differential general rate / general rate												
Gross rental valuations												
Improved Residential	0.08199	14,165	245,441,404	19,718,904	320,726	(105,393)	19,934,237	19,718,903	500,000	0	0	19,284,214
Improved Special Residential	0.07518	827	19,737,051	1,477,596	6,825	3,020	1,487,441	1,477,596	0	0	0	1,383,110
Improved Commercial and Industrial	0.09269	506	108,866,403	10,017,187	60,714	27,710	10,105,611	10,017,187	0	0	0	9,477,276
Vacant Residential	0.17249	421	7,430,200	1,324,927	(13,051)	(8,328)	1,303,548	1,324,927	0	0	0	1,317,177
Vacant Non Residential	0.12193	43	3,229,500	353,095	34,315	(28,783)	358,627	353,095	0	0	0	266,119
Unimproved valuations												
General Industrial	0.01803	3	121,200,000	2,185,236	0	0	2,185,236	2,185,236	0	0	0	2,131,908
Rural	0.00518	136	205,487,000	1,260,537	(165,660)	11,892	1,106,769	1,260,537	0	0	0	1,237,114
Mining and Industrial	0.00868	25	39,960,000	346,853	0	0	346,853	346,853	0	0	0	338,461
Sub-Total		16,126	751,351,558	36,684,335	243,869	(99,882)	36,828,322	36,684,334	500,000	0	0	35,435,379
Minimum payment												
Gross rental valuations												
Improved Residential	1.062	1,430	16,941,328	1,520,784	(1,233)	(85)	1,519,466	1,520,784	0	0	0	1,486,527
Improved Special Residential	1.062	4	54,600	4,248	0	0	4,248	4,248	0	0	0	4,144
Improved Commercial and Industrial	1.382	62	599,583	84,302	1,382	1,348	87,032	84,302	0	0	0	82,228
Vacant Residential	1.062	808	4,100,563	917,568	(30,232)	97	887,433	917,568	0	0	0	967,049
Vacant Non Residential	1.062	3	4,770	3,186	0	0	3,186	3,186	0	0	0	2,072
Unimproved valuations												
Rural	1.382	62	8,872,600	65,844	3,688	14,197	83,729	65,844	0	0	0	75,934
Mining and Industrial	1.382	15	187,205	22,112	(480)	0	21,632	22,112	0	0	0	21,564
Sub-Total		2,384	30,760,649	2,618,044	(26,875)	15,557	2,606,726	2,618,044	0	0	0	2,639,518
Discents (Note 26(b))												
Total amount raised from general rate		18,510	782,112,207	39,302,379	216,994	(84,325)	39,435,048	39,302,378	500,000	0	0	38,074,897
												(6,477)
												38,068,420

SIGNIFICANT ACCOUNTING POLICIES

Rates

Control over assets acquired from rates is obtained at the commencement of the rating period. Prepaid rates are, until the taxable event has occurred (start of the next financial year), refundable at the request of the ratepayer. Rates received in advance are initially recognised as a financial liability. When the taxable event occurs, the financial liability is extinguished and the City recognises revenue for the prepaid rates that have not been refunded.

26. RATING INFORMATION (Continued)

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

Rates Discounts

Rate or Fee Discount Granted	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Small Balance Write Off	1,625	2,400	1,477
Rates Incentive Prize	5,000	5,000	5,000
Total discounts/concessions (Note 26(a))	6,625	7,400	6,477

(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	23/08/2019	\$ -	5.50%	11.00%
Option Two				
First instalment	23/08/2019	\$ 10.50	5.50%	11.00%
Second instalment	2/01/2020			
Option Three				
First instalment	23/08/2019	\$ 21.00	5.50%	11.00%
Second instalment	25/10/2019			
Third instalment	2/01/2020			
Fourth instalment	3/03/2020			
Option Four				
Fortnightly Direct Debit cycle	29/05/2020	\$ 21.00	5.50%	11.00%
Option Five				
Weekly Direct Debit cycle	29/05/2020	\$ 21.00	5.50%	11.00%

	2020 Actual	2020 Budget	2019 Actual
	\$	\$	\$
Interest on unpaid rates	455,119	448,408	472,700
Interest on instalment plan	313,552	295,000	294,923
Deferred Pensioner Interest	15,880	0	18,317
Charges on instalment plan	221,486	142,000	164,002
	1,006,037	885,408	949,942

27. RATE SETTING STATEMENT INFORMATION

(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 *Financial Management Regulation 32*.

Adjustments to operating activities

Note	2019/20 (30 June 2020 Carried Forward)	2019/20 Budget (30 June 2020 Carried Forward)	2018/19 (30 June 2019 Carried Forward)
	\$	\$	\$
11(a)	(124,076)	(42,863)	(6,178)
	0	0	0
	(116,810)	0	
	(112,779)	0	610,100
	(18,131)	0	0
	(158,075)	0	(2,090,575)
	(48,371)	0	(32,973)
	544,157	0	297,645
11(a)	1,247,307	101,926	152,265
11(b)	15,630,143	14,269,092	15,359,581
	16,843,365	14,328,155	14,289,865

(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 *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

Adjustments to net current assets

4	(55,249,686)	(48,632,038.00)	(55,730,366)
5(a)	(17,269)	(17,269)	(16,709)
5	(319,490)	0	(297,819)
18(a)	2,314,779	1,889,259	1,451,093
	194,030	0	0
	10,087,995	0	0
	114,357	0	0
	5,505,931	4,241,502	4,902,379
	16,975,350	0	17,133,425
	(20,394,003)	(42,518,546)	(32,557,997)

Net current assets used in the Rate Setting Statement

Total current assets	65,863,984	51,295,915	62,781,266
Less: Total current liabilities	(42,636,027)	(8,777,369)	(27,744,922)
Less: Total adjustments to net current assets	(20,394,003)	(42,518,546)	(32,557,997)
Net current assets used in the Rate Setting Statement	2,833,954	0	2,478,347

(c) Adjustments to current assets and liabilities at 1 July 2019 on application of new accounting standards

Total current assets at 30 June 2019			62,781,266
- Other assets	29(a)		0
Total current assets at 1 July 2019			62,781,266
Total current liabilities at 30 June 2019			(27,744,922)
- Contract liabilities from contracts with customers	29(a)		(135,281)
- Other liabilities from transfers for recognisable non financial assets	29(a)		(8,311,141)
- Rates paid in advance	29(b)		(904,842)
- Lease liabilities	29(c)		(101,360)
Total current liabilities at 1 July 2019			(37,197,546)

28. 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 Council. The finance area identifies, evaluates and manages financial risk 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.

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 \$
2020					
Cash and cash equivalents	0.61%	25,471,026	0	25,466,506	4,520
Financial assets at amortised cost - term deposits	0.74%	33,787,559	33,787,559	0	0
2019					
Cash and cash equivalents	0.99%	11,888,157	2,135,837	9,747,750	4,570
Financial assets at amortised cost	2.46%	45,348,386	45,348,386	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.

	2020 \$	2019 \$
Impact of a 1% movement in interest rates on profit and loss and equity*	592,586	572,365

* Holding all other variables constant

Borrowings

Borrowings are subject to interest rate risk - the risk that movements in interest rates could adversely affect funding costs. The City manages this risk by borrowing long term and fixing the interest rate to the situation considered the most advantageous at the time of negotiation. The 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 18(b).

28. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade and Other 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 has also been 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 24 months before 1 July 2019 or 1 July 2020 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 residents to settle the receivables.

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

No expected credit loss was forecast 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 2020			
Rates receivable			
Expected credit loss	0.00%	0.00%	
Gross carrying amount	0	3,588,655	3,588,655

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Rates receivable					
Expected credit loss	0.00%	0.00%			
Gross carrying amount	0	3,865,054			3,865,054

The loss allowance as at 30 June 2020 and 30 June 2019 was determined as follows for trade receivables.

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2020					
Trade and other receivables					
Expected credit loss	0.52%	14.81%	18.93%	30.10%	
Gross carrying amount	632,938	11,512	26,535	294,229	965,213
Loss allowance	3,316	1,705	5,023	88,562	98,606

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
30 June 2019					
Trade and other receivables					
Expected credit loss	1.20%	3.60%	3.50%	35.90%	
Gross carrying amount	149,773	29,983	15,737	267,007	462,500
Loss allowance	1,812	1,084	558	95,967	99,421

28. 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 payments 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.

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
	\$	\$	\$	\$	\$
2020					
Payables	8,331,072	7,962,674	7,962,674	24,256,420	24,256,420
Borrowings	1,889,259	10,604,275	7,775,171	20,268,705	20,268,705
Contract and other liabilities	10,444,540	22,747,405	0	33,191,945	27,398,166
Lease liabilities	119,134	87,577	0	206,711	191,505
	<u>20,784,005</u>	<u>41,401,931</u>	<u>15,737,845</u>	<u>77,923,781</u>	<u>72,114,796</u>
2019					
Payables	5,308,025	8,041,713	8,041,713	21,391,450	21,391,450
Borrowings	2,505,552	13,396,660	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>

29. 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.

(a) AASB 15: Revenue from Contracts with Customers

The City adopted 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 adopted the new rules retrospectively with the cumulative effect of initially applying these rules recognised on 1 July 2019. In summary the following adjustments were made to the amounts recognised in the balance sheet at the date of initial application (1 July 2019):

	Note	AASB 118 carrying amount 30 June 2019	Reclassification	AASB 15 carrying amount 01 July 2019
		\$	\$	\$
Contract liabilities - current				
Contract liabilities from contracts with customers	16	0	(135,281)	(135,281)
Adjustment to retained surplus from adoption of AASB 15	30(b)		(135,281)	

(b) AASB 1058: Income For Not-For-Profit Entities

The City adopted 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 adopted the new rules retrospectively with the cumulative effect of initially applying AASB 1058 recognised at 1 July 2019. Comparative information for prior reporting periods was not restated in accordance with AASB 1058 transition requirements.

In applying AASB 1058 retrospectively with the cumulative effect of initially applying the Standard on 1 July 2019 changes occurred to the following financial statement line items by application of AASB 1058 as compared to AASB 118: Revenue and AASB 1004:

	Note	AASB 118 and AASB 1004 carrying amount 30 June 2019	Reclassification	AASB 1058 carrying amount 01 July 2019
		\$	\$	\$
Trade and other payables				
Rates paid in advance	15	0	(904,842)	(904,842)
Other liabilities - current				
Other liabilities from transfers for recognisable non financial assets	16	0	(8,311,141)	(8,311,141)
Other liabilities non-current				
Other liabilities from transfers for recognisable non financial assets	16	0	(18,906,039)	(18,906,039)
Adjustment to retained surplus from adoption of AASB 1058	30(b)		(28,122,022)	

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 gave rise to a financial liability that is within the scope of AASB 9. On 1 July 2019 the prepaid rates were 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 occurred, the financial liability was extinguished and the City recognised 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.

CITY OF KWINANA
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29. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS (Continued)

The table below provides details of the amount by which each financial statement line item is affected in the current reporting period by the application of this Standard as compared to AASB 118 and 1004 and related Interpretations that were in effect before the change.

		2020 \$	Adjustment due to application of AASB 15 and AASB 1058	2020 \$ Compared to AASB 118 and AASB 1004
	Note	As reported under AASB 15 and AASB 1058		
Statement of Comprehensive Income				
Revenue				
Rates	26(a)	39,435,048	1,198,500	40,633,548
Operating grants, subsidies and contributions	2(a)	7,445,800	17,310,171	24,755,971
Fees and charges	2(a)	11,438,704	(44,388)	11,394,316
Non-operating grants, subsidies and contributions	2(a)	10,810,522	10,087,995	20,898,517
Net result		(22,793)	28,552,278	28,529,485
Statement of Financial Position				
Other assets	2(a)	44,388	(44,388)	0
Trade and other payables	15	24,256,420	(1,198,500)	23,057,920
Contract and Other liabilities	16	27,398,166	(27,398,166)	0
Net assets		492,078,371	28,552,278	520,630,649
Statement of Changes in Equity				
Net result		(22,793)	28,552,278	28,529,485
Retained surplus		216,805,180	28,552,278	245,357,458

Refer to Note 2(a) for new revenue recognition accounting policies as a result of the application of AASB 15 and AASB 1058.

(c) AASB 16: Leases

The City adopted AASB 16 retrospectively from 1 July 2019 which resulted in changes 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 AASB16 recognised on 1 July 2019. In applying AASB 16, under the specific transition provisions chosen, the City will not restate comparatives for prior reporting periods.

	Note	2020 \$
Operating lease commitments at 30 June 2019 applying AAS 117		239,510
Discount applied using incremental borrowing rate		(9,051)
Lease liability recognised as 1 July 2019 discounted using the City's incremental borrowing rate of 2.48%	17(b)	230,459
Lease liability - current		101,360
Lease liability - non-current		129,099
Adjustment to Retained Earnings 1 July 2019		(3,841)
Right-of-use assets recognised at 1 July 2019		226,618

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.

CITY OF KWINANA
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FOR THE YEAR

30. CHANGE IN ACCOUNTING POLICIES

(a) Change in Accounting Policies due to regulation changes

Effective 6 November 2020, *Local Government (Financial Management) Regulation 16* was deleted and *Local Government (Financial Management) Regulation 17A* was amended with retrospective application. The changes were effective for financial years ending on or after 30 June 2020 so are required to be applied retrospectively with cumulative effect applied initially on 1 July 2019.

In accordance with the changes, the City was required to remove the values attributable to certain crown land assets previously required to be recognised, as well as the associated revaluation surplus at 1 July 2019. These assets have been measured as concessionary lease right-of-use assets at zero cost in accordance with AASB 16. For further details relating to these changes, refer to Note 11.

In summary the following adjustments were made to the amounts recognised in the statement of financial position at the date of initial application (1 July 2019):

	Note	Carrying amount 30 June 2019 \$	Reclassification \$	Carrying amount 01 July 2019 \$
Property, plant and equipment	9	150,484,396	(12,140,000)	138,344,396
Revaluation surplus	14	231,731,835	(12,140,000)	219,591,835

Also, following changes to *Local Government (Financial Management) Regulation 17A*, plant and equipment type assets (being plant and equipment and furniture and equipment) are to be measured under the cost model, rather than at fair value. This change is effective from 1 July 2019 and represents a change in accounting policy. Revaluations carried out during the year were not reversed as it was deemed fair value approximates cost at the date of the change.

(b) Changes in equity due to change in accounting policies

The impact on the City's opening retained surplus due to the adoption of AASB 15, AASB 16 and AASB 1058 as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Retained surplus - 30 June 2019			244,608,437
Adjustment to retained surplus from adoption of AASB 15	29(a)	(135,281)	
Adjustment to retained surplus from adoption of AASB 1058	29(b)	(28,122,022)	
Adjustment to retained surplus from adoption of AASB 16	29(c)	(3,841)	(28,261,144)
Retained surplus - 1 July 2019			216,347,293

The impact on the City's opening revaluation surplus resulting from *Local Government (Financial Management) Regulation 16* being deleted and the amendments to *Local Government (Financial Management) Regulation 17A* as at 1 July 2019 was as follows:

	Note	Adjustments	2019 \$
Revaluation surplus - 30 June 2019			231,731,835
Adjustment to revaluation surplus from deletion of FM Reg 16	30(a)	(12,140,000)	
Adjustment to revaluation surplus from deletion of FM Reg 17	30(a)	0	(12,140,000)
Revaluation surplus - 1 July 2019			219,591,835

31. 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:

	1 July 2019	Amounts Received	Amounts Paid	30 June 2020
	\$	\$	\$	\$
APU Security Bonds	15,591	4,610	(2,267)	17,934
Contiguous Local Authorities Group (CLAG)	3,594	0	0	3,594
Public Open Space Cash In Lieu	204,239	79,609	0	283,848
	223,424	84,219	(2,267)	305,376

32. 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.

**CITY OF KWINANA
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33. ACTIVITIES/PROGRAMS

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

PROGRAM NAME AND OBJECTIVES	ACTIVITIES
GOVERNANCE To provide a decision making process for the efficient allocation of scarce resources.	Members of Council & Governance (includes Audit & other costs associated with reporting to council). Administration, Financial and Information Technology Services are included.
GENERAL PURPOSE FUNDING To collect revenue to allow for the provision of services.	Rates Income and Expenditure, Grants Commission and Pensioner Deferred Rates interest and interest on investments.
LAW, ORDER, PUBLIC SAFETY To provide services to help ensure a safer and environmentally conscious community.	Supervision of various local laws, fire prevention and animal control.
HEALTH To provide an operational framework for environmental and community health.	Prevention and treatment of human illnesses, including inspection of premises/food control, immunisation and child health services.
EDUCATION AND WELFARE To provide services to disadvantaged persons, the elderly, children and youth.	Provision, management and support of services for families, children and the aged and disabled within the community; including pre-school playgroups, day and after school care, assistance to schools, and senior citizens support groups.
COMMUNITY AMENITIES To provide services required by the community.	City planning and development, rubbish collection services, storm water drainage, the provision of public conveniences, bus shelters, roadside furniture and litter control.
RECREATION AND CULTURE To establish and effectively manage infrastructure and resources which will help the social wellbeing of the community.	Provision of facilities and support for organisations concerned with leisure time activities and sport, support for the performing and creative arts and the preservation of the national estate. This includes maintenance of halls, aquatic centre, recreation and community centres, parks, gardens, sports grounds and the operation of Libraries.
TRANSPORT To provide safe, effective and efficient transport services to the community.	Construction, maintenance and cleaning of streets, roads, bridges, drainage works, footpaths, parking facilities, traffic signs and the City depot, including plant purchase and maintenance.
ECONOMIC SERVICES To help promote the City and its economic wellbeing.	Tourism and area promotion, rural services and pest control and the implementation of building controls.
OTHER PROPERTY AND SERVICES To monitor and control the City's overhead operating accounts.	Private works, public works overheads, City plant operations, materials, salaries and wages. With the exception of private works, the above activities listed are mainly summaries of costs that are allocated to all works and services undertaken by the City.

**CITY OF KWINANA
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34. FINANCIAL RATIOS

	2020 Actual	2019 Actual	2018 Actual
Current ratio	0.33	0.25	0.26
Asset consumption ratio	0.77	0.79	0.81
Asset renewal funding ratio	0.30	0.91	1.06
Asset sustainability ratio	0.27	0.22	0.24
Debt service cover ratio	2.34	4.55	6.44
Operating surplus ratio	(0.20)	(0.14)	(0.07)
Own source revenue coverage ratio	0.75	0.77	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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$



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 2020, and 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, as well as 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 2020 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 Notes 1 and 11 to the annual financial report, which describe the basis of accounting. The annual financial report has been prepared for the purpose of fulfilling the City's financial reporting responsibilities under the Act, including the Local Government (Financial Management) Regulations 1996 (Regulations). My opinion is not modified in respect of these matters:

- (i) Regulation 17A requires a local government to measure vested improvements at fair value and the associated vested land at zero cost. This is a departure from AASB 16 *Leases* which would have required the entity to measure the vested improvements also at zero cost.
- (ii) In respect of the comparatives for the previous year ended 30 June 2019, Regulation 16 did not allow a local government to recognise some categories of land, including land under roads, as assets in the annual financial report

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 the 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.

A further description of my responsibilities for the audit of the annual financial report is located on the Auditing and Assurance Standards Board website at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This includes the identification and assessment of the risk of material misstatement due to fraud arising from management override of controls. This description forms part of my auditor's report.

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 as reported in Note 34 of the annual financial report is below the Department of Local Government, Sport and Cultural Industries' (DLGSCI's) standard of 1.00 for the last three financial years;
 - b. The Asset Sustainability Ratio as reported in Note 34 of the annual financial report is below the DLGSCI's standard of 0.90 for the last three financial years; and
 - c. The Operating Surplus Ratio as reported in Note 34 of the annual financial report is below the DLGSCI's standard of 0.01 for the last three financial years.
- (ii) All required information and explanations were obtained by me.
- (iii) All audit procedures were satisfactorily completed.
- (iv) 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 financial ratios for 2018 in Note 34 of the annual financial report were audited by another auditor when performing their audit of the City for the year ending 30 June 2018. The auditor expressed an unmodified opinion on the annual financial report for that year.

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 2020 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.

Labuschagne

SANDRA LABUSCHAGNE
DEPUTY AUDITOR GENERAL

Delegate of the Auditor General for Western Australia
Perth, Western Australia
8 December 2020





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