

City of
Bayswater

Annual Report

2018/19



Ngalla City of Bayswater kaatanginy
baalapa Noongar Boodja baaranginy,
Wadjuk moort Noongar moort,
boordiar's koora koora, boordiar's ye
yay ba boordiar's boordawyn wah.

The City of Bayswater acknowledges the Traditional Custodians of the land, the Whadjuk people of the Noongar Nation, and pays its respects to elders past, present and emerging.

Where to get a copy

A copy of the 2018/19 Annual Report can be downloaded from the City of Bayswater website.

If you would like to get a copy of our Annual Report in an alternative format, we have a number of hard copies available at the City's Civic Centre; as well as the Bayswater, Maylands and Morley libraries.

To have a plain text document emailed to you, please contact us at mail@bayswater.wa.gov.au or call us on 9272 0622.

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Our City



In the bustling heart of the inner east, the City of Bayswater is home to a culturally diverse and vibrant community set against the backdrop of four thriving town centres, over 380 hectares of green open space and a 10 kilometre stretch of the Swan River.

The City of Bayswater has built a reputation on the delivery of services that our community value. We operate three libraries, three recreation centres and support over 120 local sporting clubs through the provision of club rooms and facilities. We maintain 189 parks, ovals and open spaces, and manage a local road network that spans 360 kilometres.

We manage parking, promote responsible pet ownership and ensure the City is bushfire ready. We understand our residents want to feel safe and have invested heavily in a network of CCTV cameras to complement our regular security patrol service.

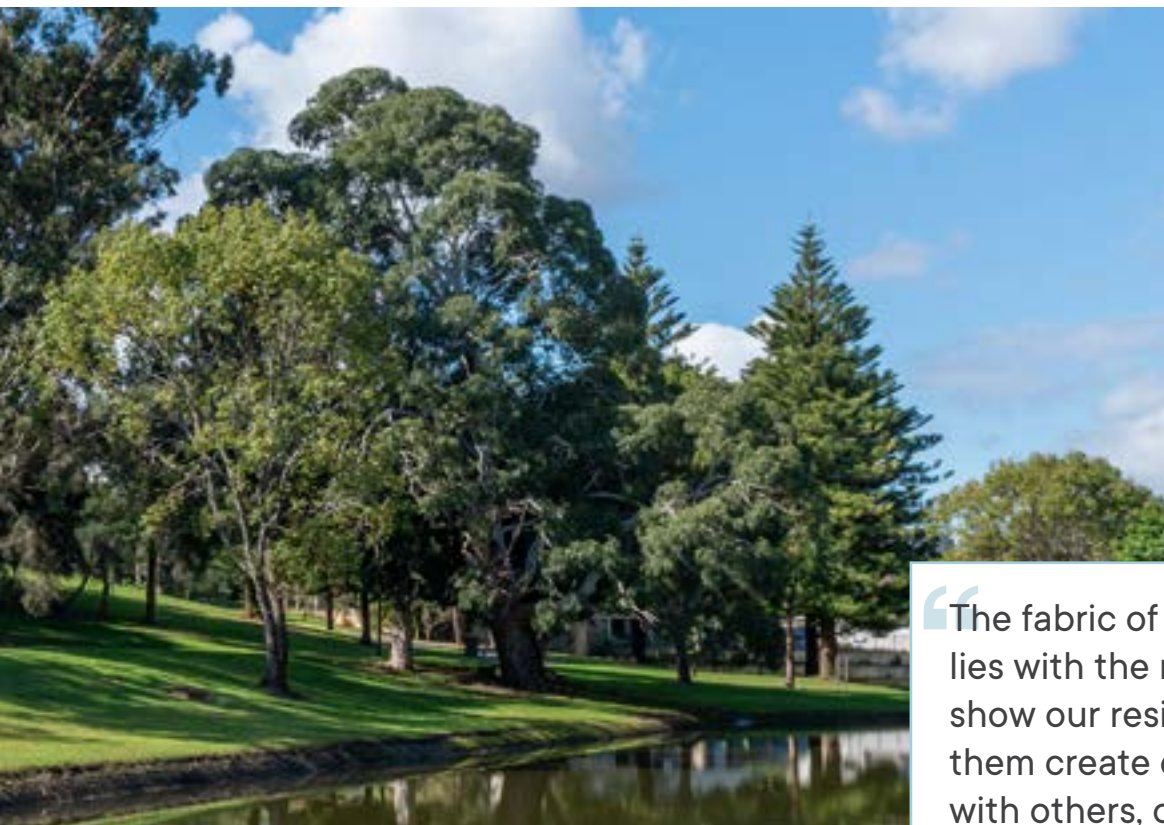
We are particularly passionate about the environment, dedicating time and resources to addressing water quality, protecting our wetlands and planting over 1,500 trees to address our declining tree canopy. An early adopter of the three-bin system, we are serious about reducing waste and educating our residents about how they can contribute.

The fabric of our community lies with the respect we show our residents – helping them create connections with others, celebrating our diversity, and providing support and care for those who need it the most.

The foundation for this is our commitment to community engagement. We ask and listen to what our community wants, then work closely with them to provide the services they need.

We respect and value the important role older members of our community play, and we work with the City's youth to keep them engaged and encourage their participation in decision making processes.

We prioritise the health of young children and their parents, and will continue to operate five child health centres, immunisation clinics and conduct health inspections at local eateries.



“The fabric of our community lies with the respect we show our residents - helping them create connections with others, celebrating our diversity, and providing support and care for those who need it the most.”

Our multiculturalism is something we are proud to celebrate and promote through art, festivals and community events. The City's first Reconciliation Action Plan has been completed, and we will work with community groups to foster an inclusive City for all.

We will continue to host community events that bring people together. We will deliver a streamlined community grants program that supports environmental and community initiatives brought forward by the hardworking volunteers who give up their time to make our City a better place to live, work and visit.

We are committed to strengthening our strategic planning framework to better manage growth and ensure the delivery of well-designed buildings. This will complement the success we continue to achieve through the activation of our major town centres of Bayswater, Morley, Maylands and Noranda.

Message from the Mayor



Our Annual Report provides an outline of the City's activities during the 2018/19 Financial Year, detailing what we have achieved on behalf of our community.

It has been an outstanding year, with great strides being made in areas close to the hearts of residents and ratepayers.

Principal among these has been the City's laudable actions in environmental sustainability. Our community is passionate about the environment and by working closely with community groups, friends of groups, and Environment House; we have dedicated significant resources to addressing water quality, protecting our wetlands, encouraging biodiversity and rectifying our declining tree canopy.

This work has been recognised on an international scale, with awards being received from many notable organisations; positioning the City of Bayswater as an industry leader in environmental sustainability. As we move forward, our focus on climate change resilience, sustainable urban form and environmental protection will continue, to the benefit of all who call the City home.

As a Council, we have a firm belief that the very fabric of our community lies with the respect we show our most vulnerable residents. We recognise the important role older people play and have been working closely with them to help us make the City a more age friendly place to live.

The Age Friendly Ambassador Program, launched in 2019, is a crowning achievement for the City. This innovative program is facilitated by a network of eight older adults from diverse backgrounds, who are playing an important role in connecting people to activities, programs, events and services; and giving older residents a voice on community issues.

The activation of our town centres in Morley, Noranda, Maylands and Bayswater continues, creating reasons for people to stop and spend some time - which can only be a good thing for local businesses. In conjunction with many of our valued community groups, town teams, schools and tireless volunteers, we have held events, installed art, furniture, plants, lighting, and even a ping pong table in Noranda. We have really seen our town centres come to life - and we aren't done yet.

Our quarterly Bayswater Beat newsletter has been a roaring success, and has been a valuable way to keep people informed about projects, events and engagement activities happening within the City.

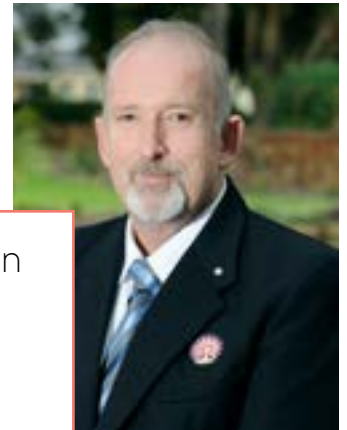
I thank my fellow Councillors and staff for their hard work, dedication and on-going support.

My sincere thanks also goes to our community. It is a privilege to act on your behalf; and I say without hesitation that I am proud of what we have achieved together over the past year. I look forward to continuing this work to ensure our City flourishes, building strong and connected neighbourhoods in the heart of the inner east.



Dan Bull
Mayor

Message from the CEO



The 2018/19 Financial Year has seen the City focus squarely on building an industry leading local government by capitalising on the strengths of the organisation, working closely with our community and further streamlining operations.

This is evidenced by the significant number of accolades the City has received, both from the local government sector and industry associations. With recognition for community consultation, the internal SEED review, our geospatial portal, and numerous awards for our Bayswater Brook Catchment Management project; the City has firmly established itself as a local government to watch, with innovative projects, expert staff and industry leading initiatives.

A significant milestone for the City over this period was the aged care divestment of Mertome Retirement Village to Hall & Prior in April 2019. Given the changing regulatory environment in the aged care sector, it was considered Hall & Prior is best placed to meet the needs of the residents both now and in the future. The City will continue to monitor the progress of the refurbishment of the facility and is committed to the welfare of the residents.

I would like to acknowledge Carissa Bywater, who was with the City for six years as Director Corporate and Strategy. Carissa was instrumental in establishing the Participatory Budgeting project, and the development of the City's new website. Carissa also had the significant task of managing the transition of the City owned Mertome Retirement Village to Hall & Prior. Her time with the City was full of achievements and her contribution was substantial.

The year ahead will provide many new challenges, with changes to legislation and an ongoing review of services to reduce red tape; along with improved governance, discretionary disclosures and reporting.

The cost of service provision will be high on the agenda, and the City will step up and do all we can to deliver the services our community values, while ensuring financial stability for the future.

We will see a shift in focus for the strategic advocacy of major projects - this will enable us to provide more for our community and ensure the City keeps moving from strength to strength.

I extend my appreciation and recognition to all City staff for their invaluable contribution. Without the support and dedication of a professional, passionate and community focused workforce, we would not have been able to achieve all we have over the past year.

I recognise the efforts of the Executive Leadership and Management teams, who unwaveringly provide a professional and compassionate service to the community and support for staff.

Andrew Brien
Chief Executive Officer

Elected representatives

West Ward



Cr Dan Bull
Mayor
Term expired 2019
(re-elected 2019)



Cr Lorna Clarke
Term Expires 2021



Cr Giorgia Johnson
Term expires 2021

North Ward



Cr Filomena Piffaretti
Term expires 2021



Cr Stephanie Gray
Term expires 2021



Cr Michelle Sutherland
Term expired 2019
(re-elected 2019)

Central Ward



Cr Barry McKenna
Freeman of the City
Term expires 2021



Cr Sally Palmer
Term expired 2019
(re-elected 2019)



Cr Chris Cornish
Deputy Mayor
Term expired 2019

South Ward



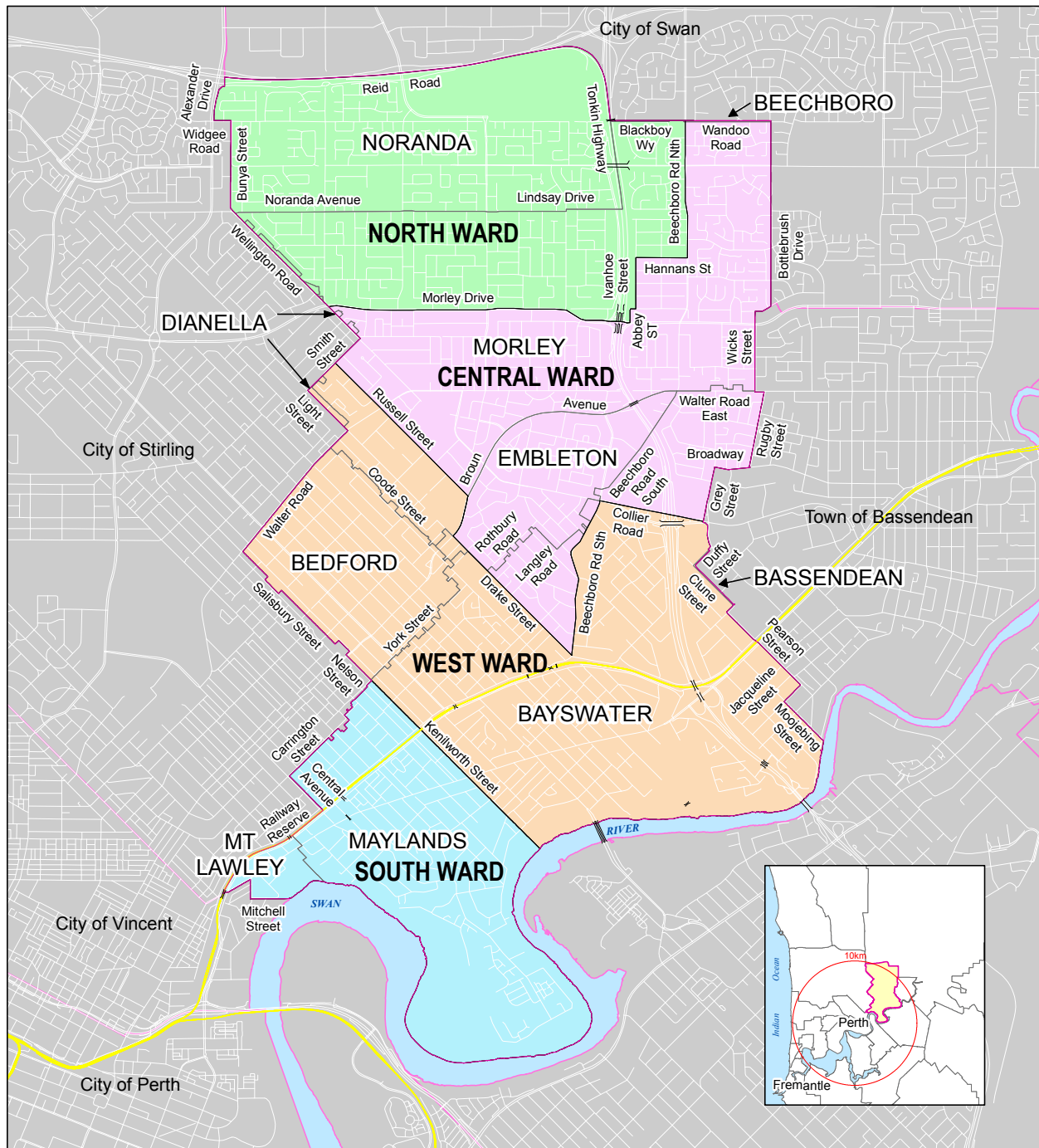
Cr Catherine Ehrhardt
Term expired 2019
(re-elected 2019)



Cr Elli Petersen-Pik
Term expires 2021

Electoral wards

City of Bayswater, Perth WA - Electoral Wards 2019



Legend

<p>North Ward Area 9km² Noranda Part Morley Part Dianella Part Beechboro</p>	<p>West Ward Area 11km² Part Bayswater Bedford Part Embleton Part Morley Part Dianella Part Bassendean</p>
<p>Central Ward Area 9km² Part Morley Part Embleton Part Bayswater Part Dianella Part Beechboro</p>	<p>South Ward Area 5km² Maylands Part Mt Lawley</p>



City of Bayswater Electoral Ward Layout

0 375 750 1,500 2,250 3,000 Meters

Compiled by: Asset & Mapping Services
City of Bayswater
Map Scale: 1:49,000 (at ISO A4 sheet size)
Source data -
Data WA 2019

City of Bayswater 2019



Councillor attendance summary

		Elected 14/09/18	Elected 21/10/17						Elected 19/10/15			
	Number of meetings	Cr Michelle Sutherland	Cr Barry Mc Kenna	Cr Filomena Piffaretti	Cr Lorna Clarke	Cr Stephanie Gray	Cr Giorgia Johnson	Cr Elli Petersen-Pik	Cr Dan Bull	Cr Sally Palmer	Cr Chris Cornish	Cr Catherine Ehrhardt
Council Meetings												
Ordinary Council Meeting	17	13	16	14	15	16	17	17	17	16	17	17
Special Council Meeting	2	1	1	2	2	2	2	1	2	2	2	2
Annual General Meeting	1	0	0	1	0	1	1	0	1	1	0	1
Planning and Development Services Committee	6	2	4	5	5	6	6	4	6	6	4	6
Community, Technical, Finance and Corporate Services Committee	6	4	4	6	5	3	6	6	6	5	6	6
Committee Meetings												
Aboriginal Advisory Committee	5	-	-	-	-	5	5	-	-	5	-	-
Aged Care Governance	2	-	-	-	1	-	2	-	2	1	-	-
Audit and Risk Management	6	-	-	-	1	-	6	-	6	5	6	6
Community Access and Inclusion Advisory	6	-	-	-	-	2	3	6	-	5	-	5
Heritage Advisory Committee	1	1	-	-	-	-	-	1	1	1	-	0
Chief Executive Officer Review	4	-	-	2	4	-	-	-	4	-	4	4
Policy Review and Development Committee	7	-	-	3	3	1	6	2	7	2	-	6
External Meetings												
Bayswater Childcare Centre Association	10	1	-	-	1	7	-	-	-	10	8	-
Development Assessment Panel (Metro Central)	12	-	-	2	-	-	-	-	-	-	10	11
Eastern Metro Regional Council (EMRC)	13	-	10	9	-	-	5	-	1	12	-	1
Eastern Regional Road Funding	2	-	1	-	-	-	-	-	-	-	-	-
WALGA East Metro Zone Management	5	-	-	-	-	-	5	-	-	-	5	4

Executive Leadership Team



Andrew Brien

Chief Executive Officer

- Elected member support
- Organisational oversight
- Advocacy
- Policy review and development
- High Commendation - IPAA Achievement Awards – Leader of the Year in Local Government.
- Winner - LG Honour Awards – Excellence in Service Delivery – SEED.
- Winner - Australian Business Awards – Change Management - SEED.
- Finalist - IPAA Achievement Awards – Best Practice in Public Sector Evaluation – SEED.



Des Abel

Director Community and Development

- Community Development
- Environmental Health
- Strategic Planning and Place
- Development Approvals
- Library and Customer Services
- Rangers and Security
- Recreation.



Carissa Bywater (resigned in June 2019)

Director Corporate and Strategy

- Governance
- People, Culture and Safety
- Financial Services
- Information Services
- Organisational Strategy
- Marketing and Communications
- Community Engagement.

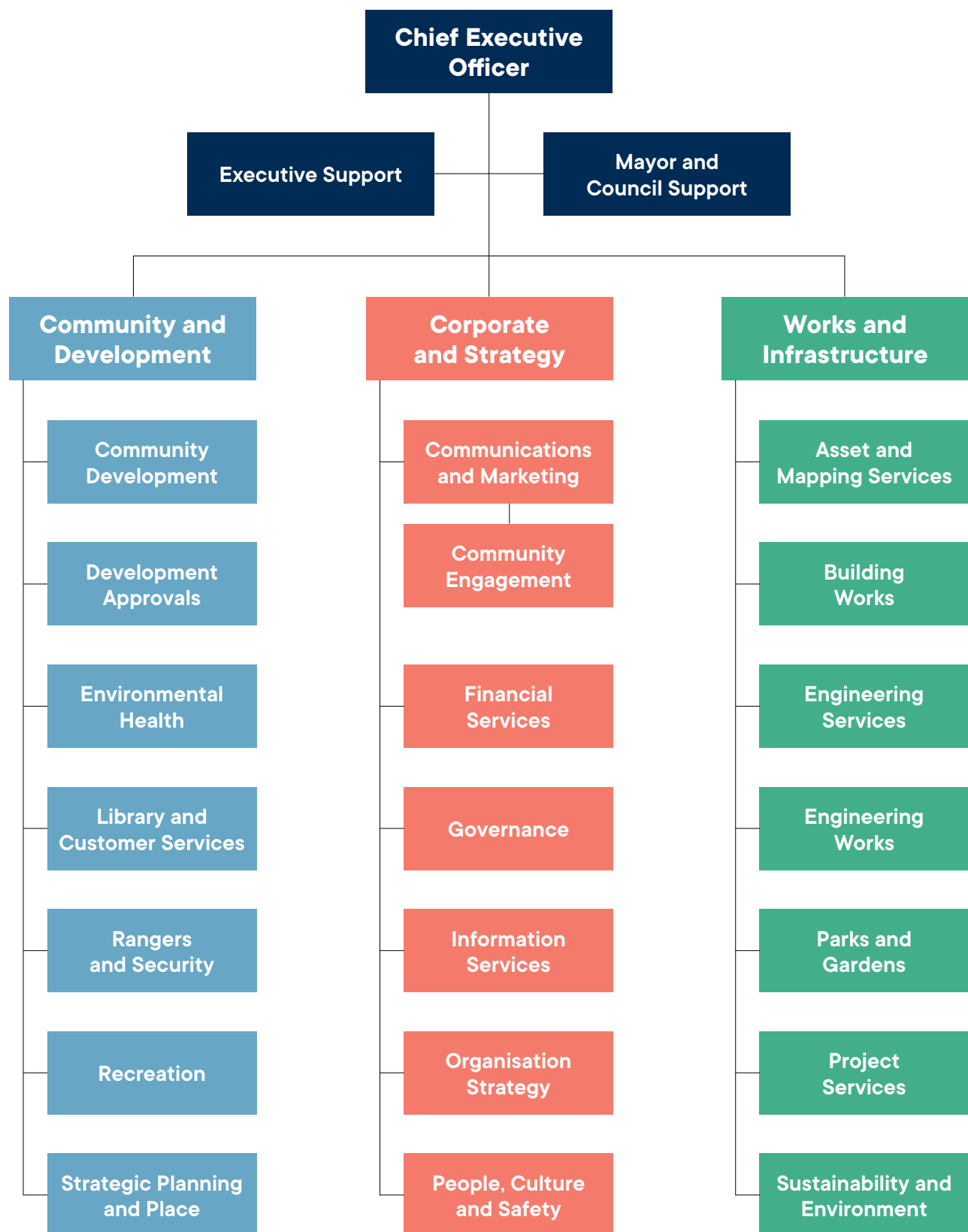


Doug Pearson

Director Works and Infrastructure

- Infrastructure Assets and Mapping Services
- Engineering Services
- Engineering Works
- Sustainability and Environment
- Building Works
- Parks and Gardens
- Project Services.

Organisational structure



Year in review

189 parks and reserves maintained



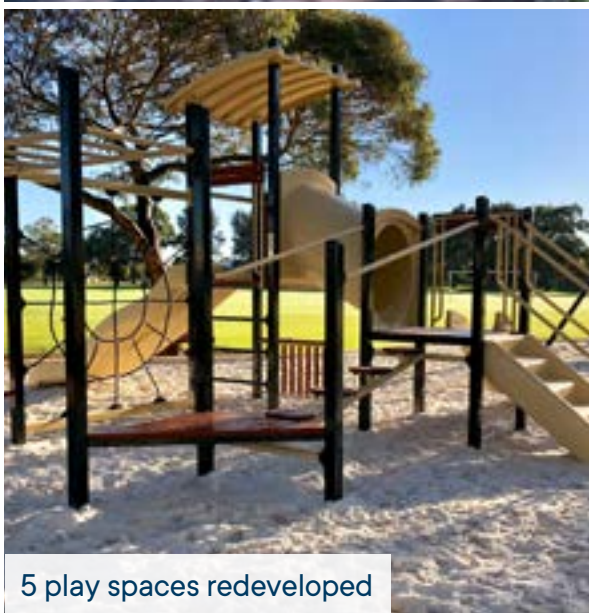
150 hectares of environmental sites managed



120 sport clubs supported



5 play spaces redeveloped



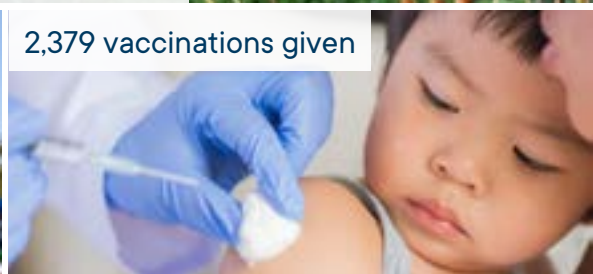
68,000 native seedlings and shrubs planted



17 community events attended by 20,000 people



2,379 vaccinations given



6,437 dogs and 2,592 cats registered





16,775 tonnes
of waste collected



4,951 tonnes
of waste recycled



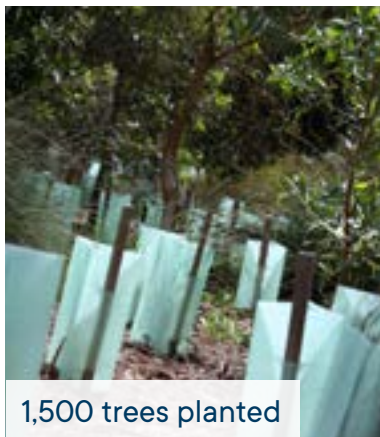
4,700 tonnes of green waste
converted to soil improver



650 members at our
community centres



70 registered volunteers



1,500 trees planted



304,700 visitors
to our three libraries



6 citizenship ceremonies
welcoming 360 new citizens



12 awards won

Corporate and Strategy



Governance

Areas of responsibility

The City's Governance team manage annual and primary returns and related party disclosures, maintenance of registers, compliance and audits, local law and policy reviews, election support, oversight of minutes and agendas, Freedom of Information requests, procurement, tendering and contract management, insurance matters, risk management, and the City's Business Continuity Plan.

Major projects

During 2018/19, the team continued developing the City's risk management framework. This included a review of the risk appetite statement and risk assurance reporting. They also started work on the City's Business Continuity Plan, which will ensure the City is prepared to continue core operations in the event of a crisis.

The team also market tested the City's insurance portfolio. This resulted in a recommendation that Council stay with Local Government Insurance Services (LGIS).

People, Culture and Safety

Areas of responsibility

The City's People, Culture and Safety team are responsible for all human resources. This includes recruitment, performance management, training, workplace culture, payroll, employee relations, and safety management.

Major projects

The team completed negotiations for replacement Enterprise Bargaining Agreements for both the inside and outside staff. This process included consultation with staff and resulted in a three year agreement being put in place for both workforces.

As part of an organisational commitment to learning and development, the City's management team completed a Graduate Diploma in Management and Leadership. This was carried out over 16 months and has helped improve the quality of leadership at the City.

The performance review process was moved online for staff with computer access. This will give our employees and leaders the ability to review progress against goals and development activity throughout the year.



Financial Services

Areas of responsibility

The City's Financial Services team is responsible for managing the accounting requirements, rating services, aged person's homes, and financial audits for the City.

Major projects

During 2018/19, the team implemented a new chart of accounts. This upgraded model is designed to improve record keeping and reporting; and allows for tracking of investments, trust and reserve funds.

A series of management reports and a new statutory monthly financial reporting format was introduced. This will make it easier for managers at the City to monitor their budgets through the year.

The processing of synergy invoices was automated. This upgrade resulted in a significant reduction in manual data entry; saving staff time, improving efficiency and ensuring compliance is maintained.

Information Services

Areas of responsibility

The City's Information Services team are responsible for information and communications technology governance, emerging trends and technologies, business systems and applications, infrastructure, IT business continuity, IT security, and asset management of the City's IT equipment.

Major projects

This year, the team completed the IT cybersecurity program to ensure all City of Bayswater assets are protected from intrusion. This involved working with Deloitte on a cybersecurity assessment, regular penetration testing, internal security asset assessments, vulnerability assessments and payment card assessments.

The team also completed large infrastructure upgrades to keep hardware and networks up-to-date and fit for purpose, ensuring these are reliable and able to support the City in the event of a crisis. This involved replacement of IT equipment across the City, the implementation of disaster recovery off site, an audit of the City's CCTV systems, a directorate alignment program, and replacement of analogue with NBN.

Software systems and enterprise resourcing and planning (ERP) were upgraded. This included the introduction of eproperty services, digitised development applications, redevelopment of planning and development systems, claims insurance processes, and redevelopment of our swimming pool inspection process.

“In 2018, the Communications and Marketing team developed a community newsletter – the Bayswater Beat.”



Organisational Strategy

Areas of responsibility

The City's Organisational Strategy team is responsible for the oversight and support of planning and reporting, including the Integrated Planning and Reporting Framework, branch planning and corporate reporting, process mapping, business intelligence and insights, and promoting and supporting efficiency and innovation in the organisation.

Major projects

This year, the team developed an internal corporate reporting system. Designed to improve accountability and communication, this system tracks live updates on projects and reports status information to our leadership team.

The team also introduced process mapping to the organisation. This allows us to record the steps involved with a business process in an easy to view and accessible format. This will improve internal communication, reduce red tape and improve overall efficiency.

Pollinate, the City's first innovation program, was developed this year. This provides structure, education and resources to encourage staff to develop innovative ideas. The program was officially launched in July 2019.

Marketing and Communications

Areas of responsibility

The Marketing and Communications team has grown into a centralised unit responsible for offering media services, communications and publications, design, marketing, and advocacy support to the entire organisation; as well as management of the City's website.

Major projects

This year, the team developed an Advocacy Strategy to ensure the City is best placed to attract funding for infrastructure projects from different levels of government and private industry, and to influence policy change. The strategy identified the priority areas of environmental sustainability, managing the urban environment, transport, community well-being, and aged care. The Advocacy Strategy, and a process for preparing individual funding requests, was subsequently adopted by Council.

In 2018, the Communications and Marketing team developed a community newsletter – the Bayswater Beat. This publication ensures information on City events, programs and services is readily available to the public. The newsletter is produced quarterly and delivered to all households.

Community Engagement

Areas of responsibility

The City's Community Engagement team is responsible for designing and managing community engagement activities at the City of Bayswater. This includes management of the City's online engagement portal - Engage Bayswater, as well as training and providing advice to staff and assisting them with community engagement activities. The City's Community Engagement team ensures the community has the opportunity to be involved with projects, initiatives, and Council decisions.

Major projects

During 2018/19, the team completed the Participatory Budgeting (PB) project - a first for the City and the most comprehensive project of its kind for any metropolitan council. PB involved laying out the City's entire operating budget for feedback from the community. This included a budget allocator tool, which allowed community members to adjust the budget spend, and a representative community panel who deliberated on the budget and provided recommendations to Council.

The Engage Bayswater panel was also established. This is an online panel of volunteer community members who are asked to provide feedback on a series of projects throughout the year. This allows us to check in with our community regularly, broadening our community engagement reach and helping Council make decisions with confidence.

Community engagement support was provided to the Play Space Strategy, Pat O'Hara Master Plan, Strategic Community Plan minor review, Bedford regeneration project, Meltham surrounds engagement project, and The Platform.

To further educate staff across the organisation, the team established a group of Community Engagement Champions who met six times during 2018/19; and also delivered a short course on community engagement and outrage to 11 staff members from across the organisation.



Awards

- **Winner** - Planning Institute of Australia – Public Engagement and Community Planning – Building Bayswater.
- **Finalist** - IPAA Achievement Awards - Best Practice in Collaboration with Non-government agency - Building Bayswater in collaboration with Shape Urban.
- **Finalist** - IAP2 Core Values - Planning Award - Building Bayswater in collaboration with Shape Urban.

Aged care services

In April 2019, the City finalised the sale of Mertome Retirement Village to aged care operator Hall and Prior, who have committed to refurbishing the facilities. This decision was made with the best interests of the residents in mind; and Hall and Prior have a reputation for providing quality aged care services. Given the changing regulatory environment in the aged care sector, it was considered that Hall and Prior is best placed to meet the needs of the residents both now and in the future. The City will continue to monitor the progress of the refurbishment of the facility and the welfare of the residents.



“During 2018/19, the team completed the Participatory Budgeting (PB) project - a first for the City and the most comprehensive project of its kind for any metropolitan council.”

Works and Infrastructure



Infrastructure Assets and Mapping Services

Areas of responsibility

The City's Infrastructure, Assets and Mapping Services team are responsible for providing spatial services internally and to the community. This includes in-house designed spatial apps, legislative and corporate mapping products, infrastructure asset planning framework, register management, core land and property tenure management, and real time digital in-vehicle and static site GPS emergency management systems.

Major projects

The team upgraded the existing triangular self-supporting communications tower at the Paddy Walker Works Depot, to a 50 metre structure. This upgrade has resolved ongoing network line of sight issues that have arisen due to building development and tree canopy growth since the installation of the original tower in 1988.

The team started updates on the City's asset management documentation, including reviewing existing policy, strategy, plans and services plans for all infrastructure assets.

Development of the City's 3D mapping environment began, commencing with City buildings. This building information has been added to a new 3D app that is available to the community on the City's website.



Awards

- **Finalist** – WA Incite Awards, Best Government Agency for the City's Geospatial Portal.
- **Finalist** – National iAwards, Best Government Agency for the City's Geospatial Portal.

Engineering Services

Areas of responsibility

The City's Engineering Services team manages all engineering design projects, traffic management, engineering development control, and waste collection services for the City.

Major projects

The City worked with the State Government on the Tonkin Highway upgrade project (Northlink stage two), and the Forrestfield Airport Link project. The team oversaw a number of private subdivisional developments including residential, industrial and mixed use of retail and commercial. The largest of these was the completion of the Tonkin Highway Industrial Estate (stage two), including \$2.1 million of new roads and infrastructure.

Major traffic improvement works for the year included the construction of median islands, turning pockets and a roundabout in Maylands; a pedestrian crossing, children's crossing, zebra crossings on slip lanes, a U-turn and street light upgrades in Morley; and new footpaths and on-street parking outside the Amana Living Aged Care Facility.

A trial of 100% biodegradable dog waste bags started in the City's parks. These bags are made from corn starch and are 100% compostable.

Engineering Works

Areas of responsibility

The Engineering Works team is responsible for the maintenance of City owned infrastructure including 364 kilometres of roads; 217 kilometres of storm water drains; 9,500 drainage pits; 2,291 street signs; 350 kilometres of footpaths; 85 car parks, right of ways, street sweeping; and graffiti removal.

The team manages the installation and administration of crossovers, preservation of City assets, provide traffic management approvals for works within the road reserve, manage and coordinate the City's fleet and plant programs, installation of civic infrastructure, and bus shelter upgrades.

Major projects

This year, \$500,000 of new pathways were installed across the City including Hillside Crescent in Maylands, Barker Street in Bedford, Beechboro Road, and Tara Street in Morley.

\$4.4 million renewals were completed, including the resurfacing of Russel Street, Coralgun Court, Casuarina Way, Charnwood Street, Wattle Drive, and Yate Court in Morley. A children's crossing and U-turn were installed on Beechboro Road.



Building Works

Areas of responsibility

The City's Building Works team manages the City's building and infrastructure assets. This includes all maintenance, building related capital works projects, cleaning of public facilities, management of service contracts, termite control, and Christmas decorations.

Major projects

Significant capital works projects completed this year include \$50,000 in building upgrades to improve water efficiency across City sites; \$107,000 upgrade to Bayswater Bowling Club; \$20,000 upgrade to the interior of the Bayswater Community Centre; \$75,000 upgrade to the Paddy Walker works depot; \$35,000 for the installation of drinking fountains with dog bowl attachments in City parks; and \$90,000 worth of upgrades to the EB Brown Pavilion.

Parks and Gardens

Areas of responsibility

The Parks and Gardens team provide specialised maintenance to all green assets and associated infrastructure throughout the City. This includes turf management, protecting and increasing the City's urban tree canopy, planning and delivering parks maintenance and capital works programs, maintaining irrigation infrastructure (including bores, pumps and central controls); and managing and monitoring groundwater resources.

Major projects

The team planted and cared for 1,500 trees and continued the \$2 million Urban Street Tree management program. Irrigation upgrades and renewals worth \$530,721 were completed to improve water efficiency in the City's parks; \$242,482 in upgrades to park infrastructure including furniture, shelters, fencing and gates; and a \$79,573 golf course development.



“\$20,000 upgrade to the interior of the Bayswater Community Centre.”



Project Services

Areas of responsibility

The Project Services team manages recreation infrastructure and assets within the City's public open spaces. This includes asset management and replacement of sporting infrastructure and community spaces, working closely with local clubs, overseeing golf course management, and the development of strategic leisure plans.

Major projects

In October 2018, the team completed the replacement of the Bayswater Tennis clubrooms at Frank Drago Reserve. The \$1.45 million project was jointly funded with a \$750,000 federal grant from the Department of Infrastructure and Regional Development, \$650,000 from the City of Bayswater, and a \$50,000 contribution from Bayswater Tennis Club. The Bayswater Tennis Club received an additional \$300,000 State government grant to convert two existing grass courts to hard courts with floodlighting, spectator shade and accessible pathways.

Five play spaces were redeveloped – Bohemia Reserve, Luderman Reserve, Bramwell Reserve, Chesney Reserve and Shadwell Reserve in Morley. Flood lighting was replaced at the main soccer pitch at Frank Drago Reserve in Bayswater, and Bedford and Morley Bowling Clubs.



Awards

- **Winner** – Public Health Advocacy Institute of WA – Environments Promoting Physical Activity – Russell Street Park.
- **High Commendation** – Parks and Leisure Awards of Excellence – Play space award – Russell Street Park.
- **Finalist** – Sport & Recreation Awards – Places and Spaces: Planning and design Award – Russell Street Park.
- **Finalist** – Public Health Advocacy Institute of WA – Planning Healthy Communities for Children – Russell Street Park.
- **Finalist** – PHAIWA LG Policy Awards – Children's Consultation – Play Space Strategy.

Green Lab project



Jakobsen's Way Living streams



School planting day



Waterwise Council award

Sustainability and Environment

Areas of responsibility

The City's Sustainability and Environment team are responsible for the management of natural areas, water catchments, energy and water initiatives, water sensitive urban design projects, the development and implementation of the Environment and Liveability Strategy, urban environmental parks, riverbank restoration, supporting local environmental community groups, education and sustainability programs, climate change mitigation, and urban forest and urban heat island strategies.

Major projects

The team converted a drain at Jakobsen's Way in Morley into a living stream. This will improve water quality, biodiversity and the liveability of the area. The team also completed weed removal and planting of native species at the Maylands Brickworks Lake, providing habitats for native animals and improving biodiversity.

Over two days this year, more than 130 local primary school students attended workshops led by botanists, scientists and local environmental experts as part of the City's Green Lab project. This gave students exposure to real world projects including microclimate mapping, carrying out bird surveys, and using robots and drones to gather data. This project was a partnership between the City of Bayswater, the Department of Biodiversity, Conservation and Attractions, and Millennium Kids.



Awards

- **Winner** - Public Health Advocacy Institute of WA - Environments Promoting Physical Activity - Russell Street Park.
- **Winner** - National Federation Awards - Local Government Professionals Australia - Environmental Leadership & Sustainability - Eric Singleton Bird Sanctuary and Russell Street Park.
- **Winner** - ALGA Awards (Australasian Land and Groundwater Association) - Best Scoping/ Operation of a Site Investigation - Eric Singleton Bird Sanctuary.
- **Winner** - LG Honour Awards - Environmental Leadership and Sustainability - Bayswater Brook Management Plan.
- **Winner** - IPWEA WA Division Excellence Awards - Excellence in Water Projects - Bayswater Brook Management Plan.
- **Winner** - IPWEA WA Division Excellence Awards - Environmental Sustainability - Bayswater Brook Management Plan.
- **Winner** - PHAIWA LG Policy Awards - Climate Change - Green Lab.
- **Winner** - Aspire - Aspire program - Sustainability conference funding.
- **Finalist** - Public Health Advocacy Institute of WA - Planning Healthy Communities for Children - Russell Street Park.
- **Finalist** - ALGA Awards (Australasian Land and Groundwater Association) - Best Remedial Project under \$1 million - Russell Street Park.
- **Finalist** - WA Water Awards - Sensitive Urban Design - Eric Singleton Bird Sanctuary and Living Streams.
- **Finalist** - IPAA Achievement Awards - Collaboration across Government Agencies - Living Streams in collaboration with Water Corporation.

Community and Development



Maylands Laneway Festival

Community Development

Areas of responsibility

The Community Development team manages services for older people, youth, community and civic events, club development, disability, access and inclusion, the City's Reconciliation Action Plan, and volunteering.

Major projects

This year, the City's two Senior Citizen's Centres were updated to become Community Centres, providing members with access to more than 30 activities across both centres, including hair dressing, podiatry and twice monthly bus outings. The Age Friendly Ambassador program was launched, with funding from the Department of Communities. This group of volunteers helps us to connect older adults in our community with activities and events, and ensure they have a voice on community issues.

The team planned and held 17 events including the Avon Descent, Art Awards, Garden Awards, Christmas Food Appeal, School Banner Exhibition, City of Bayswater Dance Festival, North of Perth Music Festival, Carols By Candlelight, Australia Day BBQ, Perth Symphonic Orchestra Concert, Maylands Laneway Festival, Have a Go Day, Evening in the Park, Multicultural Community Concert, Baysie Waves Fest 20th birthday, Have a Go Day, and the Autumn River Festival. Cumulatively, over 20,000 people attended these events.

The team worked on the City's first Reconciliation Action Plan with the guidance of our Aboriginal Advisory Committee. As part of working towards reconciliation, the City also celebrated National Reconciliation Week and NAIDOC Week with our community.

Drafting of the first Youth Action Plan – The Platform, continued this year. This involved working closely with over 400 young people, schools, parents, caregivers and youth agencies to learn about the issues affecting people aged 12 – 25 in our community.

As part of an aim to increase participation in local sports, a three year trial started which offered up to an additional \$50 per child to the State Government's KidSport funding. This helped 76 local children become involved in sport during 2018/19.

“As part of working towards reconciliation, the City also celebrated National Reconciliation Week and NAIDOC Week with our community.”

Romance Under the Stars with
Perth Symphony Orchestra



Autumn River Festival



Art Awards



Avon Descent



Have a Go Day

Evening in the Park



Carols by Candlelight



Environmental Health

Areas of responsibility

The Environmental Health team manages statutory inspections, compliance, emergency management, immunisation clinics, contaminated sites, pest control, waste education, health promotion, and light industry inspections across the City of Bayswater.

Major projects

During this financial year, the City vaccinated 2,379 babies as part of our vaccination program; along with 718 year 8 students against Diphtheria, Tetanus, Whooping Cough and HPV; and 530 year 10 students against Meningococcal.

The team completed 1,175 inspections of food premises, issuing 18 improvement notices, 11 infringement notices, and one prosecution. As part of this program, 132 food samples were collected to ensure food prepared and sold in the City of Bayswater is safe.

The mosquito treatment, trapping and monitoring program continued and the City promoted the 'Fight the Bite' campaign. The intention of this is to help prevent mosquito borne disease in the City. Four Local Emergency Management Committee meetings were held throughout the year.

The City's Public Health and Wellbeing plan was finalised this year, and will guide the City towards a more proactive approach to public health in line with the Public Health Act 2016. As part of this plan, the City launched the Fit for Life program, which helped over 200 participants aged over 50 improve their physical fitness.

As part of the City's waste and recycling program, 16,775 tonnes of general waste was collected from 31,001 residential properties and 1,276 commercial properties. A waste audit was completed to help improve waste diversion within multi-unit developments.

Waste services expanded this year to include mattress and white goods collection, online bulk bin ordering, and green waste bulk bins. The City delivered 17,788 bulk bins, collecting 5,600 tonnes of waste and issued 8,504 tip passes to residents to dispose of larger waste. Five composting workshops were held, and education for the community about responsible and sustainable waste disposal continued.



“The City launched the Fit for Life program, which helped over 200 participants aged over 50 improve their physical fitness.”

Recycling Program

Recyclable materials in tonnes:



649

Newspaper



1,282

Mixed paper



895

Cardboard



1,720

Glass



88

PET plastic



92

HDPE plastic



111

Other plastic



73

Steel cans



41

Aluminium cans



32

E-waste



2,739

Whitegoods



2,190

Mattresses



4,700

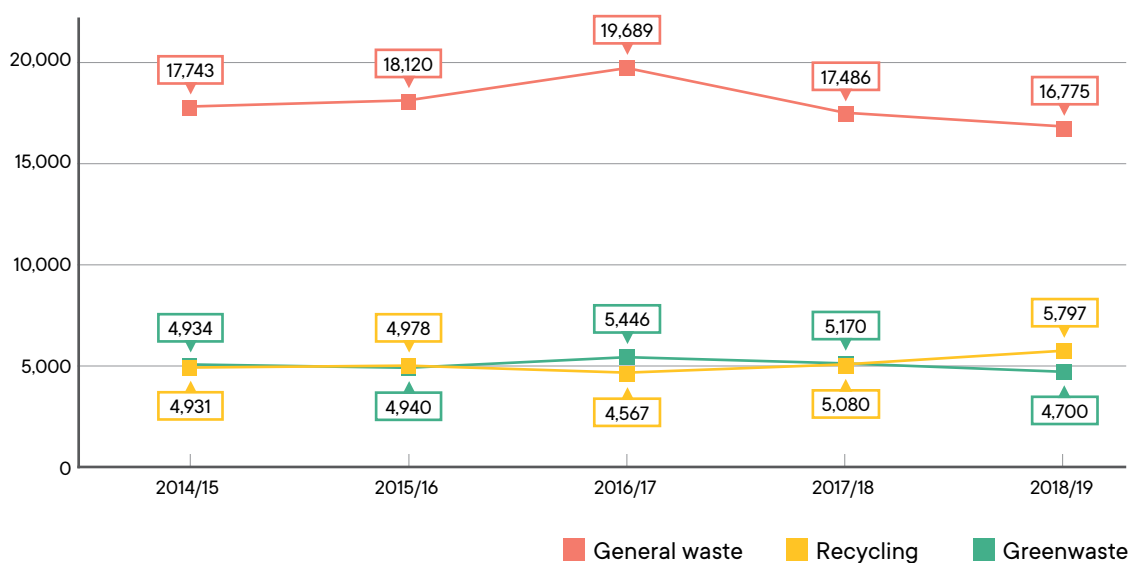
Green waste converted to soil improver

14.5%

Recycling bin contamination rate

Waste trend data

in tonnes



Strategic Planning and Place

Areas of responsibility

The City's Strategic Planning and Place team are responsible for strategic town planning, place management, land management, City property disposals and acquisitions, and leasing and property management at the City.

Major projects

The team worked with consultants Shape Urban to understand the community's thoughts, ideas and aspirations for the built environment surrounding Meltham Train Station. The team also worked with the community to find short-term parking options in preparation for the upgrade of Bayswater Train Station.

The City's draft Local Planning Strategy (LPS) was endorsed in April 2019. The strategy aims to guide planning and development throughout the City for the next ten years. This draft is with the Western Australian Planning Commission for consent to advertise in 2020. In an effort to streamline planning policies, 12 of the 48 policies have been revoked and the intention is to reduce this by a further 21 in the coming year.

The City's Community Facility Lease Policy was updated to ensure all new leases are fair and equitable. The City also endorsed a Lease KPI and Criteria Management Practice in 2019, providing a framework for measuring the performance of existing lessees and to guide the City when choosing new lessees for vacant properties.



Awards

- **Winner** – Public Health Advocacy Institute of WA – Environments Promoting Physical Activity – Russell Street Park.
- **Winner** – Planning Institute of Australia – Public Engagement and Community Planning – Building Bayswater.
- **Finalist** – Public Health Advocacy Institute of WA – Planning Healthy Communities for Children – Russell Street Park.
- **Finalist** – IPAA Achievement Awards – Best practice in Collaboration with Non-Government agency – Building Bayswater in collaboration with Shape Urban.
- **Finalist** – IAP2 Core Values – Planning Award – Building Bayswater in collaboration with Shape Urban.



Place Making



Bayswater

Through a series of partnerships with the City, the Bayswater Town Centre gained a new sculpture in a project led by the Bayswater Historical Society and artist Denise Pepper, a parklet led by Tbsp. café, and the successful Baysie Arts and Street Fest led by Baysie Rollers. The speed limit in the area was reduced to 40kph; and planter boxes promoting local initiatives were installed.



Maylands

Upgrades to the Maylands Eighth Avenue retail strip were completed, including road resurfacing and installing street furniture and planter boxes decorated with local art as part of the Art on Eighth initiative.



Morley

The City supported a series of community-led art projects in the Morley Activity Centre. This included murals celebrating multiculturalism outside Galleria Shopping Centre and Coventry Village, an environmental mural at Jacobsen's Way, a community artwork at Russell Street Park, and the opening of the Progress Street Art Walk. The City supported The Morley Momentum in the project management of the Progress Street Pocket Park, and the vertical gardens project.



Noranda

This year, the Noranda Nook was established by working with the community and the Noranda Vibes community group to create an inviting space with picnic furniture, a POPP ping pong table decorated with local art, a little library and a community notice board. To celebrate these spaces, the City supported the Noranda Vibes Noranda Christmas Concert in December 2018 and the Morley Noranda Community Fair in May 2019.

Development Approvals

Areas of responsibility

The City's Development Approvals team is responsible for processing development applications. The City of Bayswater is emerging as an inner-middle urban City, which resulted in an increase in the complexity of building and development applications during 2018/19.

Major projects

Building Applications must be processed within 10 days (certified) and 25 days (uncertified). The City determined all applications within this time frame during 2018/19.

One of the Development Assessment Panel Applications (DAP) received related to amendments to the Morley Galleria Shopping Centre redevelopment. This project is ongoing and will continue to be amended and refined as it moves through stages of development.

The State Administrative Tribunal (SAT) receives appeals against decisions made by the City. This year, one appeal that was ongoing from the 2017/18 Financial Year went to a full hearing and is yet to be determined. The City is also involved in SAT appeals made against the Development Assessment Panel when the development is within the City of Bayswater; however no appeals of this kind were made this year.

In 2017/18, a Design Review Panel (DRP) was established to provide professional and technical advice on development applications in the early stages, with a view to improve built form design outcomes. The panel reviewed four development applications during this financial year.



Development Approvals figures

- | | | |
|--|--|---|
| • 599 Planning Applications
(-6%) | • 34 Building Approval
Certificates | • 78 verge licence
applications (-6%) |
| • 1,004 Building Applications
- 526 Certified
- 255 Uncertified
- 96 Demolition Permits | • 39 Building Approval
Certificates Strata
• 40 Occupancy Permits
• 14 Occupancy Permits Strata | • 14 DAP Application (+75%)
• 137 Subdivision Applications
(-17%) |

Library and Customer Services

Areas of responsibility

The Library and Customer Services team manage the operations of the City's three libraries – Bayswater, Maylands and Morley – and customer services across the City. This includes customer enquiries, receipt of payments, animal registration and renewal, administrative support, waste and recycling passes, ordering of bulk bins, and switchboard services.

Major projects

The City merged its library service and customer service branches to create more efficient customer service for our community. To further improve customer service, a Radio Frequency Identification (RFID) stock circulation, control and security system was introduced. This system allows users to loan and return items automatically and in multiple languages, ensuring an efficient and accessible experience.

Time saved through the introduction of RFID system has allowed the libraries to offer increased customer services, including rates payments, infringement payments, animal registrations and renewals. This has ensured the City's customer services are more accessible for community members.

The team worked with a consultant to review the City's library services. This resulted in a Library Services Strategy that will guide the next ten years. The intention of the plan is to ensure the libraries are keeping up with national and state industry best practice and community needs.

The City's Libraries recorded 304,700 visits; issued 364,000 items to members; had 23,000 people attend activity sessions; and recorded 49,900 uses of the public computers.



Rangers and Security

Areas of responsibility

The City's Rangers and Services team are responsible for the City's patrol and security services, operation of a 24/7 call centre, management of the City's CCTV system, emergency management, parking management and enforcement.

Major projects

The team finished a review of the City's dog exercise areas and began placing information stickers across the City's parks and reserves outlining the locations of these areas. This was designed to provide clarity about the rights and responsibilities of park users and included 75 park visits to speak with local park users, and the surveying of 324 people online.

Recreation

Areas of responsibility

The City's Recreation team manage the operation of Bayswater Waves, The RISE, and Maylands Waterland; bookings of reserves and facilities across the City; and the contract between the City and YMCA for the management of Morley Sport and Recreation Centre.

Major projects

This year, the hydrotherapy area at Bayswater Waves was refurbished and included the retiling of the pool and spa, splitting of the reticulation systems, a refit of the sauna and steam room, and updates to the health club change rooms.

The City established a working group to investigate options for Maylands Waterland. This resulted in a Council resolution to close the facility for the 2019/20 season and allocating any resulting budget savings to the future redevelopment of this facility.

Statutory Reporting



Freedom of Information

In accordance with Section 96 and 97 of the *Freedom of Information Act 1992*, the City is required to publish an annual Information Statement which details the process for applying for information under the Act, as well as information that the City provides outside the Act. This document is available from City of Bayswater offices or its website.

During 2018/19, the City received 16 access applications, a decrease of eight from the previous financial year. The Act requires that all applications are responded to within the permitted period of 45 calendar days. The City's average processing time for 2018-19 was 20 days. A total of \$480 was levied by the City in processing applications received during the financial year.

Recordkeeping

The City's Information Management team manages the records of the City in accordance with the legal requirements of the *State Records Act 2000* and the City of Bayswater Recordkeeping Plan.

As part of our staff induction, all new employees learn how to use the City's document management system. This outlines legal responsibilities of staff regarding compliance with the City of Bayswater Recordkeeping Plan and the State Records Act. The team periodically refreshes staff skills and offers ongoing assistance to ensure they are up to date on all record keeping requirements.

During this Financial Year, 98,581 documents were registered in the City's document management system - ECM Ci Anywhere. This was an increase of 12.7% on the previous year.

Integrated Planning Framework

In early 2019, we completed a minor review of the City's Strategic Community Plan and Corporate Business Plan. The review aimed to check and refine the existing plans based on feedback received in our Community Perception Survey in 2018.

Disability Access and Inclusion Plan

The City's Community Access and Inclusion Committee met quarterly and provided recommendations on the implementation of the DAIP. Achievements this year included:

- Accessible matting providing pathways across grassed areas at Have a Go Day.
- Refurbishment of Bayswater Waves to include an accessible change room.
- Installation of self-service check outs at the City's libraries, including the ability to use these in multiple languages.
- Little libraries installed in Noranda and Bayswater, allowing people to access free books in a wider range of locations.
- Improved workplace flexibility aiming to make it easier for people with a disability to work at the City.



“Little libraries installed in Noranda and Bayswater, allowing people to access free books in a wider range of locations.”

National Competition Policy

The Competition Principles Agreement (CPA) is a contractual agreement between the Federal Government and all State and Territory Governments. The CPA aims to ensure all public enterprises operate in a transparent manner in the best interests of the public. Under the CPA, public enterprises are required to review their operations to ensure they have no competitive advantage or disadvantage as a result of their public status.

Competitive Neutrality (under the CPA)

Competitive neutrality addresses potential advantages or disadvantages that public enterprises may have compared with businesses operating in the private sector.

The following services are provided by the City of Bayswater through the open tendering process and which fall within the definition of the CPA:

1. Domestic waste collection including recycling, green waste and park litter bins has been contracted to Cleanaway.
2. Management of the Morley Sport and Recreation Centre, which is contracted to the YMCA.
3. Management of the Embleton Public Golf Course and the Maylands Peninsula Public Golf Course, which is contracted to Golf Oracle Pty Ltd.
4. The operational management of the residential aged care facilities including the City of Bayswater Hostel, Carramar Hostel, the independent living units, Salisbury Retreat and Noranda Retreat facilities, which is contracted to Juniper Aged Care.

Disclosure of annual salaries

Regulation 19B into the Local Government (Administration) Regulations 1986, requires the Annual Report of a local government for a financial year to contain information on the number of employees of the local government entitled to an annual salary of \$100,000 or more, and the number of employees with an annual salary entitlement that falls within each band of \$10,000 over \$100,000.

Salary range	Number of employees
100,000 - 110,000	6
110,000 - 120,000	7
120,000 - 130,000	8
130,000 - 140,000	5
170,000 - 180,000	1
180,000 - 190,000	2
190,000 - 200,000	1
270,000 - 280,000	1

Register of Complaints of Minor Breaches

In accordance with Section 5.121 of the *Local Government Act 1995* (as amended) and Section 5.53(2), the Annual Report is required to disclose the number of complaints received each year.

No. of complaints 2018–19: nil

Action taken during 2018–19: nil

Statutory registers

As part of the City's ongoing commitment to transparency and accountability, improvements were made to the statutory registers which are required to be completed by staff and council members; and internal training was provided to raise awareness of the reporting obligations. In response to a Notice of Motion adopted by Council, a Political Interest Register and an Associations and Memberships Register were also implemented.

Local law reviews

In August 2018, the new Standing Orders Local Law was adopted by Council following a comprehensive review process which brought the local law into line with model local laws developed by the Department of Local Government, Sport and Cultural Industries. This is a comprehensive document that sets out the procedural requirements for Council meetings.

Work also commenced on a review of the Fencing and Floodlighting Local Law, as well as the Thoroughfares and Trading in Public Places Local law.



City of **Bayswater**

General Purpose Financial Statements for the year ended 30 June 2019

City of Bayswater
Financial Report
For the year ended 30 June 2019

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Principal place of business:
City of Bayswater Civic Centre
61 Broun Avenue
Morley WA 6062

ABN: 61 054 003 131
NAPS: 1705

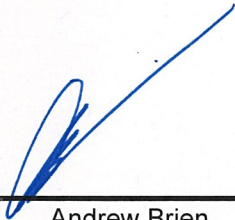
**City of Bayswater
Financial Report
For the year ended 30 June 2019**

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

STATEMENT BY CHIEF EXECUTIVE OFFICER

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

Signed on the 26th day of November 2019



Andrew Brien
Chief Executive Officer

**Statement of Comprehensive Income
by Nature or Type
for the year ended 30 June 2019**

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
Rates	29(a)	46,933,458	46,151,467	45,139,103
Operating grants, subsidies and contributions	2(a)	3,091,113	2,643,167	3,911,430
Fees and charges	2(a)	21,264,130	21,038,708	21,499,491
Interest earnings	2(a)	2,017,310	1,538,808	1,781,174
Other revenue	2(a)	1,067,425	319,426	1,001,143
		74,373,436	71,691,576	73,332,341
Expenses				
Employee costs		(32,491,801)	(32,581,231)	(32,798,816)
Materials and contracts		(24,418,058)	(24,464,822)	(21,472,142)
Utility charges		(3,428,550)	(3,619,560)	(3,056,136)
Depreciation on non-current assets	11(b)	(11,085,818)	(12,166,559)	(10,572,973)
Interest expenses	2(b)	(1,127)	(1,308)	(1,282)
Insurance expenses		(736,544)	(1,050,300)	(684,197)
Other expenditure		(586,546)	(553,164)	(1,872,990)
		(72,748,444)	(74,436,944)	(70,458,536)
Operating Surplus/(Loss)		1,624,992	(2,745,368)	2,873,805
Discontinued Operations	39	(7,617,079)	277,182	(506,450)
Non-operating grants, subsidies and contributions	2(a)	3,350,314	3,471,678	10,768,089
Profit on asset disposals	11(a)	19,664	18,669	63,763
Loss on asset disposals	11(a)	(404,652)	(435,866)	(2,101,738)
Fair value adjustments to financial assets at fair value through profit or loss	8	20,503	0	(24,217)
Share of profit or loss of associates and joint ventures accounted for using the equity method	25	1,523,054	0	2,411,365
(Loss) on revaluation of infrastructure - park development	10(a)	0	0	(1,822,736)
		(3,108,196)	3,331,663	8,788,076
Net result for the period		(1,483,204)	586,295	11,661,881
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(17,622,490)	0	5,245,227
Total other comprehensive income for the period		(17,622,490)	0	5,245,227
Total comprehensive income for the period		(19,105,694)	586,295	16,907,108

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

**Statement of Comprehensive Income
by Program
for the year ended 30 June 2019**

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
Revenue				
	2(a)			
Governance		335,700	105,060	0
General purpose funding		51,502,920	50,125,311	49,558,655
Law, order, public safety		394,224	267,224	316,568
Health		350,965	262,102	402,057
Education and welfare		172,687	137,351	1,340,056
Housing		187,860	0	92,442
Community amenities		12,568,135	12,170,200	12,583,041
Recreation and culture		7,332,155	7,378,697	7,649,865
Transport		870,691	567,000	497,141
Economic services		493,247	490,235	566,522
Other property and services		164,852	188,396	325,994
		74,373,436	71,691,576	73,332,341
Expenses				
	2(b)			
Governance		(6,784,246)	(6,512,510)	(6,508,038)
General purpose funding		(751,402)	(857,207)	(836,528)
Law, order, public safety		(2,948,857)	(2,965,423)	(3,061,716)
Health		(1,881,729)	(1,897,918)	(1,710,982)
Education and welfare		(1,804,584)	(1,768,306)	(2,863,744)
Housing		(102,729)	(96,933)	(105,066)
Community amenities		(15,162,559)	(16,113,025)	(15,543,460)
Recreation and culture		(27,370,856)	(28,125,809)	(25,649,126)
Transport		(14,601,086)	(14,548,091)	(12,129,174)
Economic services		(1,159,070)	(1,194,939)	(1,801,628)
Other property and services		(180,199)	(355,475)	(247,792)
		(72,747,317)	(74,435,636)	(70,457,254)
Finance Costs				
	2(b)			
Recreation and culture		(1,127)	(1,308)	(1,282)
		(1,127)	(1,308)	(1,282)
Operating Surplus/(Loss)		1,624,992	(2,745,368)	2,873,805
Discontinued Operations	39	(7,617,079)	277,182	(506,450)
Non-operating grants, subsidies and contributions	2(a)	3,350,314	3,471,678	10,768,089
Profit on disposal of assets	11(a)	19,664	18,669	63,763
(Loss) on disposal of assets	11(a)	(404,652)	(435,866)	(2,101,738)
Fair value adjustments to financial assets at fair value through profit or loss	8	20,503	0	(24,217)
Share of net profit of associates and joint ventures accounted for using the equity method	25	1,523,054	0	2,411,365
(Loss) on revaluation of infrastructure - park development	10(a)	0	0	(1,822,736)
		(3,108,196)	3,331,663	8,788,076
Net result for the period		(1,483,204)	586,295	11,661,881
Other comprehensive income				
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Changes in asset revaluation surplus	12	(17,622,490)	0	5,245,227
Total other comprehensive income for the period		(17,622,490)	0	5,245,227
Total comprehensive income for the period		(19,105,694)	586,295	16,907,108

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

**Statement of Financial Position
as at 30 June 2019**

	NOTE	2019 \$	2018 \$
Current assets			
Cash and cash equivalents	3	78,632,835	70,006,604
Trade receivables	5	3,456,221	3,487,845
Other financial assets at amortised cost	8	4,484	0
Other loans and receivables	8	0	4,202
Inventories	6	141,945	145,962
Other current assets	7	1,508,293	1,382,259
Total current assets		83,743,778	75,026,872
Non-current assets			
Trade receivables	5	2,567,976	807,519
Other financial assets at amortised cost	8(b)	11,219	0
Financial assets at fair value through profit and loss	8(b)	175,171	0
Available for sale financial assets	8(b)	0	154,668
Other loans and receivables	8(b)	0	15,703
Assets Held for Sale	7	34,769,034	0
Investments accounted for using the equity method	25(a)	36,365,530	35,096,066
Property, plant and equipment	9	478,429,136	532,408,158
Infrastructure	10	199,823,408	199,874,463
Investment property	13	7,370,000	0
Total non-current assets		759,511,474	768,356,577
Total assets		843,255,252	843,383,449
Current liabilities			
Trade and other payables	14	7,119,187	32,107,253
Held for Sale Liabilities	15	23,381,081	0
Borrowings	16(b)	4,484	4,202
Employee-related provisions	17	6,288,760	5,079,680
Total current liabilities		36,793,512	37,191,135
Non-current liabilities			
Trade and other payables	14	0	100
Borrowings	16(b)	11,219	15,703
Employee-related provisions	17	353,362	494,365
Other financial liabilities at amortised cost	18	3,243,501	0
Total non-current liabilities		3,608,082	510,168
Total liabilities		40,401,594	37,701,303
Net assets		802,853,658	805,682,146
Equity			
Retained surplus		243,466,759	230,621,323
Reserves - cash backed	4	43,082,828	41,134,262
Revaluation surplus	12	516,304,071	533,926,561
Total equity		802,853,658	805,682,146

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

**Statement of Changes in Equity
for the year ended 30 June 2019**

	NOTE	RETAINED SURPLUS	RESERVES CASH BACKED	REVALUATION SURPLUS	TOTAL EQUITY
		\$	\$	\$	\$
Balance as at 1 July 2017		213,105,837	44,417,329	528,681,334	786,204,500
Comprehensive income					
Net result for the period		11,661,881	0	0	11,661,881
Prior year revaluation adjustments		2,570,538	0	0	2,570,538
Other comprehensive income	12	0	0	5,245,227	5,245,227
Total comprehensive income		14,232,419	0	5,245,227	19,477,646
Transfers from/(to) reserves		3,283,067	(3,283,067)	0	0
Balance as at 30 June 2018		230,621,323	41,134,262	533,926,561	805,682,146
Total equity at the beginning of the financial year		230,621,323	41,134,262	533,926,561	805,682,146
Comprehensive income					
Net result for the period		(1,483,204)	0	0	(1,483,204)
Changes on revaluation of non-current assets	12	0	0	0	0
Disposal write-back revaluation adjustments	12	16,277,206	0	0	16,277,206
Other comprehensive income	12	0	0	(17,622,490)	(17,622,490)
Total comprehensive income		14,794,002	0	(17,622,490)	(2,828,488)
Transfers from/(to) reserves		(1,948,566)	1,948,566	0	0
Balance as at 30 June 2019		243,466,759	43,082,828	516,304,071	802,853,658

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

Statement of Cash Flows
for the year ended 30 June 2019

	NOTE	2019 Actual \$	2019 Budget \$	2018 Actual \$
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts				
Rates		46,793,950	45,151,467	44,231,297
Operating grants, subsidies and contributions		3,180,813	2,643,167	4,403,530
Fees and charges		19,569,161	21,088,708	21,499,491
Interest received		2,017,310	2,038,808	1,781,174
Goods and services tax received		2,222,073	3,590,000	2,565,123
Other revenue		1,067,425	319,426	1,001,143
		<u>74,850,732</u>	<u>74,831,576</u>	<u>75,481,758</u>
Payments				
Employee costs		(31,423,724)	(32,576,939)	(32,527,785)
Materials and contracts		(22,903,659)	(23,476,596)	(19,472,282)
Utility charges		(3,428,550)	(3,619,560)	(3,056,136)
Interest expenses		(1,127)	(1,308)	(1,290)
Insurance paid		(736,544)	(1,050,300)	(684,197)
Goods and services tax paid		(2,206,129)	(3,410,000)	(2,686,905)
Other expenditure		(586,546)	(557,456)	(1,872,990)
		<u>(61,286,279)</u>	<u>(64,692,159)</u>	<u>(60,301,585)</u>
Discontinued Operations		<u>2,857,574</u>	<u>1,330,282</u>	<u>350,646</u>
Net cash provided by (used in) operating activities	19	<u>16,422,027</u>	<u>11,469,699</u>	<u>15,530,819</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Payments for purchase of property, plant & equipment		(5,314,695)	(7,817,707)	(11,260,938)
Payments for construction of infrastructure		(5,221,680)	(11,595,559)	(7,566,146)
Non-operating grants, subsidies and contributions		2,360,619	3,471,678	3,257,089
Proceeds from self-supporting loans		4,202	4,200	5,977
Proceeds from sale of property, plant & equipment		379,960	685,600	810,353
Net cash provided by (used in) investment activities		<u>(7,791,594)</u>	<u>(15,251,788)</u>	<u>(14,753,665)</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of borrowings		(4,202)	(4,200)	(5,977)
Net cash provided by (used in) financing activities		<u>(4,202)</u>	<u>(4,200)</u>	<u>(5,977)</u>
Net increase (decrease) in cash held		8,626,231	(3,786,289)	771,177
Cash at beginning of year		70,006,604	69,067,225	69,235,427
Cash and cash equivalents at the end of the year	19	<u>78,632,835</u>	<u>65,280,936</u>	<u>70,006,604</u>

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

**Rate Setting Statement
for the year ended 30 June 2019**

	NOTE	2019 Actual	2019 Budget	2018 Actual
		\$	\$	\$
OPERATING ACTIVITIES				
Net current assets at start of financial year - surplus/(deficit)	30 (b)	9,901,143	4,400,853	8,546,133
		9,901,143	4,400,853	8,546,133
Revenue from operating activities (excluding rates)				
Governance		335,700	105,060	0
General purpose funding		4,569,462	3,973,844	4,419,552
Law, order, public safety		394,224	267,224	317,540
Health		350,965	262,102	403,869
Education and welfare		172,687	137,351	1,340,056
Housing		187,860	0	92,442
Community amenities		12,568,135	12,170,200	12,583,041
Recreation and culture		7,332,155	7,378,697	7,650,117
Transport		870,691	585,669	497,141
Economic services		493,247	490,235	566,522
Other property and services		1,728,073	188,396	2,798,086
		29,003,199	25,558,778	30,668,366
Expenditure from operating activities				
Governance		(6,784,246)	(6,512,510)	(6,515,342)
General purpose funding		(751,402)	(857,207)	(836,528)
Law, order, public safety		(2,956,290)	(2,965,423)	(3,108,832)
Health		(1,884,380)	(1,897,918)	(1,714,300)
Education and welfare		(1,811,356)	(1,768,306)	(3,101,535)
Housing		(102,729)	(96,933)	(1,504,066)
Community amenities		(15,162,559)	(16,113,025)	(15,687,415)
Recreation and culture		(27,496,014)	(28,127,117)	(25,789,442)
Transport		(14,608,893)	(14,983,957)	(12,129,174)
Economic services		(1,159,070)	(1,194,939)	(1,835,009)
Other property and services		(436,157)	(355,475)	(338,631)
		(73,153,096)	(74,872,810)	(72,560,274)
Discontinued operations		2,857,574	1,330,282	350,646
Non-cash amounts excluded from operating activities	30(a)	7,331,220	12,340,258	9,233,744
Amount attributable to operating activities		(24,059,960)	(31,242,639)	(23,761,385)
INVESTING ACTIVITIES				
Non-operating grants, subsidies and contributions		3,350,314	3,471,678	10,768,089
Proceeds from disposal of assets	11(a)	379,960	685,600	810,353
Proceeds from self-supporting loans	16(b)	4,202	4,200	5,977
Purchase of property, plant and equipment	9(a)	(5,314,695)	(7,817,707)	(11,260,938)
Purchase and construction of infrastructure	10(a)	(6,211,375)	(11,595,559)	(15,077,146)
Amount attributable to investing activities		(7,791,594)	(15,251,788)	(14,753,665)
FINANCING ACTIVITIES				
Repayment of borrowings	16(b)	(4,202)	(4,200)	(5,977)
Transfers to reserves (restricted assets)	4	(4,125,194)	(1,129,892)	(1,641,959)
Transfers from reserves (restricted assets)	4	2,176,628	2,977,052	4,925,026
Amount attributable to financing activities		(1,952,768)	1,842,960	3,277,090
Surplus/(deficit) before imposition of general rates		(33,804,322)	(44,651,467)	(35,237,960)
Total amount raised from general rates	29	46,933,458	46,151,467	45,139,103
Surplus/(deficit) after imposition of general rates	30(b)	13,129,136	1,500,000	9,901,143

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

Notes to and forming part of the Financial Report for the year ended 30 June 2019

1. BASIS OF PREPARATION

The financial report comprises general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and Interpretations of the Australian Accounting Standards Board and the *Local Government Act 1995* and accompanying regulations.

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

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

CRITICAL ACCOUNTING ESTIMATES

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect 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 32 to these financial statements.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

2. REVENUE AND EXPENSES

(a) Revenue

Grant Revenue

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Operating grants, subsidies and contributions			
Governance	4,685	2,860	0
General purpose funding	2,256,460	2,216,344	2,230,189
Law, order, public safety	62,132	55,825	70,880
Health	120,628	56,132	69,631
Education and welfare	16,500	10,000	1,086,430
Community amenities	189,162	64,000	102,364
Recreation and culture	50,599	102,450	203,798
Transport	331,399	74,900	34,358
Economic services	2,640	2,860	39,990
Other property and services	56,908	57,796	73,790
	3,091,113	2,643,167	3,911,430
Non-operating grants, subsidies and contributions			
Law, order, public safety	207,720	268,336	23,241
Health	0	0	70,999
Community amenities	462,763	10,000	607,420
Recreation and culture	394,113	1,683,020	626,224
Transport	2,285,718	1,510,322	8,946,990
Other property and services	0	0	493,215
	3,350,314	3,471,678	10,768,089
Total grants, subsidies and contributions	6,441,427	6,114,845	14,679,519

SIGNIFICANT ACCOUNTING POLICIES

Grants, subsidies and contributions

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

Where contributions recognised as revenues during the reporting period were obtained on the condition that they be expended in a particular manner or used over a particular

period, and those conditions were undischarged as at the reporting date, the nature of and amounts pertaining to those undischarged conditions are disclosed in Note 28. That note also discloses the amount of contributions recognised as revenues in a previous reporting period which were obtained in respect of the local government's operations for the current reporting period.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

2. REVENUE AND EXPENSES (Continued)

(a) Revenue (Continued)	2019 Actual \$	2019 Budget \$	2018 Actual \$
Significant revenue			
Changes in non-current assets revaluation	0	0	6,870,286
Increase in equity joint venture	1,224,899	0	2,387,148
Other revenue			
Reimbursements and recoveries	891,171	112,550	985,404
Other	176,254	206,893	15,739
	1,067,425	319,443	1,001,143
Fees and Charges			
Governance	34,836	77,200	1,303
General purpose funding	154,003	170,000	172,218
Law, order, public safety	304,172	186,399	223,844
Health	228,938	205,970	302,985
Education and welfare	70,327	53,125	146,921
Housing	177,333	0	80,019
Community amenities	12,338,661	12,095,700	12,403,078
Recreation and culture	6,942,918	7,220,222	7,155,802
Transport	528,064	492,100	445,588
Economic services	482,620	487,375	518,070
Other property and services	2,258	50,600	49,663
	21,264,130	21,038,691	21,499,491
There were no changes during the year to the amount of the fees or charges detailed in the original budget.			
Interest earnings			
Reserve accounts interest	1,138,563	1,061,500	1,129,507
Rates instalment and penalty interest (refer Note 29(b))	394,937	337,500	350,176
Other interest earnings	483,810	139,808	301,491
	2,017,310	1,538,808	1,781,174

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

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

2. REVENUE AND EXPENSES (Continued)

(b) Expenses

Significant expense

The significant expense relates to the reduction in the fair value of the Council's infrastructure through profit and loss.

Auditors remuneration

- Audit of the Annual Financial Report

Interest expenses (finance costs)

Long-term borrowings (refer Note 16(b))

Bad & doubtful debts

Rates

General debtors

Depreciation & amortisation

Property, plant and equipment

- Buildings

- Furniture and equipment

- Plant and equipment

Infrastructure

- Roads

- Drainage

- Footpaths

- Park development

- Other infrastructure

Total depreciation and amortisation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
			1,417,257
	80,535	87,500	30,866
	80,535	87,500	30,866
	1,127	1,308	1,282
	1,127	1,308	1,282
	4,349	0	4,034
	5,133	0	2,065
	9,482	0	6,099
	2,666,066	3,004,200	2,652,272
	1,373,476	1,109,900	1,111,690
	783,846	734,459	749,803
	4,823,388	4,848,559	4,513,765
	3,478,964	3,700,000	3,400,883
	330,671	338,000	329,227
	592,962	580,000	585,410
	1,393,586	2,333,000	1,310,176
	466,247	367,000	433,512
	6,262,430	7,318,000	6,059,208
	11,085,818	12,166,559	10,572,973

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

3. CASH AND CASH EQUIVALENTS

	NOTE	2019 \$	2018 \$
Cash at bank and on hand		3,887,534	2,226,680
Term deposits		74,745,301	67,779,924
		78,632,835	70,006,604
Comprises:			
- Unrestricted cash and cash equivalents		34,549,969	28,367,933
- Restricted cash and cash equivalents		44,082,866	41,638,671
		78,632,835	70,006,604
The following restrictions have been imposed by regulations or other externally-imposed requirements:			
Reserve accounts			
Aged Persons Homes - General	4	15,595,609	16,206,268
Aged Persons Homes - Prudential Requirements	4	2,629,367	2,517,203
Bayswater Bowling Club - Capital Improvements	4	10,063	0
Bayswater Tennis Club	4	156,759	152,675
Bayswater Waves Aquatic Centre	4	86,724	84,465
Bore and Reticulation	4	659,389	642,212
Building Furniture and Equipment	4	670,397	652,933
City Buildings and Amenities	4	1,971,399	1,920,044
Civic Centre	4	596,219	580,687
Community Housing	4	0	33,221
Eric Singleton Bird Sanctuary	4	1,192,439	1,161,376
Footpath and Cycleway	4	329,457	320,875
General Waste Management	4	27,678	26,957
Golf Courses	4	1,088,932	1,066,866
Information Technology	4	392,454	307,823
Landfill Restoration	4	458,350	480,587
Les Hansman Centre Development	4	5,043,531	4,912,146
Long Service Leave and Entitlements	4	1,533,988	1,221,897
Major Capital Works	4	3,994,987	2,372,752
Maylands Lakes	4	128,306	0
Maylands Waterland	4	59,622	58,069
Morley City Centre	4	596,219	580,687
Morley Sport and Recreation Centre	4	596,219	580,687
Plant and Works Equipment	4	202,054	196,790
Playground and Parks	4	1,700,231	1,655,940
River Restoration	4	363,202	353,741
Roads and Drainage	4	513,086	499,720
Senior Citizens Buildings	4	357,731	348,412
Strategic Land Acquisition	4	46,073	44,873
Streetscapes	4	705,293	686,920
Sustainable Environment	4	170,282	292,105
The RISE	4	596,219	580,687
Workers Compensation	4	610,549	594,644
		43,082,828	41,134,262
Other restricted cash and cash equivalents			
Unspent grants/contributions	28	1,000,038	504,409
Total restricted cash and cash equivalents		44,082,866	41,638,671

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.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

4. RESERVES - CASH BACKED

	2019 Actual Opening Balance	2019 Actual Transfer to	2019 Actual Transfer (from)	2019 Actual Closing Balance	2019 Budget Opening Balance	2019 Budget Transfer to	2019 Budget Transfer (from)	2019 Budget Closing Balance	2018 Actual Opening Balance	2018 Actual Transfer to	2018 Actual Transfer (from)	2018 Actual Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
(a) Aged Persons Homes - General	16,206,268	677,043	(1,287,702)	15,595,609	17,229,653	240,492	(1,000,000)	16,470,145	17,272,240	464,552	(1,530,524)	16,206,268
(b) Aged Persons Homes - Prudential Requirements	2,517,203	112,164	0	2,629,367	2,551,468	36,690	0	2,588,158	2,485,046	62,475	(30,318)	2,517,203
(c) Bayswater Bowling Club - Capital Improvements	0	10,063	0	10,063	0	0	0	0	0	0	0	0
(d) Bayswater Tennis Club	152,675	4,084	0	156,759	105,113	2,972	0	108,085	149,418	3,888	(631)	152,675
(e) Bayswater Waves Aquatic Centre	84,465	2,259	0	86,724	91,616	2,590	0	94,206	349,430	8,352	(273,317)	84,465
(f) Bore and Reticulation	642,212	17,177	0	659,389	642,008	18,151	0	660,159	625,918	16,294	0	642,212
(g) Building Furniture and Equipment	652,933	17,464	0	670,397	652,725	18,454	0	671,179	636,367	16,566	0	652,933
(h) City Buildings and Amenities	1,920,044	51,355	0	1,971,399	1,920,744	71,266	0	1,992,010	1,996,735	51,630	(128,321)	1,920,044
(i) Civic Centre	580,687	15,532	0	596,219	580,502	16,412	0	596,914	565,954	14,733	0	580,687
(j) Community Housing	33,221	0	(33,221)	0	33,210	0	(33,210)	0	32,378	843	0	33,221
(k) Eric Singleton Bird Sanctuary	1,161,376	31,063	0	1,192,439	1,161,006	32,824	0	1,193,830	1,131,910	29,466	0	1,161,376
(l) Footpath and Cycleway	320,875	8,582	0	329,457	320,773	9,069	0	329,842	312,734	8,141	0	320,875
(m) General Waste Management	26,957	721	0	27,678	26,948	762	0	27,710	26,273	684	0	26,957
(n) Golf Courses	1,066,866	28,494	(6,428)	1,088,932	1,082,420	18,562	(425,856)	675,126	1,086,204	28,147	(47,485)	1,066,866
(o) Information Technology	307,823	108,391	(23,760)	392,454	312,799	8,080	(27,000)	293,879	190,314	117,509	0	307,823
(p) Landfill Restoration	480,587	12,686	(34,923)	458,350	534,039	11,395	(130,975)	414,459	551,927	14,135	(85,475)	480,587
(q) Les Hansman Centre Development	4,912,146	131,385	0	5,043,531	4,910,583	138,829	0	5,049,412	4,787,516	124,630	0	4,912,146
(r) Long Service Leave and Entitlements	1,221,897	312,091	0	1,533,988	1,221,507	34,534	0	1,256,041	1,190,894	31,003	0	1,221,897
(s) Major Capital Works	2,372,752	2,283,690	(661,455)	3,994,987	2,651,316	182,814	(739,001)	2,095,129	3,143,716	258,315	(1,029,279)	2,372,752
(t) Maylands Lakes	0	128,306	0	128,306	0	131,105	0	131,105	0	0	0	0
(u) Maylands Waterland	58,069	1,553	0	59,622	58,051	1,641	0	59,692	56,596	1,473	0	58,069
(v) Morley City Centre	580,687	15,532	0	596,219	580,502	16,412	0	596,914	565,954	14,733	0	580,687
(w) Morley Sport and Recreation Centre	580,687	15,532	0	596,219	580,502	14,574	(65,000)	530,076	565,954	14,733	0	580,687
(x) Plant and Works Equipment	196,790	5,264	0	202,054	196,727	5,562	0	202,289	191,797	4,993	0	196,790
(y) Playground and Parks	1,655,940	44,291	0	1,700,231	1,496,619	42,312	0	1,538,931	1,613,926	42,014	0	1,655,940
(z) River Restoration	353,741	9,461	0	363,202	12,864	364	0	13,228	170,902	194,717	(11,878)	353,741
(aa) Roads and Drainage	499,720	13,366	0	513,086	499,561	14,123	0	513,684	487,041	12,679	0	499,720
(ab) Senior Citizens Buildings	348,412	9,319	0	357,731	348,301	9,847	0	358,148	339,572	8,840	0	348,412
(ac) Strategic Land Acquisition	44,873	1,200	0	46,073	87,022	2,460	0	89,482	1,509,657	35,216	(1,500,000)	44,873
(ad) Streetscapes	686,920	18,373	0	705,293	686,702	13,760	(200,000)	500,462	669,492	17,428	0	686,920
(ae) Sustainable Environment	292,105	7,316	(129,139)	170,282	377,859	618	(356,010)	22,467	565,954	13,949	(287,798)	292,105
(af) The RISE	580,687	15,532	0	596,219	580,502	16,412	0	596,914	565,954	14,733	0	580,687
(ag) Workers Compensation	594,644	15,905	0	610,549	594,454	16,806	0	611,260	579,556	15,088	0	594,644
	41,134,262	4,125,194	(2,176,628)	43,082,828	42,128,096	1,129,892	(2,977,052)	40,280,936	44,417,329	1,641,959	(4,925,026)	41,134,262

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

Notes to and forming part of the Financial Report for the year ended 30 June 2019

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

	Name of Reserve	Anticipated date of use	Purpose of the reserve
(a)	Aged Persons Homes - General	on-going	To restrict funds held for the Independent Living Units and Residential Care Facilities owned and controlled by the City. These funds are managed in accordance with the relevant statutory requirements and policies.
(b)	Aged Persons Homes - Prudential Requirements	on-going	To provide a cash-backed prudential reserve to meet the accommodation obligations for Residential Care Facilities and Independent Living Units.
(c)	Bayswater Bowling Club - Capital Improvements	on-going	To set aside funds for the future development of the Bayswater Bowling Club.
(d)	Bayswater Tennis Club	on-going	To set aside funds for the future development of the Bayswater Tennis Club.
(e)	Bayswater Waves Aquatic Centre	on-going	To fund asset management requirements of the Bayswater Waves Aquatic Centre.
(f)	Bore and Reticulation	on-going	To set aside funds for the installation of new bores and reticulation, and the replacement of old bore and reticulation systems, due to wear and tear.
(g)	Building Furniture and Equipment	on-going	To provide a cash-backed reserve for the purpose of furniture and equipment required in the City's buildings.
(h)	City Buildings and Amenities	on-going	To set aside funds for the purpose of preserving and renewing the City's buildings.
(i)	Civic Centre	on-going	To make provision for the asset management needs of the Civic Centre.
(j)	Community Housing	30/06/2019	To set aside funds for the asset management requirements of Community Housing.
(k)	Eric Singleton Bird Sanctuary	on-going	To set aside funds for the asset management requirements of the Eric Singleton Bird Sanctuary.
(l)	Footpath and Cycleway	on-going	To set aside funds for the asset management requirements of the City's footpath and cycleways infrastructure.
(m)	General Waste Management	on-going	To set aside funds for the future development of waste management.
(n)	Golf Courses	on-going	To set aside funds for the asset management requirements of the City's golf courses.
(o)	Information Technology	on-going	To provide for the maintenance of the City's information technology requirements including general computer replacements.
(p)	Landfill Restoration	on-going	To provide funding for the review and any restoration requirements of the Swan River Foreshore.
(q)	Les Hansman Centre Development	on-going	To set aside funds for the redevelopment of the Les Hansman Community Centre.
(r)	Long Service Leave and Entitlements	on-going	To provide for the payment to employees of Long Service Leave and other approved entitlements.
(s)	Major Capital Works	on-going	To finance the cost of major capital works programs as approved by Council.
(t)	Maylands Lakes	on-going	To fund asset preservation and environmental requirements for Maylands Lakes.
(u)	Maylands Waterland	on-going	To fund asset management requirements of the Maylands Waterland facility.
(v)	Morley City Centre	on-going	To provide funds for the future development of the Morley City Centre.
(w)	Morley Sport and Recreation Centre	on-going	To set aside funds for the asset management requirements of the Morley Sport & Recreation Centre.
(x)	Plant and Works Equipment	on-going	To fund the cost of acquiring plant and equipment needed to provide for the day-to-day operational requirements of the City.
(y)	Playground and Parks	on-going	To set aside funds for the asset management requirements of the City's playground and parks infrastructure.
(z)	River Restoration	on-going	To set aside funds for the restoration of the river.
(aa)	Roads and Drainage	on-going	To set aside funds for the asset management requirements of the City's road and drainage infrastructure.
(ab)	Senior Citizens Buildings	on-going	To set aside funds for the asset management requirements of the City's senior citizens centres.
(ac)	Strategic Land Acquisition	on-going	To provide funds for future land acquisition.
(ad)	Streetscapes	on-going	To provide for the renewal of urban streetscapes.
(ae)	Sustainable Environment	on-going	To provide funding for strategic environmental projects such as foreshore rehabilitation and the Eric Singleton Bird Sanctuary.
(af)	The RISE	on-going	To fund asset management requirements of The RISE.
(ag)	Workers Compensation	on-going	To finance Workers' Compensation costs in excess of premium deposits.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

5. TRADE RECEIVABLES

Current

Rates receivable
Sundry receivables
GST receivable

Non-current

Pensioners' rates and ESL deferred
Other receivables
Deferred lease receivables

	2019	2018
	\$	\$
Rates receivable	1,652,698	1,528,176
Sundry receivables	1,336,378	1,476,580
GST receivable	467,145	483,089
	3,456,221	3,487,845
Pensioners' rates and ESL deferred	708,350	693,364
Other receivables	164,657	114,155
Deferred lease receivables	1,694,969	0
	2,567,976	807,519

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 31.

Classification and subsequent measurement

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

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

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

Notes to and forming part of the Financial Report for the year ended 30 June 2019

6. INVENTORIES

Current
Inventories

2019	2018
\$	\$
141,945	145,962
141,945	145,962

SIGNIFICANT ACCOUNTING POLICIES

General

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

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

7. OTHER ASSETS AND ASSETS CLASSIFIED AS HELD FOR SALE

Other current assets

Prepayments
Accrued revenue

2019	2018
\$	\$
127,289	29,918
1,381,004	1,352,341
1,508,293	1,382,259
34,769,034	0
34,769,034	0

Non-current assets held for sale

Assets held for sale

Assets held for sale are assets which the City is currently working towards divesting from the Aged Persons Home:

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.

Non-current assets held for sale

Assets are classified as held for sale where the carrying amount will be recovered through a sale rather than continuing use and the asset is available for immediate sale with a sale being highly probable.

Non-current assets held for sale (Continued)

Non-current assets classified as held for sale are valued at the lower of the carrying amount and fair value less costs to sell.

The fair value of land and buildings was determined using the sales comparison approach using comparable properties in the area. This is a level 2 measurement as per the fair value hierarchy set out in Note 35(h).

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

8. OTHER FINANCIAL ASSETS

(a) Current assets

Other financial assets at amortised cost	4,484	0
Other loans and receivables	0	4,202
	4,484	4,202

Other financial assets at amortised cost

- Financial assets at amortised cost - self-supporting loans	4,484	0
	4,484	0

Financial assets previously classified as loans and receivables

- Loans receivable - clubs/institutions	0	4,202
	0	4,202

(b) Non-current assets

Other financial assets at amortised cost	11,219	0
Financial assets at fair value through profit and loss	175,171	0
Available for sale financial assets	0	154,668
Other loans and receivables	0	15,703
	186,390	170,371

Other financial assets at amortised cost

- Financial assets at amortised cost - self-supporting loans	11,219	0
	11,219	0

Financial assets at fair value through profit and loss

- <i>Unlisted equity investments</i>		
Units in Local Government House Trust	175,171	0
	175,171	0

The City retains an equity interest with the Western Australian Local Government Association (WALGA) as a consequence of a contribution towards the cost of purchasing Local Government House.

The City currently holds 10 units with an estimated value of \$175,171.

Financial assets previously classified as controlled entities, associated entities and interests in joint ventures

Units in Local Government House Trust	0	154,668
	0	154,668

Financial assets previously classified as loans and receivables

- Loans receivable - clubs/institutions	0	15,703
	0	15,703

During the year, the following gains/(losses) were recognised in profit and loss:

Fair value gains/(losses) on equity investments at fair value through profit and loss are recognised in other gains/(losses) and classified as other property and services	20,503	(24,217)
	20,503	(24,217)

Loans receivable from clubs/institutions have the same terms and conditions as the related borrowing disclosed in Note 16(b) as self-supporting loans.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

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 the object of which is to collect the contractual cashflows; and
- the contractual terms give rise to cashflows 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 31.

Previous accounting policy: available for sale financial assets

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

Previous accounting policy: Loans and receivables

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

Refer to Note 34 for explanations regarding the change in accounting policy and reclassification of available-for-sale financial assets to financial assets at fair value through profit and loss.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

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	Total land and buildings	Furniture and equipment	Plant and equipment	Total property, plant and equipment
	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	323,786,000	10,410,000	334,196,000	181,756,766	515,952,766	4,197,739	6,688,858	526,839,363
Additions	3,513,499	0	3,513,499	4,730,022	8,243,521	1,395,415	1,622,002	11,260,938
(Disposals)	(345,000)	0	(345,000)	(1,450,504)	(1,795,504)	(16,423)	(1,036,401)	(2,848,328)
Depreciation (expense)	0	0	0	(2,652,272)	(2,652,272)	(1,111,690)	(749,803)	(4,513,765)
Transfers	0	0	0	1,669,950	1,669,950	0	0	1,669,950
Carrying amount at 30 June 2018	326,954,499	10,410,000	337,364,499	184,053,962	521,418,461	4,465,041	6,524,656	532,408,158
Comprises:								
Gross carrying amount at 30 June 2018	327,299,499	10,410,000	337,709,499	234,335,092	572,044,591	6,834,235	7,830,095	586,708,921
Accumulated depreciation at 30 June 2018	(345,000)	0	(345,000)	(50,281,130)	(50,626,130)	(2,369,194)	(1,305,439)	(54,300,763)
Carrying amount at 30 June 2018	326,954,499	10,410,000	337,364,499	184,053,962	521,418,461	4,465,041	6,524,656	532,408,158
Additions	0	0	0	2,981,153	2,981,153	1,397,548	935,994	5,314,695
(Disposals)	0	0	0	0	0	(275,993)	(488,955)	(764,948)
Revaluation increments / (decrements) transferred to revaluation surplus	(1,255,000)	0	(1,255,000)	0	(1,255,000)	0	163,306	(1,091,694)
Depreciation (expense)	0	0	0	(2,666,066)	(2,666,066)	(1,373,476)	(783,846)	(4,823,388)
Discontinued Operations	0	0	0	(10,344,268)	(10,344,268)	(130,385)	0	(10,474,653)
Transfer to Investment Property	(7,370,000)	0	(7,370,000)	0	(7,370,000)		0	(7,370,000)
Transfer to Assets Held for Sale	(5,140,000)	0	(5,140,000)	(29,237,092)	(34,377,092)	(391,942)	0	(34,769,034)
Carrying amount at 30 June 2019	313,189,499	10,410,000	323,599,499	144,787,689	468,387,188	3,690,793	6,351,155	478,429,136
Comprises:								
Gross carrying amount at 30 June 2019	313,189,499	10,410,000	323,599,499	181,278,520	504,878,019	7,077,025	6,351,155	518,306,199
Accumulated depreciation at 30 June 2019	0	0	0	(36,490,831)	(36,490,831)	(3,386,232)	0	(39,877,063)
Carrying amount at 30 June 2019	313,189,499	10,410,000	323,599,499	144,787,689	468,387,188	3,690,793	6,351,155	478,429,136

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

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	2	Market approach using recent observable data for similar properties	Independent registered valuer	June 2017	Price per metre
Land - vested in and under the control of Council	2	Market approach using recent observable data for similar properties	Independent registered valuer	June 2017	Price per metre
Buildings	2	Market approach using recent observable data for similar properties e.g.residential properties and cost approach using depreciated replacement cost	Independent registered valuer	June 2017	Price per metre (Level 2) Construction cost based on current tender and market rates (Level 2) residual values and critical life assessments (Level 3)
Furniture and equipment	3	Cost approach using depreciated replacement cost	Independent registered valuer	June 2016	Market price per item (Level 2)
Plant and equipment	2	Market approach using recent observable data for similar items and cost approach using depreciated replacement cost	Independent registered valuer	June 2019	Market price per item Make, size, year of manufacture and condition.

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the bases 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.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

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 - drainage	Infrastructure - footpaths	infrastructure - park development	Infrastructure - other	Total Infrastructure
	\$	\$	\$	\$	\$	\$
Balance at 1 July 2017	97,408,590	39,541,079	27,822,730	18,333,698	3,427,349	186,533,446
Additions	7,852,550	2,004,232	1,922,036	3,119,467	178,861	15,077,146
Revaluation increments / (decrements) transferred to revaluation surplus	7,145,283	(408,100)	279,225	0	799,364	7,815,772
Revaluation (loss) / reversals transferred to profit or loss	0	0	0	(1,822,736)	0	(1,822,736)
Depreciation (expense)	(3,400,883)	(329,227)	(585,410)	(1,310,176)	(433,512)	(6,059,208)
Transfers	0	0	0	(1,669,957)	0	(1,669,957)
Carrying amount at 30 June 2018	109,005,540	40,807,984	29,438,581	16,650,296	3,972,062	199,874,463
Comprises:						
Gross carrying amount at 30 June 2018	190,722,685	54,164,700	39,987,341	47,639,997	8,108,730	340,623,453
Accumulated depreciation at 30 June 2018	(81,717,145)	(13,356,716)	(10,548,760)	(30,989,701)	(4,136,668)	(140,748,990)
Carrying amount at 30 June 2018	109,005,540	40,807,984	29,438,581	16,650,296	3,972,062	199,874,463
Additions	2,836,609	351,796	725,983	1,953,473	343,514	6,211,375
Depreciation (expense)	(3,478,964)	(330,671)	(592,962)	(1,393,587)	(466,246)	(6,262,430)
Carrying amount at 30 June 2019	108,363,185	40,829,109	29,571,602	17,210,182	3,849,330	199,823,408
Comprises:						
Gross carrying amount at 30 June 2019	193,559,294	54,516,496	40,713,324	49,593,469	8,452,245	346,834,828
Accumulated depreciation at 30 June 2019	(85,196,109)	(13,687,387)	(11,141,722)	(32,383,287)	(4,602,915)	(147,011,420)
Carrying amount at 30 June 2019	108,363,185	40,829,109	29,571,602	17,210,182	3,849,330	199,823,408

Notes to and forming part of the Financial Report for the year ended 30 June 2019

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 cost based on current tender and market rates (Level 2), residual values and critical life assessments (Level 3)
Infrastructure - drainage	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction cost based on current tender and market rates (Level 2), residual values and critical life assessments (Level 3)
Infrastructure - footpaths	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction cost based on current tender and market rates (Level 2), residual values and critical life assessments (Level 3)
infrastructure - park development	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction cost based on current tender and market rates (Level 2), residual values and critical life assessments (Level 3)
Infrastructure - other	3	Cost approach using depreciated replacement cost	Management valuation	June 2018	Construction cost based on current tender and market rates (Level 2), residual values and critical life assessments (Level 3)

Level 3 inputs are based on assumptions with regards to future values and patterns of consumption utilising current information. If the bases 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.

The "Critical Life" is the lowest calculated value of longevity in years between "Condition Assessed Life" and "Design Assessed Life". The Condition Assessed Life is conditioned based measure (Rating scale of 1 to 10) of economic life in number of years remaining before intervention is required and the Design Assessed Life is designed base measure of economic life in number of years remaining before intervention is required. (i.e. Design Life - Construction Date (Age)).

Notes to and forming part of the Financial Report for the year ended 30 June 2019

11. PROPERTY, PLANT AND EQUIPMENT (INCLUDING INFRASTRUCTURE)

SIGNIFICANT ACCOUNTING POLICIES

Fixed assets

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

Initial recognition and measurement between mandatory revaluation dates

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

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

Individual assets acquired between initial recognition and the next revaluation of the asset class in accordance with the mandatory measurement framework, are recognised at cost and disclosed as being at fair value as management believes cost approximates fair value. They are subject to subsequent revaluation at the next anniversary date in accordance with the mandatory measurement framework.

Revaluation

The fair value of fixed assets is determined at least every three years and no more than five years in accordance with the regulatory framework. At the end of each period the valuation is reviewed and, where appropriate, the fair value is updated to reflect current market conditions. This process is considered to be in accordance with *Local Government (Financial Management) Regulation 17A (2)* which requires property, plant and equipment to be shown at fair value.

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

AUSTRALIAN ACCOUNTING STANDARDS - INCONSISTENCY

Land under control

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

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

Land under roads

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

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

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

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

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

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

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

(a) Disposal of Assets

	2019 Actual Net Book Value	2019 Actual Sale Proceeds	2019 Actual Profit	2019 Actual Loss	2019 Budget Net Book Value	2019 Budget Sale Proceeds	2019 Budget Profit	2019 Budget Loss	2018 Actual Net Book Value	2018 Actual Sale Proceeds	2018 Actual Profit	2018 Actual Loss
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	0	0	0	0	0	0	0	0	345,000	201,045	0	(143,955)
Buildings	0	0	0	0	0	0	0	0	1,450,504	0	0	(1,450,504)
Furniture and equipment	275,993	10,000	6,306	(272,299)	0	0	0	0	16,423	3,530	0	(12,893)
Plant and equipment	488,955	369,960	13,358	(132,353)	1,102,797	685,600	18,669	(435,866)	1,036,401	605,778	0	(430,623)
	764,948	379,960	19,664	(404,652)	1,102,797	685,600	18,669	(435,866)	2,848,328	810,353	0	(2,037,975)

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

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

(b) Depreciation

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Buildings	2,666,066	3,004,200	2,652,272
Furniture and equipment	1,373,476	1,109,900	1,111,690
Plant and equipment	783,846	734,459	749,803
Infrastructure - roads	3,478,964	3,700,000	3,400,883
Infrastructure - drainage	330,671	338,000	329,227
Infrastructure - footpaths	592,962	580,000	585,410
infrastructure - park development	1,393,587	2,333,000	1,310,176
Infrastructure - other	466,246	367,000	433,512
	11,085,818	12,166,559	10,572,973

SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land and vested land, is determined 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	Asset Class	Useful life
Roads and Footpaths		Park Development	
Road seal	15 to 30 years	Play Equipment	10 to 15 years
Pavement	99 years	Sporting Structures	5 to 50 years
Kerbing	75 years	Irrigation	10 to 25 years
Footpaths	30 to 75 years	Other Park Structures	15 to 50 years
Drainage	30 to 200 years	Buildings	10 to 75 years
Other Infrastructure		Furniture and Equipment	3 to 10 years
Bus Shelters	35 to 40 years	Plant and Equipment	5 to 15 years
Lighting	20 to 30 years		
Park and Street Furniture	10 to 50 years		
Signage	4 to 30 years		
Fencing	10 to 99 years		

Depreciation (Continued)

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

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

(b) Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

12. REVALUATION SURPLUS

	2019 Opening Balance	2019 Revaluation Increment	2019 Revaluation (Decrement)	2019 Disposal write-back	Total Movement on Revaluation	2019 Closing Balance	2018 Opening Balance	2018 Revaluation Increment	2018 Disposal write-back	Total Movement on Revaluation	2018 Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Land - freehold land	319,650,217	0	(1,255,000)	0	(1,255,000)	318,395,217	319,995,217	0	(345,000)	(345,000)	319,650,217
Buildings	116,701,466	0	0	(16,206,554)	(16,206,554)	100,494,912	118,887,727	0	(2,186,261)	(2,186,261)	116,701,466
Furniture and equipment	1,379,852	0	0	(24,584)	(24,584)	1,355,268	1,391,443	0	(11,591)	(11,591)	1,379,852
Plant and equipment	47,670	163,306	0	(46,068)	117,238	164,908	75,363	0	(27,693)	(27,693)	47,670
Infrastructure - roads	50,626,820	0	0	0	0	50,626,820	43,481,537	7,145,283	0	7,145,283	50,626,820
Infrastructure - drainage	15,432,101	0	0	0	0	15,432,101	15,840,201	0	(408,100)	(408,100)	15,432,101
Infrastructure - footpaths	17,731,077	0	0	0	0	17,731,077	17,451,852	279,225	0	279,225	17,731,077
Infrastructure - other infrastructure	4,431,811	0	0	0	0	4,431,811	3,632,447	799,364	0	799,364	4,431,811
Eastern Metropolitan Regional Council	7,925,547	0	(253,590)	0	(253,590)	7,671,957	7,925,547	0	0	0	7,925,547
	533,926,561	163,306	(1,508,590)	(16,277,206)	(17,622,490)	516,304,071	528,681,334	8,223,872	(2,978,645)	5,245,227	533,926,561

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 Property Plant and Equipment Aus 40.1.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

13. INVESTMENT PROPERTIES

Non-current assets - at fair value

Re-classified as investment properties

Closing balance at 30 June

2019 Actual	2019 Budget	2018 Actual
\$	\$	\$
7,370,000	0	0
7,370,000	0	0

SIGNIFICANT ACCOUNTING POLICIES

Investment properties

Investment properties are principally freehold buildings, held for long-term rental yields and not occupied by the City. They are carried at fair value. Changes in the fair values are presented in profit or loss as a part of other revenue.

Fair value of investment properties

A management valuation was performed to determine the fair value of investment properties. The main Level 3 inputs used in the valuation were discount rates, terminal yields, expected vacancy rates and rental growth rates estimated by management based on comparable transactions and industry data.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

14. TRADE AND OTHER PAYABLES

	2019	2018
	\$	\$
Current		
Trade Creditors	4,521,780	6,912,921
Refundable contributions	0	23,897,370
Prepaid revenue	2,597,407	1,296,962
	7,119,187	32,107,253
Non-current		
Sundry creditors	0	100
	0	100

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.

15. HELD FOR SALE LIABILITIES

	2019	2018
	\$	\$
Current		
Trade Creditors	107,578	0
Refundable Contributions	23,273,503	0
	23,381,081	0

Refer to note 39 - Discontinued Operations

Notes to and forming part of the Financial Report for the year ended 30 June 2019

16. INFORMATION ON BORROWINGS

(a) Borrowings

	2019	2018
	\$	\$
Current	4,484	4,202
Non-current	11,219	15,703
	15,703	19,905

(b) Repayments - Borrowings

Particulars	Loan Number	Institution	Interest Rate	Actual Principal	30 June 2019 Actual Principal	30 June 2019 Actual Interest	30 June 2019 Actual Principal	Budget Principal	30 June 2019 Budget Principal	30 June 2019 Budget Interest	30 June 2019 Budget Principal	Actual Principal	30 June 2018 Actual Principal	30 June 2018 Actual Interest	30 June 2018 Actual Principal
				1 July 2018	Repayments	Repayments	Outstanding	1 July 2018	Repayments	Repayments	Outstanding	1 July 2017	Repayments	Repayments	Outstanding
				\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Self-supporting Loans															
Recreation and culture															
Football West	214	WATC*	6.45%	19,905	4,202	1,127	15,703	19,905	4,200	1,308	15,705	23,842	3,937	1,244	19,905
Morley/Noranda Recreation Club Inc	222	WATC*	7.15%	0	0	0	0	0	0	0	0	2,040	2,040	38	0
				19,905	4,202	1,127	15,703	19,905	4,200	1,308	15,705	25,882	5,977	1,282	19,905
				19,905	4,202	1,127	15,703	19,905	4,200	1,308	15,705	25,882	5,977	1,282	19,905

All loans are self-supporting and financed by payments from third parties. These are shown in Note 8 as other financial assets at amortised cost.

* WA Treasury Corporation

Notes to and forming part of the Financial Report for the year ended 30 June 2019

16. INFORMATION ON BORROWINGS (Continued)

The City did not undertake any new borrowing for the year ended 30 June 2019.
The City has no unspent loan funds for the year ended 30 June 2019.

	2019	2018
	\$	\$
(c) Undrawn Borrowing Facilities		
Credit Standby Arrangements		
Credit card limit	30,000	50,000
Credit card balance at balance date	14,033	12,720
Total amount of credit unused	44,033	62,720
Loan facilities		
Loan facilities - current	4,484	4,202
Loan facilities - non-current	11,219	15,703
Total facilities in use at balance date	15,703	19,905

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 31.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

17. EMPLOYEE RELATED PROVISIONS

Employee Related Provisions	Provision for Annual Leave \$	Provision for Sick Leave \$	Provision for Long Service Leave \$	Total \$
Opening balance at 1 July 2018				
Current provisions	2,589,007	0	2,490,673	5,079,680
Non-current provisions	0	0	494,365	494,365
	2,589,007	0	2,985,038	5,574,045
Additional provision	(2,344,131)	775,045	(144,030)	(1,713,116)
Amounts used	2,343,104	0	555,808	2,898,912
Increase in the discounted amount arising because of time and the effect of any change in the discounted rate	(17,408)	0	(100,311)	(117,719)
Balance at 30 June 2019	2,570,572	775,045	3,296,505	6,642,122
Comprises				
Current	2,570,572	775,045	2,943,143	6,288,760
Non-current	0	0	353,362	353,362
	2,570,572	775,045	3,296,505	6,642,122

	2019 \$	2018 \$
Amounts are expected to be settled on the following basis:		
Less than 12 months after the reporting date	3,458,818	5,079,680
More than 12 months from reporting date	3,084,737	494,365
Expected reimbursements from other WA local governments	98,567	0
	6,642,122	5,574,045

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

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.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

18. OTHER FINANCIAL LIABILITIES

	2019	2018
	\$	\$
Deferred lease liability	3,243,501	0
	3,243,501	0

Refer to note 26 - Major Land Transactions

Notes to and forming part of the Financial Report for the year ended 30 June 2019

19. NOTES TO THE STATEMENT OF CASH FLOWS

Reconciliation of Cash

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

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Cash and cash equivalents	78,632,835	65,280,936	70,006,604
Reconciliation of Net Cash Provided By Operating Activities to Net Result			
Net result	(1,483,204)	586,295	11,661,881
Non-cash flows in net result:			
Adjustments to fair value of financial assets	(20,503)	0	24,217
Adjustments to fair value of fixed assets through profit or loss	0	0	1,822,736
Depreciation	11,085,818	12,166,559	10,572,973
(Profit)/loss on sale of asset	384,988	417,197	2,037,975
Share of profits of associates and joint ventures	(1,523,054)	0	(2,411,365)
Discontinued Operations	10,474,653	1,053,100	857,095
Changes in assets and liabilities:			
(Increase)/decrease in receivables	(1,728,833)	(360,000)	(618,095)
(Increase)/decrease in other assets	(126,034)	0	80,608
(Increase)/decrease in inventories	4,017	0	(47,191)
Increase/(decrease) in payables	(1,607,085)	1,078,226	2,047,043
Increase/(decrease) in provisions	4,311,578	0	271,031
Grants contributions for the development of assets	(3,350,314)	(3,471,678)	(10,768,089)
Net cash from operating activities	16,422,027	11,469,699	15,530,819

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

20. TOTAL ASSETS CLASSIFIED BY FUNCTION AND ACTIVITY

	2019	2018
	\$	\$
Governance	1,520,162	1,309,297
General purpose funding	2,606,103	0
Law, order, public safety	3,299,017	3,198,536
Health	967,976	1,063,165
Education and welfare	10,862,138	50,257,803
Housing	65,498,083	355,606
Community amenities	381,698,339	340,437,206
Recreation and culture	147,708,208	142,348,370
Transport	138,042,821	185,970,886
Economic services	409,113	372,105
Other property and services	43,479,686	6,969,647
Unallocated	47,163,606	111,100,828
	843,255,252	843,383,449

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

21. CONTINGENT LIABILITIES

There were no contingent liabilities as at 30 June 2019.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

22. CAPITAL AND LEASING COMMITMENTS

(a) Capital Expenditure Commitments

Contracted for:

- capital expenditure projects

Payable:

- not later than one year

2019	2018
\$	\$
2,510,119	4,276,247
2,510,119	4,276,247
2,510,119	4,276,247

(b) Operating Lease Commitments

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

Payable:

- not later than one year

- later than one year but not later than five years

2019	2018
\$	\$
46,082	116,273
7,086	116,777
53,168	233,050

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 and 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.

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

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the lease term.

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

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

23. RELATED PARTY TRANSACTIONS

Elected Members Remuneration

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

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Meeting fees	353,894	360,686	284,742
Mayor's allowance	88,864	88,864	99,102
Deputy Mayor's allowance	22,216	22,216	26,387
Telecommunications allowance	37,264	37,400	29,177
	502,238	509,166	439,408

Key Management Personnel (KMP) Compensation Disclosure

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

	2019 Actual	2018 Actual
	\$	\$
Short-term employee benefits	919,663	1,048,285
Post-employment benefits	98,563	117,180
Other long-term benefits	20,942	24,741
Termination benefits	68,065	0
	1,107,233	1,190,206

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.

Termination benefits

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

Notes to and forming part of the Financial Report for the year ended 30 June 2019

24. JOINT ARRANGEMENTS

The City has joint venture arrangements with:

(a) City of Swan

The City shares the operation cost with the City of Swan on a 50/50 basis for maintenance of Altone Park.

The City contributed \$137,252 toward the operational costs for 2018/19

It is anticipated the Altone Park joint arrangement between the Cities of Bayswater and Swan will be dissolved in 2019/20. No contribution are expected to be paid in 2019/20.

SIGNIFICANT ACCOUNTING POLICIES

Interests in joint arrangements

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

Separate joint arrangements providing joint ventures with an interest to net assets are classified as a joint venture and accounted for using the equity method. 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.

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

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

25. INVESTMENT IN ASSOCIATES

The City has a share in Eastern Metropolitan Regional Council (EMRC).

The EMRC, comprises of six member councils, is primarily concerned with refuse removal and provision of safety services.

The principal place of business:

226 Great Eastern Highway, Belmont WA 6104

	2019 Share	2018 Share
Total Equity share in EMRC (Estimated)	%	%
City of Bayswater	18.60	18.86

	2019	2018
Investments accounted for using the equity method	\$	\$
Current Assets	20,035,244	18,767,058
Non-Current Assets	18,500,776	17,475,093
	38,536,021	36,242,152
Current Liabilities	1,334,715	957,190
Non-Current Liabilities	835,776	664,746
	2,170,491	1,621,936
	36,365,530	35,096,066

Share of profit or loss of associates and joint ventures accounted for using the equity method

Total Comprehensive Income	1,533,033	2,460,611
Write-back on disposals	(9,979)	(49,245)
	1,523,054	2,411,366

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.

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.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

26. MAJOR LAND TRANSACTIONS

(a) Details

Mertome Village is an Independent Living Unit (ILU) site in Bayswater which operates in accordance with the *Retirement Villages Act 1999* and subordinate legislations. Mertome Village, at the time of the disposition via long-term lease, was managed by Uniting Church Homes (Juniper) under a Management Agreement between the City of Bayswater and Juniper.

At the Council Meeting on 2 August 2016 Council supported the disposal of Land (via long-term lease arrangement) and subsequently advertised a Business Plan in December 2016.

On 1 April 2019, Hall & Prior (Fresh Fields Management (Mertome Village) Pty Ltd) entered into a long-term lease with a maximum term of 99 years with the City and acquired the business and assets associated with Mertome Village.

(b) Current year transactions

	2019 Actual	2019 Budget	2018 Actual
	\$	\$	\$
Fees and Charges			
Lease Income	85,368	0	0

(c) Expected future cash flows

Cash flows are expected until year 15 of the lease to the end of the lease term.

(d) Assets and liabilities

	2019	2018
	\$	\$
Trade Receivables		
Deferred lease asset - non-current	1,694,969	0
	1,694,969	0
Other financial liabilities		
Deferred lease liability - non-current	3,243,501	0
	3,243,501	0

27. TRADING UNDERTAKINGS AND MAJOR TRADING UNDERTAKINGS

There was no trading undertaking conducted during the financial year ended 30 June 2019.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

28. CONDITIONS OVER GRANTS/CONTRIBUTIONS

Grant/Contribution	Opening Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance ⁽¹⁾	Received ⁽²⁾	Expended ⁽³⁾	Closing Balance
	1/07/17	2017/18	2017/18	30/06/18	2018/19	2018/19	30/06/19
	\$	\$	\$	\$	\$	\$	\$
General purpose funding							
Grant/Contribution/Subsidy - Various	97,438	0	(4,496)	92,942	0	0	92,942
Law, order, public safety							
Safer Communities Grant	120,000	12,321	(132,321)	0	0	0	0
Safer Communities Grant - Riverside Car Park	0	0	0	0	189,715	(11,712)	178,003
Community amenities							
Department of Biodiversity Conservation and Attractions - Eric Singleton Bird Sanctuary	5,114	0	0	5,114	0	0	5,114
Department of Biodiversity Conservation and Attractions - Clarkson Reserve	166,750	0	0	166,750	0	0	166,750
Department of Biodiversity Conservation and Attractions - Catchment Management	0	34,000	0	34,000	68,000	(68,000)	34,000
Main Roads Western Australia - Lightning Swamp Rehabilitation	0	80,000	0	80,000	0	(21,698)	58,302
Department of Biodiversity Conservation and Attractions - Bardon Park Environmental Restoration Works.	0	19,545	0	19,545	0	(19,545)	0
Department of Industry Innovation and Science - Landscaping of Bardon Park	0	9,775	(2,767)	7,008	0	(7,008)	0
Department of Biodiversity Conservation and Attractions - Claughton Reserve Rivercare Program	0	7,875	0	7,875	0	(7,875)	0
Department of Health - East Swan River CLAG Contribution	0	70,999	(33,662)	37,337	23,632	(28,781)	32,188
Department of Biodiversity Conservation and Attractions - Russell Street Park	0	53,838	0	53,838	0	(53,838)	0
Water Corporation - Water Wise Verge Incentive Scheme	0	0	0	0	5,000	0	5,000
Water Corporation - Living Stream Project Contribution	0	0	0	0	20,000	0	20,000
Water Corporation - Peters Place Living Stream	0	0	0	0	270,000	(47,406)	222,594
Department of Local Government, Sport, and Cultural Industries - Maylands Town Centre Toilet Block	0	0	0	0	140,000	0	140,000
Recreation and culture							
Department Prime Minister and Cabinet - Naidoc Week	0	0	0	0	1,000	0	1,000
Transport							
Main Roads Western Australia - Wellington Road/Walter Road Intersection Upgrade	0	0	0	0	45,000	(9,355)	35,645
Right-of-Way widening - Milne Street	0	0	0	0	8,500	0	8,500
Total	389,302	288,353	(173,246)	504,409	770,847	(275,218)	1,000,038

Notes:

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

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

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

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

29. RATING INFORMATION

(a) Rates

RATE TYPE	Rate in \$	Number of Properties	2018/19 Actual Rateable Value \$	2018/19 Actual Rate Revenue \$	2018/19 Actual Interim Rates \$	2018/19 Actual Total Revenue \$	2018/19 Budget Rate Revenue \$	2018/19 Budget Total Revenue \$	2017/18 Actual Total Revenue \$
General rate									
Gross rental valuations									
General GRV	0.0621	26,762	674,196,891	41,045,513	667,229	41,712,742	41,867,627	41,867,627	40,874,653
Sub-Total		26,762	674,196,891	41,045,513	667,229	41,712,742	41,867,627	41,867,627	40,874,653
Minimum payment									
Minimum \$									
Gross rental valuations									
General GRV	880	4,868	60,671,286	4,283,840	0	4,283,840	4,283,840	4,283,840	4,264,450
Sub-Total		4,868	60,671,286	4,283,840	0	4,283,840	4,283,840	4,283,840	4,264,450
Total amount raised from general rate		31,630	734,868,177	45,329,353	667,229	45,996,582	46,151,467	46,151,467	45,139,103
						45,996,582	46,151,467	46,151,467	45,139,103
Rates paid in advance						936,876	0	0	0
Totals						46,933,458	46,151,467	46,151,467	45,139,103

SIGNIFICANT ACCOUNTING POLICIES

Rates

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

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

29. RATING INFORMATION (Continued)

(b) Interest Charges & Instalments

Instalment Options	Date Due	Instalment Plan Admin Charge \$	Instalment Plan Interest Rate %	Unpaid Rates Interest Rate %
Option One				
Single full payment	17-Aug-18	0	0.00%	9.00%
Option Two				
First instalment	17-Aug-18	0	0.00%	9.00%
Second instalment	19-Oct-18	5	5.50%	9.00%
Option Three				
First instalment	17-Aug-18	0	0.00%	9.00%
Second instalment	19-Oct-18	5	5.50%	9.00%
Third instalment	21-Dec-18	5	5.50%	9.00%
Fourth instalment	22-Feb-19	5	5.50%	9.00%

	2019 Actual \$	2019 Budget \$	2018 Actual \$
Interest on unpaid rates	206,243	165,500	181,284
Interest on instalment plan	188,694	172,000	168,892
Charges on instalment plan	125,882	140,000	137,382
	520,819	477,500	487,558

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

30. RATE SETTING STATEMENT INFORMATION

		2018/19 (30 June 2019 Carried Forward)	2018/19 Budget (30 June 2019 Carried Forward)	2018/19 (1 July 2018 Brought Forward)
	Note	\$	\$	\$
(a) Non-cash amounts excluded from operating activities				
The following non-cash revenue or expenditure has been excluded from amounts attributable to operating activities within the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> .				
Adjustments to operating activities				
Less: Profit on asset disposals	11(a)	(19,664)	(18,669)	(63,763)
Less: Movement in liabilities associated with restricted cash		(3,937,970)	0	(1,014,480)
Less: Fair value adjustments to financial assets at amortised cost		(11,219)	0	0
Less: Share of profit or loss of associates and joint ventures accounted for using the equity method	25	(1,523,054)	0	(2,411,366)
Movement in other assets (non-current)		(1,765,257)	0	(15,084)
Movement in employee benefit provisions (non-current)		(141,003)	(243,498)	63,726
Movement in liabilities (non-current)		3,238,917	0	0
Add: Loss on disposal of assets	11(a)	404,652	435,866	2,101,738
Add: Depreciation on assets	11(b)	11,085,818	12,166,559	10,572,973
Non cash amounts excluded from operating activities		7,331,220	12,340,258	9,233,744
(b) Surplus/(deficit) after imposition of general rates				
The following current assets and liabilities have been excluded from the net current assets used in the Rate Setting Statement in accordance with <i>Financial Management Regulation 32</i> to agree to the surplus/(deficit) after imposition of general rates.				
Adjustments to net current assets				
Less: Reserves - restricted cash	3	(43,082,828)	(40,280,936)	(41,134,262)
Less: - Financial assets at amortised cost - self-supporting loans	8(a)	(4,484)	0	(4,202)
Less: Cash-backed employee provisions		1,533,988	0	1,221,896
Less: Aged Persons Homes - restricted		7,727,710	14,500,000	11,977,772
Add: Borrowings	16(a)	4,484	0	4,202
Total adjustments to net current assets		(33,821,130)	(25,780,936)	(27,934,594)
Net current assets used in the Rate Setting Statement				
Total current assets		83,743,778	69,070,936	75,026,872
Less: Total current liabilities		(36,793,512)	(41,790,000)	(37,191,135)
Less: Total adjustments to net current assets		(33,821,130)	(25,780,936)	(27,934,594)
Net current assets used in the Rate Setting Statement		13,129,136	1,500,000	9,901,143

Notes to and forming part of the Financial Report for the year ended 30 June 2019

31. 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	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 branch under policies approved by the Council. The finance branch identifies, evaluates and manages financial risks in close co-operation with the operating divisions. Council has approved the overall risk management policy and provides 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 or held as cash. 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	Cash
	%	\$	\$	\$	\$
2019					
Cash and cash equivalents		4,097,563	0	4,084,173	13,390
Financial assets at amortised cost - term deposits	2.67%	74,745,301	2,345,103	0	0
2018					
Cash and cash equivalents		2,226,680	0	26,291	12,700
Financial assets at amortised cost	2.49%	67,779,924	2,116,252	0	0

Sensitivity

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

	2019	2018
	\$	\$
Impact of a 1% movement in interest rates on profit and loss and equity*	40,976	25,571

* 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 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 16(b).

Notes to and forming part of the Financial Report for the year ended 30 June 2019

31. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk

Trade Receivables

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

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

The level of outstanding receivables for rates and sundry debtors is reported to Council monthly.

The City applies the AASB 9 Financial Instruments 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 loss allowance as at 30 June 2019 and 1 July 2019 (on adoption of AASB 9) was deemed insignificant, therefore no loss allowance was recognised. No expected credit loss was forecast on 1 July 2018 or 30 June 2019 for rates receivable as penalty interest applies to unpaid rates, and properties associated with unpaid rates may be disposed of to recover unpaid rates.

	Current	More than 1 year past due date	More than 2 years past due date	More than 3 years past due date	Total
	\$	\$	\$	\$	\$
Rates Receivable - not subject to impairment					
1 July 2018	1,054,385	307,933	114,419	51,439	1,528,176
30 June 2019	1,139,499	333,545	123,936	55,718	1,652,698

	Current	More than 30 days past due date	More than 60 days past due date	More than 90 days past due date	Total
	\$	\$	\$	\$	\$
Sundry Receivables					
1 July 2018	1,026,346	107,262	28,201	314,771	1,476,580
30 June 2019	954,188	62,209	15,629	304,352	1,336,378

Notes to and forming part of the Financial Report for the year ended 30 June 2019

31. FINANCIAL RISK MANAGEMENT (Continued)

(c) Liquidity risk

Payables and borrowings

Payables and borrowings are both subject to liquidity risk – that is the risk that insufficient funds may be on hand to meet payment obligations as and when they fall due. The City manages this risk by monitoring its cash flow requirements and liquidity levels, and maintaining an adequate cash buffer.

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

	Due within 1 year	Due between 1 & 5 years	Due after 5 years	Total contractual cash flows	Carrying values
	\$	\$	\$	\$	\$
2019					
Payables	30,500,268	0	0	30,500,268	30,500,268
Borrowings	5,389	12,144	0	17,533	15,703
	30,505,657	12,144	0	30,517,801	30,515,971
2018					
Payables	32,107,353	0	0	32,107,353	32,107,253
Borrowings	5,385	17,534	0	22,919	19,905
	32,112,738	17,534	0	32,130,272	32,127,158

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

32. 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 2018	Amounts Received	Amounts Paid	30 June 2019
	\$	\$	\$	\$
Building Service Levy	75,928	262,137	(273,154)	64,911
Cash in Lieu - Art	48,000	60,264	0	108,264
Cash in Lieu - Car Parking	365,888	12,029	(900)	377,017
Cash in Lieu - Public Open Space	3,379,219	362,057	(6,710)	3,734,566
Construction Training Fund	2,153	268,546	(270,699)	0
TPS 17	118,708	3,259	0	121,967
Unclaimed money	56,759	10,056	(18,567)	48,248
Trust - Other	9,312	20,146	(26,466)	2,992
Bonds	1,474,429	0	(1,474,429)	0
	5,530,396	998,494	(2,070,925)	4,457,965

SIGNIFICANT ACCOUNTING POLICIES

Trust Funds

During 2018/19, Trust Funds totaling \$1,548,575 was transferred to the Municipal Fund as an asset (Cash and Cash Equivalents) with a corresponding current liability (Trade and Other Payables). These funds represent money owed to developers/hires for bonds.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

33. EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

No events after the reporting date were identified by management that would significantly affect the operations of Council or the results of Council.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

34. INITIAL APPLICATION OF AUSTRALIAN ACCOUNTING STANDARDS

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

Whilst many reflected consequential changes associated with the amendment of existing standards, the only new standard with material application is AASB 9 *Financial Instruments*.

AASB 9 Financial instruments

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

The City applied AASB 9 prospectively, with an initial application date of 1 July 2018. The adoption of AASB 9 has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with AASB 9 Financial Instruments 7.2.15, the City has not restated the comparative information which continues to be reported under AASB 139 Financial Instruments: Recognition and Measurement.

(a) Classification and measurement

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

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

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

- Trade receivables and loans and advances (i.e. Other debtors) classified as loans and receivables as at 30 June 2018 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as financial assets at amortised cost beginning 1 July 2018.
- The City did not designate any financial assets as at fair value through profit and loss.

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

AASB 139 category	AASB 139 value \$	AASB 9 category amortised cost \$	Fair value through OCI \$	Fair value through P/L \$
Loans and receivables				
Trade receivables	3,456,221	3,456,221	0	0
Other financial assets at amortised cost	4,484	4,484	0	0
	3,460,705	3,460,705	0	0

(b) Impairment

The adoption of AASB 9 has changed the City's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the City to recognise an allowance for ECLs for all financial assets not held at fair value through P/L. No expected credit loss was recognised as it was deemed immaterial.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

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

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

This note explains Management's assessment of the new and amended pronouncements that are relevant to the City, the impact of the adoption of AASB 15 *Revenue from Contracts with Customers*, AASB 16 *Leases* and AASB 1058 *Income for Not-for-Profit Entities*. These standards are applicable to future reporting periods and have not yet been adopted.

(a) Revenue from Contracts with Customers

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

Note	AASB 118 carrying amount		AASB 15 carrying amount	
	30 June 2019	Reclassification	1 July 2019	
	\$	\$	\$	
Contract liabilities - current				
Unspent grants, contributions and reimbursements		0	(1,000,038)	(1,000,038)
Adjustment to retained surplus from adoption of AASB 15	35(d)	0	(1,000,038)	(1,000,038)

(b) Leases

The City has not retrospectively adopted AASB 16 due to materiality.

On adoption of AASB 16, the City will recognise a right-of-use asset in relation to a lease which had previously been classified as an 'operating lease' applying AASB 117. This right-of-use asset is to be measured as if AASB 16 had been applied since its commencement date by the carrying amount but discounted using the lessee's incremental borrowing rate as on 1 July 2019. Property, plant and equipment increases by \$20,000 on 1 July 2019 resulting in no impact on retained earnings on 1 July 2019.

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

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

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

Notes to and forming part of the Financial Report for the year ended 30 June 2019

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

(c) Income for Not-For-Profit Entities

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

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

		AASB 1004 carrying amount		AASB 1058 carrying amount
	Note	30 June 2019	Reclassification	01 July 2019
		\$	\$	\$
Trade and other payables		32,107,253	936,876	33,044,129
Adjustment to retained surplus from adoption of AASB 1058	35(d)	(32,107,253)	(936,876)	(33,044,129)

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

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

(d) Impact of changes to Retained Surplus

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

	Note	Adjustments	2019
			\$
Retained surplus - 30 June 2019		0	243,466,759
Adjustment to retained surplus from adoption of AASB 15	35(a)	(1,000,038)	0
Adjustment to retained surplus from adoption of AASB 1058	35(c)	(936,876)	(1,936,914)
Retained surplus - 1 July 2019		(1,936,914)	241,529,845

Notes to and forming part of the Financial Report for the year ended 30 June 2019

35 . 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.

Effective 1 July 2018, management implemented a new chart of accounts and a review of the Program and Nature or Type classification was undertaken. The 2018/19 actual comparative figures have been amended to reflect management's classification of Program and Nature or Type.

The significant changes were:

Program

The Federal Government decision to fund services through the National Disability Insurance Scheme has resulted in these services being provided by specialist private organisations. The City's Home and Community Care Services (HACC) are no longer being funded by the Federal Government. This arrangement has provided our previous HACC clients with services tailored to meet their needs.

Nature and type

Employee Costs now includes items such as FBT and training which was previously classified as Material and Contracts;
Material and Contracts now includes telephone expenses which was previously classified as Utilities;
Insurance Expenses now includes insurance for plant and equipment which was previously classified as Materials and Contracts;
Other Expenses now includes members' expenses which were previously classified as Materials and Contracts.

The 2017/18 actual figures have been amended to reflect changes to the accounts resulting from discontinued operations includes Aged Persons Homes - refer to Note 39.

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.

The 2018/19 budget figures have been amended to reflect changes to the accounts resulting from discontinued operations includes Aged Persons Homes - refer to Note 39.

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.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

35 . OTHER SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 regularity 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.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

36. ACTIVITIES/PROGRAMS

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

Program name

GOVERNANCE

The administration and operation of facilities and services to Elected Members of Council. It includes costs for assisting elected members and ratepayers with matters which do not concern specific council services.

GENERAL PURPOSE FUNDING

Revenue from rates including interim rates, interest and fees on instalment arrangements and interest on arrears. It includes amounts receivable from the Western Australian Local Government Grants Commission, such as Financial Assistance Grants.

LAW, ORDER, PUBLIC SAFETY

Administration and operation of funds received from the Department of Fire and Emergency Services for the Bayswater SES. It covers the cost of providing community safety programs and Ranger Services including animal control, parking, impounding of vehicles, fire prevention, and 24/7 security services.

HEALTH

Administration, inspection and operation of programs concerned with the general health of the community. These services include infant health centres, immunisation programs, food sampling and inspection of food premises, noise and pest control.

EDUCATION AND WELFARE

Funding for welfare services for families, children and the aged. It includes the administration of senior citizens centres, and programs for youth and the aged.

HOUSING

Administration, provision and operation of housing programs for aged persons.

COMMUNITY AMENITIES

General refuse collection, sanitation and disposal services. The management of sewerage and urban stormwater drainage and protection of the environment. It also covers town planning and regional development services.

RECREATION AND CULTURE

Funding for public halls, civic centres and recreation facilities, including Morley Sport and Recreation Centre, Les Hansman Centre, Bayswater Waves, Maylands Waterland and The RISE. It includes the maintenance of recreation facilities, public parks, gardens and reserves, and also funds community programs including the Avon Descent, Art Awards, Multicultural Community Concert and Carols by Candlelight.

TRANSPORT

Construction and maintenance of roads, drainage works, footpaths, parking facilities, and the maintenance of bus shelters, street cleaning and street lighting.

ECONOMIC SERVICES

Providing and regulating services including tourism, area promotion, and building control. It includes place management and support for local economic development.

OTHER PROPERTY AND SERVICES

Administration, inspection, and operation of work carried out on property or services not under the care, control or management of the City. These include private works, public works overheads, plant operation and other unclassified activities.

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

37. FINANCIAL RATIOS

	2019 Actual	Benchmark	2018 Actual	2017 Actual
Current ratio <i>Measures the ability to meet current commitments.</i>	1.13	1.00	0.93	2.04
Asset consumption ratio <i>Extent to which assets have been consumed.</i>	0.78	0.50	0.79	0.67
Asset renewal funding ratio <i>Measures the ability to fund asset renewal as required.</i>	1.25	0.75	0.97	0.99
Asset sustainability ratio <i>Measures the extent to which assets are replaced at the end of their useful lives.</i>	0.68	0.90	1.26	1.10
Debt service cover ratio <i>Measures capacity to meet annual debt commitments.</i>	2,602.84	2.00	1,579.84	1,003.11
Operating surplus ratio <i>Measure of Council's financial performance.</i>	0.04	0.01	0.01	0.01
Own source revenue coverage ratio <i>Ability to cover costs through Council's own revenue.</i>	0.98	0.40	0.96	0.82

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	$\frac{\text{own source operating revenue}}{\text{operating expense}}$

Amounts relating to discontinued operations have been excluded.

The asset sustainability ratio is an indication the capital works program for the year was not completed. If the capital works program was completed, the benchmark most likely would have been met. The 2019/20 budget 1% of rates to be transferred to reserve.

Notes to and forming part of the Financial Report for the year ended 30 June 2019

38. SEGMENT REPORTING

In accordance with the *Aged Care Act 1997* and the Residential Care Subsidy Principles provided under this Act, Council provides the following segment reporting relating to Residential Aged Care in relation to its services conducted at the City of Bayswater Aged Persons Homes.

Current year information for City of Bayswater

	Prudential compliance information	Discontinued Operations Residential aged care 2019	Independent living units 2019	Total 2019	Continued Operations Other segments 2019	Total 2019
	\$	\$	\$	\$	\$	\$
Segment revenues						
Rate		0	0	0	46,933,458	46,933,458
Fees and charges		353,060	319,433	672,493	21,264,130	22,609,116
- Accommodation charges	344,809					
- Bond retentions	8,251					
- Other operating revenue	1,128,817					
Operating grants, subsidiaries & contributions		7,906,361	46,356	7,952,717	3,091,113	18,996,547
Interest earnings		356,442	444,116	800,558	2,017,310	3,618,426
Other revenue		1,128,817	216,782	1,345,599	1,067,425	3,758,623
		9,744,680	1,026,687	10,771,367	74,373,436	95,916,170
Segment expenses						
Employee costs		(340)	(2,968)	(3,308)	(32,491,801)	(32,498,417)
Materials & contracts		(591,512)	(850,434)	(1,441,946)	(24,418,058)	(27,301,950)
Utilities		0	(903)	(903)	(3,428,550)	(3,430,356)
Depreciation & amortisation		(295,960)	(489,108)	(785,068)	(11,085,818)	(12,655,954)
Interest expenses		0	0	0	(1,127)	(1,127)
Insurance		(63,180)	(114,488)	(177,668)	(736,544)	(1,091,880)
Other expenditure		(7,906,361)	(13,608)	(7,919,969)	(586,546)	(16,426,484)
		(8,857,353)	(1,471,509)	(10,328,862)	(72,748,444)	(93,406,168)
Non-operating revenue and expenses						
Non-operating grants, subsidiaries and contributions		0	0	0	3,350,314	3,350,314
Profit on asset disposals		0	0	0	19,664	19,664
(Loss) on asset disposals		(1,490)	(8,058,094)	(8,059,584)	(404,652)	(16,523,820)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	0	20,503	20,503
Share of profit or loss of associates and joint ventures accounted for using the equity method		0	0	0	1,523,054	1,523,054
		(1,490)	(8,058,094)	(8,059,584)	4,508,883	(11,610,285)
Segment result		885,837	(8,502,916)	(7,617,079)	6,133,875	(9,100,283)
Segment assets						
Current assets		15,998,782	17,912,533	33,911,315	49,832,463	83,743,778
Non-current assets		15,231,261	28,162,772	43,394,033	716,117,441	759,511,474
		31,230,043	46,075,305	77,305,348	765,949,904	843,255,252
Segment liabilities						
Current liabilities		13,387,606	9,993,475	23,381,081	13,412,431	36,793,512
- Refundable accommodation bonds	13,393,609					
Non-current liabilities		0	0	0	3,608,082	3,608,082
		13,387,606	9,993,475	23,381,081	17,020,513	40,401,594
Net assets for segment		17,842,437	36,081,830	53,924,267	748,929,391	802,853,658

**Notes to and forming part of the Financial Report
for the year ended 30 June 2019**

38. Segment reporting (continued)

Prior year information for City of Bayswater

	Prudential compliance information	Discontinued Operations Residential aged care 2018	Independent living units 2018	Total 2018	Continued Operations Other segments 2018	Total 2018
	\$	\$	\$	\$	\$	\$
Segment revenues						
Rate		0	0	0	45,139,103	45,139,103
Fees and charges		531,478	304,277	835,755	21,499,491	23,171,001
- Accommodation charges	343,340					
- Bond retentions	24,878					
- Other operating revenue	1,002,885					
Operating grants, subsidies and contributions		7,368,967	48,650	7,417,617	3,911,430	18,746,664
Interest earnings		354,629	438,420	793,049	1,781,174	3,367,272
Other revenue		1,002,886	33,720	1,036,606	1,001,143	3,074,355
		9,257,960	825,067	10,083,027	73,332,341	93,498,395
Segment expenses						
Employee costs		0	0	0	(32,798,816)	(32,798,816)
Materials and contracts		(889,213)	(1,474,201)	(2,363,414)	(21,472,142)	(26,198,970)
Utilities		0	0	0	(3,056,136)	(3,056,136)
Depreciation and amortisation		(266,291)	(590,804)	(857,095)	(10,572,973)	(12,287,163)
Interest expenses		0	0	0	(1,282)	(1,282)
Insurance		0	0	0	(684,197)	(684,197)
Other expenditure		(7,368,968)		(7,368,968)	(1,872,990)	(16,610,926)
		(8,524,472)	(2,065,005)	(10,589,477)	(70,458,536)	(91,637,490)
Non-Operating Revenue						
Non-operating grants, subsidiaries and contributions		0	0	0	10,768,089	10,768,089
Profit on asset disposals		0	0	0	63,763	63,763
(Loss) on asset disposals		0	0	0	(2,101,738)	(2,101,738)
Fair value adjustments to financial assets at fair value through profit or loss		0	0	0	(24,217)	(24,217)
Share of profit or loss of associates and joint ventures accounted for using the equity method		0	0	0	2,411,365	2,411,365
(Loss) on revaluation of infrastructure - park development		0	0	0	(1,822,736)	(1,822,736)
		0	0	0	9,294,526	8,705,897
Segment result		733,488	(1,239,938)	(506,450)	12,168,331	10,566,802
Segment assets						
Current assets		14,325,822	17,870,307	32,196,129	42,830,743	75,026,872
Non-current assets		14,663,440	38,317,615	52,981,055	715,375,522	768,356,577
		28,989,262	56,187,922	85,177,184	758,206,265	843,383,449
Segment liabilities						
Current liabilities		10,879,234	14,571,295	25,450,529	11,740,606	37,191,135
- Refundable accommodation bonds	10,286,403					
Non-current liabilities		0	0	0	510,168	510,168
		10,879,234	14,571,295	25,450,529	12,250,774	37,701,303
Net assets for segment		18,110,028	41,616,627	59,726,655	745,955,491	805,682,146

Notes to and forming part of the Financial Report for the year ended 30 June 2019

39. DISCONTINUED OPERATIONS

At the Council meeting on 2 August 2016, Council resolved to divest from Aged Persons Homes.

Mertome Retirement Village was the first portion of the Aged Person Homes segment to be sold.

The site currently contains 102 independent living units and a 70 bed residential aged care facility. Despite Mertome Village undergoing several refurbishments throughout the years, it has now reached the end of its operating life.

On 1 April 2019, Hall & Prior (Fresh Fields Management (Mertome Village) Pty Ltd) entered into a long-term lease with the City and acquired the business and assets associated with Mertome Village. Hall & Prior operates Mertome Village and the Hostel. In relation to the Mertome Retirement Village, most of the assets and all of the liabilities have been disposed of in these transactions.

Management expects to sell the remaining assets in the coming years.

	2019	2018
	\$	\$
Income Statement		
Operating income	10,771,367	10,083,027
Operating expenditure	(10,328,862)	(10,589,477)
	442,505	(506,450)
 (Loss) on asset disposals	 (8,059,584)	 0
	(7,617,079)	(506,450)

The carrying amount of the assets and liabilities in the disposal group is summarised as follows:

Financial Position*

Assets	34,769,034	53,724,060
Liabilities	23,381,081	25,450,529
	11,387,953	28,273,531

* The net position differs from Note 38 - Segment reporting as the cash and cash equivalents (35.17m) and investment properties (7.37m) will remain with the Council following divestment.

Cash flows generated by the Aged Person Homes disposal group are as follows:

Cash Flows

Net cash inflows from operating activities	2,857,574	350,646
Net cash inflow/(outflows) from discontinued operations	2,857,574	350,646

SIGNIFICANT ACCOUNTING POLICIES

A discontinued operation is a component of the Municipal Fund that has been either disposed of, or is held for sale and;

- (a) represents a separate major line of business or geographical area of operations; and
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Councillors of the City of Bayswater

Report on the Audit of the Financial Report

Opinion

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

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

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

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the City in accordance with the *Auditor General Act 2006* and the relevant ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the annual financial report. I have also fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of Matter – Basis of Accounting

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

Report on Other Legal and Regulatory Requirements

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


- (i) All required information and explanations were obtained by me.
- (ii) All audit procedures were satisfactorily completed.
- (iii) In my opinion, the Asset Consumption Ratio and the Asset Renewal Funding Ratio included in the annual financial report were supported by verifiable information and reasonable assumptions.

Other Matter

The annual financial report of the City for the year ended 30 June 2018 was audited by another auditor who expressed an unmodified opinion on that annual financial report. The financial ratios for 2017 and 2018 in Note 37 of the audited annual financial report were included in the supplementary information and/or audited annual financial report for those years.

Matters Relating to the Electronic Publication of the Audited Financial Report

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



SANDRA LABUSCHAGNE
DEPUTY AUDITOR GENERAL
Delegate of the Auditor General for Western Australia
Perth, Western Australia
27 November 2019

City of
Bayswater

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